



## COOPERATION AGREEMENT

Mr. Gary D. Bateman, and his attorneys, Applied Process Products Overseas, Inc. and its attorneys, and the attorneys for the United States have agreed:

1. Mr. Gary D. Bateman shall provide candid, truthful and complete cooperation to attorneys of the Fraud Section of the Criminal Division, Department of Justice, and to any federal agents assisting such attorneys. As part of this cooperation, Mr. Bateman shall make himself available to be interviewed whenever so requested, and shall truthfully disclose all information with respect to the activities of himself and others concerning all matters about which he is questioned, and further, shall be fully forthcoming with respect to any and all information known to him about the criminal or questionable activities of himself and all others. Mr. Bateman shall truthfully testify before grand juries and at any trials or other legal proceedings. This obligation of truthful disclosure includes an obligation to produce to the attorneys for the Government any and all documents in the possession, custody or control of Mr. Bateman or Applied Process Products Overseas, Inc. relating to any information Mr. Bateman provides.

2. It is expressly understood that the United States enters this agreement based upon proffers from attorneys for Mr. Bateman and his offer to cooperate. If the proffers are inaccurate or untruthful or if Mr. Bateman breaches or fails to perform any obligation delineated in this agreement, this agreement shall be voidable at the discretion of the United States. If this agreement is deemed by the United States to be null and void as a result of any violation of its terms by Mr. Bateman, Mr. Bateman and Applied Process Products Overseas, Inc. shall thereafter be subject to prosecution for any federal criminal violations. Such prosecutions or any other legal proceedings may be derived from or

premised upon any testimony or information obtained from Mr. Bateman or Applied Process Products Overseas, Inc. at any time, and such testimony or information may be used against either of them in such prosecutions or other legal proceedings.

3. Mr. Gary D. Bateman shall waive venue and plead guilty in the United States District Court for the District of Columbia to the five count Misdemeanor Information attached as Exhibit "A", which charges misdemeanor violations of the Currency and Foreign Transactions Reporting Act, 31 U.S.C. §1101, 1058. The United States may file the Misdemeanor Information at any time, in its discretion. At the time of these pleas the United States will provide the Court with a written Offer of Proof. One week before the entry of these pleas, the United States will provide attorneys for Mr. Bateman a copy of the written Offer of Proof. Mr. Bateman expressly waives his right to be sentenced in accordance with the time requirements set forth in Rule 2-7 11(a) of the Rules of the United States District Court for the District of Columbia.

4. Applied Process Products Overseas, Inc. shall waive venue and indictment and plead guilty in the United States District Court for the District of Columbia to the one count Felony Information attached as Exhibit "B", which charges a felony violation of the Foreign Corrupt Practices Act, 15 U.S.C. 78 dd-2(a). The United States will file the Felony Information at the same time as the filing of the Misdemeanor Information referred to in paragraph 3. At the time of this plea the United States will provide the Court with a written Offer of Proof. One week before the entry of this plea, the United States will provide the attorneys for Applied Process Products Overseas, Inc. a copy of the written Offer of Proof. Applied Process Products Overseas, Inc. expressly waives its right to be sentenced in accordance with the time requirements set forth in Rule 2-7 11(a) of the Rules of the United States District Court for the District of Columbia.

5. The sentences to be imposed are within the sole discretion of the Court. The United States cannot and does not make any promise or representation as to what sentence either Mr. Bateman or Applied Process Products Overseas, Inc. will receive, nor will it recommend any sentence to the Court; however, the United States agrees to set forth at the time of sentencing the nature and full extent of the cooperation by Mr. Bateman with the United States in the course of the continuing investigations and related judicial proceedings. The United States expressly reserves the right to correct any factual inaccuracies in the record. In connection with the preparation by the Probation Office of a presentence report for the Court, the United States will file with that office a detailed written statement of all information relevant to sentencing, including not only information favorable to Mr. Bateman or Applied Process Products Overseas, Inc. but also information unfavorable to either of them, and simultaneously provide a copy to attorneys for Mr. Bateman and attorneys for Applied Process Products Overseas, Inc.

6. Mr. Gary D. Bateman will pay a civil penalty pursuant to the provisions of 31 U.S.C. §1103 in the amount of two hundred twenty nine thousand five hundred twelve dollars (\$229,512.00) in full satisfaction of all civil penalty liabilities arising under 31 U.S.C. §1103 in connection with the matters described in paragraph 10, which payment is to be made to the United States Treasury Department within five (5) days of the entry of the guilty pleas described in paragraph 3.

7. Mr. Bateman will make a civil tax payment to the Internal Revenue Service of not less than three hundred thousand dollars (\$300,000.00) towards his outstanding civil tax liability arising from the matters described in paragraph 10 to be paid within ninety (90) days of execution of this agreement. The total amount in excess of \$300,000.00 of such civil tax liability, including any taxes, penalties and interest, as determined by the Internal Revenue Service after audit or by final judgment of a court having jurisdiction, will be paid by Mr. Bateman.

8. Mr. Bateman will pay a civil reimbursement for costs related to his prosecution in the amount of five thousand dollars (\$5,000.00), to be paid to the United States Treasury within five (5) days of the entry of the pleas of guilty described in paragraph 3.

9. At the time of the entry of the pleas of guilty described in paragraphs 3 and 4, Mr. Gary D. Bateman and Applied Process Products Overseas, Inc. shall waive venue and consent in the United States District Court for the District of Columbia to the entry against each of them of a final judgment of permanent injunction pursuant to the provisions of Section 104(c) of the Foreign Corrupt Practices Act of 1977, 15 U.S.C. 78 dd-2(c).

10. If the Court accepts the pleas of guilty described in paragraph 3 and enters final judgment, which is not later vacated, the United States of America agrees that no further criminal charges, except for crimes of violence, will be brought against Mr. Gary D. Bateman for any of his conduct occurring prior to March 17, 1981, which he has expressly disclosed to the United States personally or by means of his proffer arising from:

- (a) his activities with or on behalf of Crawford Enterprises, Inc. its subsidiaries and affiliates, regarding sales to Petroleos Mexicanos;
- (b) his receipt of monies obtained from C.E. Miller Corporation, Baker C.A.C., Inc., Essex, Inc., and certain family members;
- (c) his activities with or on behalf of Applied Process Products, Inc., regarding sales to Petroleos Mexicanos; and,
- (d) his activities in connection with the investigation of Crawford Enterprises, Inc.

11. If the Court accepts the plea of guilty described in paragraph 4 and enters final judgment, which is not later vacated, the United States agrees that no further criminal charges, except for violations arising under Title 26 of the United States Code, will be brought against Applied Process Products Overseas, Inc. for any conduct occurring prior to March 17, 1981 which has been expressly disclosed to the United States by Mr. Bateman personally or by means of his proffer regarding sales to Petroleos Mexicanos.

12. Mr. Bateman and Applied Process Products Overseas, Inc. shall not commit any further crimes whatsoever, and agree that this agreement shall not prevent, prejudice or preclude the right of the United States to proceed in the future with the investigation and/or prosecution of either of them for any criminal violations which may occur after March 17, 1981, whether or not such criminal violations are a continuation of activity begun before March 17, 1981.

13. It is agreed that if the Court, for any reason, rejects any part of this agreement or refuses to accept the pleas of guilty or enter final judgment, Mr. Bateman, Applied Process Products Overseas, Inc. and the United States will be relieved of all obligations under this agreement. It is further agreed that should the Court reject this agreement, refuse to accept the pleas of guilty or enter final judgment, the United States may move to dismiss the Misdemeanor Information (Exhibit A) and the Felony Information (Exhibit B) without prejudice and Mr. Bateman and Applied Process Products Overseas, Inc. will have no objection to such dismissal, nor any objection, on the basis of such dismissal, to the continuation of the grand jury investigations or any resulting prosecutions of either of them, or the use against either of them of any information derived from testimony or other information obtained under this agreement. If either Mr. Bateman or Applied Process Products Overseas, Inc. seeks to withdraw their pleas of guilty or in any way cause a court to reject any provision of this agreement or to refuse to accept the pleas of guilty or enter final judgment, the United States shall be free to use any information or testimony provided under this agreement directly against Mr. Bateman and Applied Process Products Overseas, Inc. in any subsequent legal proceedings.

14. It is expressly understood that nothing herein precludes the United States from investigating and recovering from Mr. Bateman or Applied Process Products Overseas, Inc. all monies due and owing as civil liabilities for taxes, penalties and interest under Title 26 of the United States Code, or, subject to

the provisions of paragraph 6, any other civil liability, whether or not arising out of the same facts and circumstances charged in the Informations or arising out of the matters described in paragraphs 10 and 11.

This cooperation agreement confirms the entire agreement between Mr. Gary D. Bateman, Applied Process Products Overseas, Inc. and the United States concerning their guilty pleas. No other promises, representations or inducements have been made to Mr. Bateman, Applied Process Products Overseas, Inc. or their attorneys with regard to such guilty pleas. No additional promises, agreements or conditions have been entered into other than those set forth in this agreement, and none will be entered into unless in writing and signed by all parties.

Dated 27<sup>th</sup> day of May, 1981.

R.S. Shinn by [Signature]  
RICHARD S. SHINN  
Chief  
Multinational Fraud Branch

[Signature]  
GARY D. BATEMAN  
APPLIED PROCESS PRODUCTS  
OVERSEAS, INC.

By: [Signature]  
GARY D. BATEMAN, President

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