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U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 21374 / January 11, 2010

Accounting and Auditing Enforcement Release No. 3102 / January 11, 2010

Securities and Exchange Commission v. NATCO Group Inc., Civil Action No. 4:10-CV-98 (S.D. Tex.)

SEC Files Settled Civil Action Charging NATCO Group Inc. with Violations of the Foreign Corrupt Practices Act

On January 11, 2010, the Commission filed a settled civil action in the United States District Court for the Southern District of Texas charging NATCO Group Inc. (NATCO) with violations of the books and records and internal controls provisions of the Foreign Corrupt Practice Act. According to the complaint, TEST Automation & Controls, Inc. (TEST), a wholly owned subsidiary of oil field services provider NATCO Group Inc., created and accepted false documents while paying extorted immigration fines and obtaining immigration visas in the Republic of Kazakhstan. NATCO's system of internal accounting controls failed to ensure that TEST recorded the true purpose of the payments, and NATCO's consolidated books and records did not accurately reflect these payments. Without admitting or denying the allegations in the Commission's complaint, NATCO agreed to pay a \$65,000 civil penalty.

In a related administrative proceeding, the Commission today issued a settled cease-and-desist order against NATCO finding that NATCO violated the books and records and internal controls provisions of the Exchange Act in connection with the improper payments made by TEST. Without admitting or denying the Commission's findings, NATCO consented to the issuance of an order that requires NATCO to cease and desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act. [SEC v. NATCO Group Inc., Civil Action No. 4:10-CV-98(S.D. Tex.)] (LR-21374; AAE Rel. 3102); Administrative Proceeding In the Matter of NATCO Group Inc. — (Rel. 34-61325; AAE Rel. 3101; File No. 3-13742).

<http://www.sec.gov/litigation/litreleases/2010/lr21374.htm>

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