

Auto Supplier Exec Dies, Evades Criminal Charges

PHOENIX (AP) — The death of a former top executive at CSK Auto Corp. means federal prosecutors won't be able to prove criminal charges that he manipulated earnings reports at the auto parts supplier.

Prosecutors filed federal court documents earlier this month that notified the court of the death of former CSK president Martin G. Fraser and the government's intent to dismiss a 31-count indictment handed up last year.

Fraser, 55, collapsed and died while visiting a Las Vegas hotel in January with his wife, his lawyer said on Thursday. The Clark County coroner's office said an autopsy showed he died of natural causes, citing cardiovascular disease exacerbated by obesity and diabetes.

Fraser, of Glendale, Ariz., and former CSK chief financial officer Don W. Watson, of Gilbert, Ariz., were accused of covering up uncollectable debts at the Phoenix-based parent company of parts retailers Kragen, Checker Auto, Schuck's Auto Supply and Murray's Discount Auto Stores from 2001 to 2006.

CSK was bought by Springfield, Mo.-based O'Reilly Automotive Inc. in 2008.

A civil lawsuit filed last year by the Securities and Exchange Commission also alleged that Fraser and Watson, along with former CSK controller Edward O'Brien and supervisor Gary Opper, committed accounting fraud, leading to misstated income reports being filed.

Fraser's lawyer, Los Angeles-based attorney David Schindler, said his client was innocent.

"We were very confident that he was going to be exonerated," Schindler said, calling the death "a tragedy for his family."

The criminal indictments charged Fraser and Watson with conspiracy, securities fraud, mail fraud, false filings with the U.S. Securities and Exchange Commission, false books and records, and false statements to the company's auditor. Watson was charged separately with falsely certifying financial reports.

They allegedly conspired to misstate company income primarily by concealing tens of millions of dollars it couldn't collect that should have been written off. That resulted in incorrect financial reports in fiscal years 2002, 2003 and 2004 that overstated income by about \$53 million, according to the government.

The government notified the court early this month that it intended to seek dismissal of the criminal complaint against Fraser once it receives his death

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certificate. SEC deputy regional director Lorraine Echavarria said the civil suit against him will also be dropped.

The criminal and civil actions against the remaining former employees are expected to continue.

The SEC is separately seeking the return of more than \$4 million in bonuses and stock grants from CSK's former CEO, Maynard L. Jenkins. That suit was filed under "clawback" provisions of the Sarbanes-Oxley Act, which allows reimbursement from executives who profited while their companies were misleading investors. Jenkins is not accused of any wrongdoing.

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