



U.S. Department of Justice

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EVENT: Guilty Plea

Defendant: Anne Lockwood et al

**FORMER METALDYNE EMPLOYEES PLEAD GUILTY
TO CONSPIRACY TO STEAL CONFIDENTIAL BUSINESS INFORMATION TO
BENEFIT CHINESE COMPETITOR**

Three former employees of Metaldyne Corporation have pleaded guilty in connection with a conspiracy to steal confidential information from the company, according to Acting United States Attorney Terrence Berg.

Guilty pleas were entered today before United States District Judge Denise Page Hood by Anne Lockwood, 55, formerly a Vice President for Sales at Metaldyne; her husband, Michael Haehnel, 53, formerly a senior engineer at Metaldyne, both of Rockford, Michigan; and Fuping Liu, 44, a former metallurgist for Metaldyne, who is currently living in Flushing, New York. Liu worked out of Metaldyne's Shanghai, China, office until April 2004.

Lockwood and Liu both pleaded guilty to the main count of the Indictment, conspiracy to steal confidential and proprietary information belonging to Metaldyne, and using the stolen information in order to assist a Chinese competitor, the Chongqing Huafu Industry Company, ("Huafu") of Chongqing, China to compete against Metaldyne in the field of powdered metal parts. Haehnel pleaded guilty to a misdemeanor offense charging him with unlawfully accessing stored electronic records.

According to the information presented at the time of the plea, beginning in May of 2004, Lockwood and Liu developed a business plan to help Huafu compete against Metaldyne in the production of powdered metal products. Lockwood obtained both electronic and paper copies of confidential and proprietary information pertaining to Metaldyne's internal costs and its manufacturing processes, and then provided some of that information to Huafu, in China, to assist it in competing against Metaldyne. Fuping Liu admitted to receiving some of these documents from Lockwood and also agreeing to the plan that involved Lockwood's providing some of this information to Huafu.

According to the plea agreements filed today, Lockwood is facing up to 33 months in prison, a fine of up to \$60,000, and 3 years of supervised release. Fuping Li is facing up to 18 months in prison, a fine of up to \$30,000, and 3 years of supervised release. Michael Haehnel faces a maximum of up to 1 year in custody, a fine of \$5,000, and 1 year of supervised release.

Acting United States Attorney Terrence Berg said, "No matter how rough the market may get, it is never OK to steal confidential information from a company to get some kind of competitive edge. Today's convictions demonstrate the importance of protecting confidential business information from unlawful disclosure, and also show that the FBI takes very seriously any criminal activity involving the theft of such information for the benefit of foreign corporations. I commend the Bureau for their excellent investigative work that lead to today's guilty pleas."

Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation (FBI) Detroit , Michigan, said "Intellectual property right cases are a priority of the FBI's Cyber Crime Program. Individuals who steal industry secrets with the intention to sell for personal gain, will be prosecuted."