

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA )

v. )

MARQUIS D. KING )

Criminal No. 83-00020

OFFER OF PROOF

FILED

**GESELL, J.**

OFFER OF PROOF

FEB - 1 1983

JAMES F. DAVEY, Clerk

The evidence would show that C.E. Miller Corporation ("CEMCO") was a corporation organized under the laws of California and engaged in, among other things, the business of engineering and fabrication of compression systems for use in the petroleum industry. Marquis D. King ("King") was an officer and director of CEMCO. From CEMCO's inception in July 1972 he held various financial positions, eventually becoming executive vice president in 1976, the position he held until leaving CEMCO in February 1981.

During June and July 1977 CEMCO was approached by Mr. Bateman, an employee of Crawford Enterprises, Inc., ("CEI") a Texas corporation engaged in the sale and leasing of compression equipment. Bateman asked CEMCO to bid as a fabrication or process subcontractor on a CEI sale of turbine compression equipment to Petroleos Mexicanos ("Pemex"). After initial contacts, Bateman, in a telephone conversation with Mr. Miller, CEMCO's president, requested a 2% kickback from CEMCO if CEI awarded CEMCO this subcontract. After disclosing Bateman's request to King, Mr. Miller advised Bateman that CEMCO would pay the requested kickback.

**ORIGINAL**

Thereafter, CEI and CEMCO developed a close working relationship with CEMCO receiving approximately 14 other subcontracts between July 1977 and February 1979. As each of these subcontracts was priced and obtained, CEMCO personnel included 2% in the pricing and accrued these funds for later payment to Bateman. In December 1978, Bateman met with Miller and King to work out the details for receiving these accrued monies. During this meeting, it was discussed and agreed that Bateman would provide false and fictitious invoices to CEMCO containing certain agreed language and that CEMCO would make payment upon receipt of the invoice.

Upon receipt of the first invoice in December 1978, King, on behalf of CEMCO, reviewed the invoice and approved payment. A company check was issued but, pursuant to instructions from King, was converted by a CEMCO employee to a Bank of America cashiers check in the amount of \$147,747.44, payable to a fictitious payee, Empaques y Carton Corrugado, but intended for Bateman. In this form, this cashier's check was a bearer negotiable instrument. On January 2, 1979 King caused this check to be transported by another CEMCO employee to Mexico for delivery to Bateman without causing CEMCO to file the required report with U.S. Customs. King was aware of, and admits specific knowledge of, the reporting requirements of the Currency and Foreign Transactions Reporting Act (31 U.S.C. §1058 et.seq). It is this transportation of a bearer negotiable instrument which forms the basis for the violation.