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## FORMER METALDYNE EMPLOYEES INDICTED FOR THEFT OF TRADE SECRETS

A federal grand jury Indictment was unsealed today in Detroit charging one former Vice President and two former senior employees of Metaldyne Corporation with plotting to steal and stealing Metaldyne Corporation's secret process for manufacturing heavy automotive parts from powdered metal, and providing this information to a Chinese competitor. Metaldyne Corporation is headquartered in Plymouth, Michigan, and is one of only two automotive parts manufacturers in the world to have developed a process to successfully fabricate powdered metal into large, heavy-duty automotive parts, such as connecting rods.

Charged in the 64-count Indictment were Anne Lockwood, 53, formerly a Vice President for Sales at Metaldyne; her husband, Michael Haehnel, 51, formerly a senior engineer at Metaldyne, both of Rockford, Michigan; and Fuping Liu, 42, a former metallurgist for Metaldyne, of Westland, Michigan. Liu worked out of Metaldyne's Shanghai, China, office until April 2004.

According to the Indictment, after Lockwood left her position at Metaldyne in early 2004, she began planning with Fuping Liu to develop Chinese powdered metal manufacturers who could displace Metaldyne as the supplier of various kinds of powdered-metal manufactured parts, including connecting rods, to U.S. auto and equipment manufacturers. A company set up by Lockwood, and also involving Fuping Liu and Michael Haehnel, was to receive commissions based on the expected sales by the Chinese companies.

While Lockwood and Fuping Liu negotiated with Chinese competitors, Michael Haehnel, Lockwood's husband, remained employed as a senior engineer with Metaldyne. According to the Indictment, Haehnel used his position there to gain access

to hundreds of confidential Metaldyne files, and copied them to compact discs for Lockwood. The Indictment alleges that both Lockwood and Liu forwarded confidential Metaldyne information pertaining to its costs, designs, and processes for manufacturing parts from powdered metal to the Chinese manufacturer, Chongqing Huafu Industry Company, Ltd., or "Huafu." After Fuping Liu left Metaldyne in April 2004, he began working for GKN Sinter Metals' Shanghai, China office. GKN Sinter Metals also manufactures powdered metal parts, and is located in Auburn Hills, Michigan. The Indictment also alleges that Fuping Liu provided confidential information belonging to GKN Sinter Metals to Lockwood, as well as to another Chinese auto parts manufacturer, the Liaoning Shuguang Automotive Corporation, or "SG Auto."

United States Attorney Stephen J. Murphy said, "Regardless of the highly competitive rough and tumble of today's global automotive industry, stealing is still stealing. And today's Indictment alleges a case of former and current employees stealing secret and crucial information from a victim company and handing it over to a competitor overseas. The federal laws protecting trade secrets prohibit such conduct, and whenever it occurs, it warrants an aggressive law enforcement response. I commend the hard work of the FBI that lead to these charges being unsealed today."

Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation (FBI) Detroit, Michigan, advised "Theft of trade secrets are investigated by the Detroit Division's Cyber Crime Squad and Cyber crime is one of the top priorities of the FBI. In this case of global outsourcing and the highly competitive nature of the worldwide business environment, protecting trade secrets is absolutely critical and at the core of the survival of U.S. companies; therefore, it is imperative trade secrets remain private and confidential. The FBI will continue to aggressively pursue those individuals who intentionally breach such confidentiality by stealing such secrets and using them for personal gain, or turning the information over to third parties."

An Indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

In announcing the Indictment, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the "Cyber Squad" of the Detroit Field Office of the Federal Bureau of Investigation. The prosecution is being handled by First Assistant United States Attorney Terrence Berg.

A copy of the Indictment may be obtained from the U.S. Attorney's Office.