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# Industrial theft case cracked here

By Christine J. Jindra

A North Royalton man was arrested at his home yesterday morning, culminating a four-month investigation of suspected industrial espionage leading as far away as the Soviet Union.

Donald R. Blalock, who also uses the name Bob Steele, was routed out of bed at 7 a.m. at his condominium, 9650 Cove Rd., by Cuyahoga County deputy sheriffs serving arrest and search warrants on charges brought by a Valley View equipment manufacturing company, Blalock's former employer.

At the same time, deputies were searching a Moreland Hills home owned by Blalock and a former wife, and machinery companies in North Royalton and Solon which Blalock allegedly hired to manufacture parts, using stolen blueprints of engineering drawings. The companies did not know the prints were stolen, investigators said.

Summit County deputies also searched the Hudson home of Blalock's partner, Lester Smith, president of Western Reserve Group, a company operating out of a post office box number in Hudson.

Blalock was charged with receiving stolen engineering draw-

ings from C-E Cast Equipment, 7887 Hub Pkwy., on a complaint signed by Edwin M. Kavanagh, C-E vice president of replacement parts.

Blalock was released last night on \$5,000 bond posted by his Russian-born wife of two years, Zoya.

Blalock reportedly worked for C-E more than 20 years, including four years as a company representative in Russia in the city of Naberezhnye Chelny in the foothills of the Ural Mountains. Smith also worked for C-E as a vice president and general manager. Smith left the firm in 1979 and Blalock in 1980, said Asst. County Prosecutor Frank C. Gasper.

Gasper said C-E believes Blalock may have sold copies of the stolen blueprints to its Russian customers because orders for replacement parts from Russia have dropped significantly.

Gasper said charges are being considered against Smith, whom private investigators believe masterminded a scheme to steal the blueprints, use them to have parts manufactured and then sell the parts to former customers of C-E at 10% below C-E's prices.

In all, investigators believe Blalock had more than \$500,000 worth of counterfeit parts manufactured and sold in the last year.

Gasper said C-E designs

manufacturing equipment for companies around the world and then manufactures replacement parts as needed.

Blalock, using the name Bob Steele, went to several machinery companies and ordered replacement parts using plans which had the company name, Centrum, stamped on them, but which were identical to C-E designs, Gasper said.

Blalock ordered the parts in the name of Western Reserve Group, said Don Niam, an Akron private investigator hired by C-E in September when the company realized it needed outside help in its internal investigation.

Gasper said from information seized yesterday, authorities believe several existing employees of C-E may be involved in the scheme.