

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION  
 :  
 -v- : 07 Cr.  
 CHRIS WILLIAMS, :  
 Defendant. :  
 :  
 - - - - -x

COUNT ONE

(Conspiracy To Commit Bank Fraud)

Background

1. At all times relevant to this Information, Collins & Aikman ("C&A") provided to businesses around the world a broad range of automotive supply parts, including, among other things, instrument panels and almost all other parts of an automobile interior, carpets, acoustics, fabrics, and convertible tops. C&A owned and operated factories in North America, South America, and Europe, and supplied parts to both domestic and foreign auto manufacturers, such as Ford Motor Company, General Motors, DaimlerChrysler, Nissan, and others.

2. At all times relevant to this Information, C&A had an agreement with General Electric Capital Corporation ("GECC") which allowed C&A to borrow against the outstanding balance in C&A's accounts receivable, referred to as an accounts receivable securitization facility. Under C&A's agreement with GECC, only certain receivables could be included in the calculation of the

pool of eligible receivables, or borrowing base. Among other requirements, in order to constitute an "eligible receivable," C&A had to be entitled to payment from the customer once C&A generated an invoice and sent it to the customer.

3. At all times relevant to this Information, CHRIS WILLIAMS was an executive at C&A, in charge of C&A's relationships with certain customers.

### **The Scheme To Defraud**

3. From at least in or about early January 2005, WILLIAMS and other employees knew that C&A faced a liquidity crisis. In or about early January 2005, WILLIAMS knew that C&A was required to make a large payment to GECC, in connection with the accounts receivable securitization facility, that it did not have the money to pay. In response to this crisis, C&A employees, including WILLIAMS, sought to invoice additional goods that could be used to increase the level of the borrowing base.

4. WILLIAMS participated in this invoicing effort and directed that millions of dollars worth of goods be invoiced for the purpose of increasing the borrowing base on the GECC facility. WILLIAMS knew, however, that C&A did not yet have customer agreement to pay these invoices and that they were therefore ineligible receivables for the GECC facility.

5. After the initial crisis passed, WILLIAMS knew that C&A employees that he supervised were engaged in a systematic

effort to create invoices for millions of dollars of goods, for which C&A did not yet have customer agreement to pay for the goods. WILLIAMS understood that these invoices were being created and entered into the GECC borrowing base for the sole purpose of increasing C&A's liquidity due to the continuing problems C&A faced.

### **The Conspiracy**

6. From in or about January 2005 through in or about May 2005, in the Southern District of New York and elsewhere, CHRIS WILLIAMS, the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, namely to commit bank fraud, in violation of Title 18, United States Code, Section 1344.

7. It was a part and an object of the conspiracy that CHRIS WILLIAMS, the defendant, and others known and unknown, unlawfully, willfully, and knowingly would and did execute and attempt to execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of said financial institutions, by means of, false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section

1344.

**Overt Acts**

8. In furtherance of the conspiracy and to effect its illegal object, CHRIS WILLIAMS and his co-conspirators committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about January 2005, WILLIAMS directed other employees of C&A to create invoices which C&A's customers had not yet agreed to pay. At the time, WILLIAMS understood that these invoices would be improperly borrowed against as part of the GECC accounts receivable securitization facility.

b. In or about 2005, WILLIAMS supervised employees, whom he knew were creating over \$100 million worth of invoices, to be entered into C&A's borrowing base, for which there was no customer agreement to pay.

(Title 18, United States Code, Section 371.)

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MICHAEL J. GARCIA  
United States Attorney