

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

FILED

JUN 13 2001

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO, TEXAS

UNITED STATES OF AMERICA,)

Criminal No.

v.)

INFORMATION

SA 01CR343 OG

DANIEL RAY ROTHROCK)

15 U.S.C. 78m(b)(2)(A)

(Foreign Corrupt Practices Act)

THE UNITED STATES CHARGES THAT:

COUNT 1
(False Books and Records)

At all times material herein:

A. Introduction

1. The defendant DANIEL RAY ROTHROCK (ROTHROCK), a resident of Jacksonville, Texas, was Vice President of the Cooper Division of Allied Products Corporation (Allied), with responsibility for international sales. Defendant ROTHROCK was an officer, employee and an agent of Allied.

2. Allied was a Delaware corporation based in Chicago, Illinois. Allied was engaged in the business of manufacturing and selling goods in the United States and elsewhere, and was organized into a number of operating divisions, including the Cooper Division, which was located in Brady, Texas, in the Western District of Texas.

3. Allied was an "issuer" within the meaning of the Securities Exchange Act of 1934, and, as such, was subject to the accounting provisions of the Foreign Corrupt Practices Act

of 1977, Title 15, United States Code, Section 78m(b)(2), *et seq.*

4. Allied consolidated the financial results of its operations including those of its unincorporated divisions and maintained its books and records at its offices in Chicago, Illinois and at the various locations of its unincorporated divisions.

5. The Cooper Division (Cooper) was an unincorporated division of Allied located in Brady, Texas, in the Western District of Texas, and was engaged in the business of manufacturing and selling workover rigs and other oilfield well servicing equipment to purchasers in the United States and elsewhere.

6. RVO Zarubezhneftstroy (Nestro) was an entity owned by the Government of the Union of Soviet Socialist Republics, and later by the Government of the Russian Republic, with its principal place of business in Moscow, Russia. Nestro was engaged in the business of purchasing oil-field equipment for oil production associations in Russia and the former Soviet Union. The principal officer of Nestro was the Director General.

7. Comco Holding, A.G. (Comco) was a Swiss company that owned various subsidiaries including Comco Handel, A.G.

8. Trading & Business Services, Ltd. (TBS) was an entity with its principal places of business in Moscow, Russia; Biel, Switzerland; and Houston, Texas. Nestro and Comco each owned 50% of TBS.

9. The Director General of Nestro was also a director of TBS.

10. On or about August 9, 1991, through a former agent, Cooper entered into a contract to sell approximately 20 workover rigs to Nestro, a government owned purchasing agency, for a total price of approximately \$5.5 million.

11. On August 8, 1991, the Cooper Division of Allied agreed to pay a sales commission of \$282,076 to TBS, for the ultimate benefit of the Director General of Nestro, a Soviet government purchasing agency, to obtain a contract for the sale of the 20 workover rigs to Nestro. The following day, August 9th, the Cooper Division obtained the workover rig contract from Nestro. In September 1992, TBS requested \$300,000 from Allied's Cooper Division, purportedly for TBS's services in connection with the award of the workover rig contract.

12. Thereafter, in late October 1992, the defendant ROTHROCK delivered to TBS for its use a draft invoice, in the amount of \$300,000, which invoice purported to be for a "consultation fee and market study". The defendant knew that no consultation fee or market study had been or would be provided by TBS and that, in fact, the invoice was for the purpose of disbursing Allied funds to TBS.

13. On October 30, 1992, the defendant ROTHROCK, while in the Western District of Texas, received an invoice for \$300,000, similar to the one he had drafted for TBS, which purported to come from a company called "Educa" in Vienna, Austria. The defendant knew that the Cooper Division of Allied had no contract or other business relationship with Educa, and that the invoice was, in fact, an invoice from TBS.

14. Thereafter, following the signing of a second contract with Nestro for the provision of additional workover rigs, the defendant caused the Cooper Division of Allied on May 18, 1993, to issue a check to Educa in the amount of \$300,000, utilizing the false invoice from Educa as supporting documentation. The defendant knew that the Educa invoice was bogus; that Educa had provided no services to Allied; and that the entries on the books of Allied, recording the disbursement of the \$300,000, would be false.

15. Between on or about October 30, 1992, and May 18, 1993, in the Western District of Texas and elsewhere, the defendant

DANIEL RAY ROTHROCK

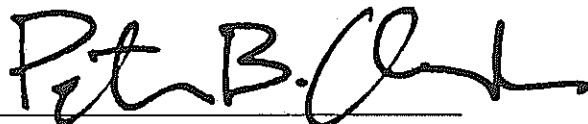
an officer, agent and employee of Allied Corporation, an issuer of a class of securities registered under Section 78l of the Securities Exchange Act of 1934, knowingly and willfully caused Allied to fail to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of Allied's assets, to wit: the defendant ROTHROCK caused the preparation of and retention in the files of Allied a bogus invoice in the amount of \$300,000, which falsely claimed payment for "consultation fee and market study," and caused the payment of said invoice to be falsely reflected on the books and records of Allied.

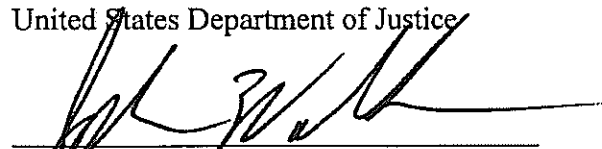
All in violation of Title 15, United States Code, Section 78m(b)(2)(A).

Dated this 7th day of June, 2001.

ROBERT L. PITMAN
UNITED STATES ATTORNEY

BY:


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