



Empire Oil president, son indicted on fraud charges

By Peter G. Chronis

Denver Post Staff Writer

Oil company President John Ray Gable was the archetypical wheel-dealer in the early 1980s, riding the crest of Denver's energy boom.

But this week, Gable and his son, John Alan Gable, were indicted on a long list of bankruptcy fraud charges stemming from Empire Oil & Gas Co.'s \$35.4 million bankruptcy in September 1982.

Empire initially filed for Chapter 11, which allows a company to reorganize and repay its debts. But in October 1985, the proceeding turned into a liquidation.

This was not the first time Gable was in trouble on bankruptcy fraud charges. He was convicted of similar charges in 1972.

But few in Denver knew about the earlier conviction when Gable burst forth on the scene with Empire, staging splashy receptions and annual meetings for investors and the industry, and even bringing a man identified as the ambassador of China to Denver in 1981.

The nine-count indictment against Gable and his son reads like a one-family epidemic of oil-field theft.

One federal official described the events as "a case study of bankruptcy fraud."

Similar allegations about Gable, whose whereabouts are unknown, have been making the rounds in Denver's "oil patch" for more than four years.

Company gutted

Among allegations are that even before the Chapter 11 action was filed, Gable was gutting the company systematically, concealing hundreds of thousands of dollars in assets.

He purportedly used fraudulent means, including phony invoices, to transfer \$280,000 in cash to another Gable company.

Also hidden from James Rouse,

the trustee named to oversee the bankruptcy, was about \$400,000 in proceeds from a Texas auction of Empire property, the indictment said.

At one point, Gable told employees in West Virginia to remove signs identifying Empire equipment to hide the items from creditors, the government charges.

West Virginia employees also were told to exchange and replace new drilling rigs and equipment with older, used gear to "keep the good stuff away from creditors."

Employees of several associated companies also were told to move equipment, including a Caterpillar diesel power unit, to Ritchie County, W. Va., so "the bill collectors couldn't find it."

Mud pump hidden

Also hidden there was a mud pump, which circulates drilling mud used in drilling oil and gas wells.

Gable is accused of fraudulently having new titles to Empire Oil & Gas vehicles issued under other companies' names in West Virginia.

Documents, including Empire's asset ledger, were removed from company offices and in some cases altered or destroyed, the government alleges.

Large numbers of documents were burned near Parkersburg, W. Va., in April 1984, the indictment says.

Another charge says Gable failed to inform trustee Rouse of Empire's interest in a Goshen County, Wyo., oil and gas property and of a \$45,000 payment received from another company.

Gable supposedly used threats and force to prevent Steve Darrell Snyder, a private investigator, from carrying out his court-ordered duties of tracking Empire assets.

DENVER POST AUGUST 13, 1988