

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO. _____
v. : DATE FILED: _____
ANDREW C. ABRAMS : VIOLATIONS: 18 U.S.C. § 1343
LOUIS D. CAVALIERE : (Wire fraud – 3 counts)
: 18 U.S.C. § 1341
: (Mail fraud – 1 count)

INFORMATION

COUNT 1

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

1. Thermadyne Holdings Corporation, 101 South Hanley Road, St. Louis, Missouri, a Delaware corporation, through its subsidiaries (collectively “Thermadyne”), designed, manufactured, and distributed cutting and welding products and accessories.
2. On or about November 25, 1997, Thermadyne purchased certain assets and liabilities, and the company name, from Woodland Cryogenics, Inc., 2536 South 59th Street, Philadelphia, Pennsylvania (“Woodland”), a Pennsylvania corporation that manufactured, distributed, and installed cryogenic and high pressure gas-filled pumps, vaporizers, and automatic cylinder filling systems.
3. Defendant ANDREW C. ABRAMS was an attorney licensed to practice in the Commonwealth of Pennsylvania until on or about August 9, 1997, when he was placed on

inactive status. Defendant ABRAMS owned approximately 43% of Woodland. In addition, from on or about November 3, 1992, to on or about November 25, 1997, he served as Woodland's Vice President and Secretary. From on or about November 26, 1997, to on or about August 24, 1998, defendant ABRAMS served as General Manager of Woodland Cryogenics Company, 2536 South 59th Street, Philadelphia, Pennsylvania, a subsidiary of Thermadyne which later conducted business under the name Victor Gas Systems, 960 Brook Road, Conshohocken, Pennsylvania.

4. Defendant LOUIS D. CAVALIERE was a Certified Public Accountant registered in the State of New Jersey. From on or about February 6, 1996, to on or about November 25, 1997, defendant CAVALIERE served as Woodland's Vice President of Finance, Controller, and Chief Financial Officer. From on or about November 26, 1997, to in or about January 1999, defendant CAVALIERE served as Controller of Woodland Cryogenics Company and then its successor Victor Gas Systems.

The November 25, 1997 Purchase Agreement

5. On or about November 25, 1997, Woodland and Thermadyne entered into an Asset Purchase Agreement ("Purchase Agreement"), outlining the assets and liabilities purchased by Thermadyne from Woodland on that date.

6. Among the assets purchased by Thermadyne were certain accounts receivable that Woodland pledged were:

valid and genuine; have arisen solely out of bona fide sales and deliveries of goods, performance of services and other business transactions in the ordinary course of business consistent with past practice; are not subject to valid defenses, set-offs or counterclaims; and, except as set forth on Schedule 4.1.7, are collectible within 90 days after billing at the full recorded amount thereof

(Purchase Agreement ¶ 4.1.7).

7. Among the limited liabilities assumed by Thermadyne were certain accounts payable that were listed on a schedule to the Purchase Agreement (Purchase Agreement ¶ 2.1).

The Scheme To Defraud

8. From in or about August 1997, to in or about January 1999, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

ANDREW C. ABRAMS and
LOUIS D. CAVALIERE

devised and intended to devise a scheme to defraud Thermadyne, and obtained money and property from Thermadyne by means of false and fraudulent pretenses, representations, and promises, by misrepresenting the state of Woodland's assets in order to induce Thermadyne to purchase Woodland, and by misappropriating funds from Thermadyne after Thermadyne had purchased Woodland.

Manner and Means of Executing the Scheme

It was part of the scheme that:

9. During negotiations between Woodland and Thermadyne:

a. In order to make Woodland's accounts receivable appear more recent to Thermadyne, defendant ANDREW C. ABRAMS caused Woodland to credit and then re-invoice at least one outstanding account receivable on Woodland's books, and failed to disclose to Thermadyne that other accounts receivable had already been credited and re-invoiced on Woodland's books.

b. Defendant ANDREW C. ABRAMS represented to Thermadyne that certain of Woodland's accounts receivable were valid and genuine; arose solely out of bona fide sales and deliveries of goods, performance of services and other business transactions in the ordinary course of business consistent with past practice; were not subject to valid defenses, set-offs or counterclaims; and were fully collectible within 90 days after billing, knowing such representations to be untrue.

10. After Thermadyne purchased Woodland:

a. Defendants ANDREW C. ABRAMS and LOUIS D. CAVALIERE knowingly caused Thermadyne's funds to be spent on liabilities of Woodland that were not assumed by Thermadyne.

b. Defendant LOUIS D. CAVALIERE sent periodic interstate facsimiles to Thermadyne requesting funds to cover the improper payments.

11. As a result of the scheme to defraud, defendants ANDREW C. ABRAMS and LOUIS D. CAVALIERE caused a loss to Thermadyne of at least approximately \$200,000.

12. On or about November 19, 1997, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

ANDREW C. ABRAMS

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused a facsimile to be transmitted by means of wire communication from Philadelphia, PA, to St. Louis, MO, fraudulently stating to Thermadyne that only one of Woodland's accounts receivable was not to be collected within 90 days.

In violation of Title 18, United States Code, Section 1343.

COUNT 2

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1-11 of Count 1 are realleged here.
2. On or about November 25, 1997, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

ANDREW C. ABRAMS

for the purpose of executing the scheme described above, caused \$1.508 million to be transmitted by means of wire communication from New York, NY, to Philadelphia, PA, for the purchase of Woodland by Thermadyne.

In violation of Title 18, United States Code, Section 1343.

COUNT 3

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1-11 of Count 1 are realleged here.
2. On or about January 12, 1998, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

LOUIS D. CAVALIERE

for the purpose of executing the scheme described above, caused a facsimile to be transmitted by means of wire communication from Philadelphia, PA, to St. Louis, MO, requesting funds from Thermadyne and fraudulently concealing the fact that such funds were being spent on liabilities of Woodland that were not assumed by Thermadyne.

In violation of Title 18, United States Code, Section 1343.

COUNT 4

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1-11 of Count 1 are realleged here.

2. On or about January 29, 1998, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, having devised and intending to devise the scheme, defendant

LOUIS D. CAVALIERE,

for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by U.S. mail a check, no. 011736, in the amount of \$5,794.06, mailed to CoreStates Bank in Philadelphia, PA, for payment of a 401k-related liability of Woodland that was not assumed by Thermadyne, knowing such check was to be drawn on Thermadyne's funds without Thermadyne's approval.

In violation of Title 18, United States Code, Section 1341.

PATRICK L. MEEHAN
UNITED STATES ATTORNEY