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14

15 UNITED STATES DISTRICT COURT  
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
17 SOUTHERN DIVISION

18 UNITED STATES OF AMERICA,	)	SA CR NO. <u>09-00005</u>
	)	
19 Plaintiff,	)	<u>PLEA AGREEMENT FOR</u>
	)	<u>DEFENDANT RICHARD MORLOK</u>
20 v.	)	
	)	
21 RICHARD MORLOK,	)	
	)	
22 Defendant.	)	
	)	

23  
24  
25 1. This constitutes the plea agreement between RICHARD  
26 MORLOK (the "defendant") and the United States Attorney's Office  
27 for the Central District of California (the "USAO") and the  
28 United States Department of Justice, Criminal Division, Fraud

1 Section (the "Fraud Section") (the USAO and the Fraud Section  
2 are, together, referred to as the "Department of Justice") in the  
3 above-captioned case. This agreement is limited to the  
4 Department of Justice and cannot bind any other federal, state or  
5 local prosecuting, administrative or regulatory authorities.

#### 6 PLEA

7 2. The defendant gives up the right to indictment by a  
8 grand jury and agrees to plead guilty to an information charging  
9 the defendant with one count of conspiracy to violate the laws of  
10 the United States in violation of Title 18, United States Code,  
11 Section 371, that is, to violate the Foreign Corrupt Practices  
12 Act ("FCPA") (Title 15, United States Code, Section 78dd-2).

#### 13 THE OFFENSE

14 3. In order for the defendant to be guilty of a violation  
15 of Title 18, United States Code, Section 371, the following must  
16 be true: (1) the defendant and at least one other person agreed  
17 with each other to commit an offense as charged in the  
18 Information; (2) the defendant became a member of the conspiracy  
19 knowing of at least one of its objects and intending to help  
20 accomplish it; and (3) one of the members of the conspiracy  
21 performed at least one overt act for the purpose of carrying out  
22 the conspiracy.

#### 23 PENALTIES AND RESTITUTION

24 4. The statutory maximum sentence that the Court can  
25 impose for a violation of Title 18, United States Code, Section  
26 371 is five years' imprisonment; a three-year period of  
27

1 supervised release; a fine of \$250,000 or twice the pecuniary  
2 gain or loss resulting from the offense, whichever is greater;  
3 and a mandatory special assessment of \$100.

4 5. Supervised release is a period of time following  
5 imprisonment during which the defendant will be subject to  
6 various restrictions and requirements. The defendant understands  
7 that if he violates one or more of the conditions of any  
8 supervised release imposed, he may be returned to prison for all  
9 or part of the term of supervised release, which could result in  
10 the defendant serving a total term of imprisonment greater than  
11 the statutory maximum stated above.

12 6. The defendant also understands that, by pleading  
13 guilty, he may be giving up valuable government benefits and  
14 valuable civil rights, such as the right to vote, the right to  
15 possess a firearm, the right to hold office, and the right to  
16 serve on a jury.

17 7. The defendant further understands that his conviction  
18 in this case may subject him to various collateral consequences,  
19 including but not limited to, deportation, revocation of  
20 probation, parole, or supervised release in another case, and  
21 suspension or revocation of a professional license. The  
22 defendant understands that unanticipated collateral consequences  
23 will not serve as grounds to withdraw his guilty plea.

24 8. The defendant understands that he may be required to  
25 pay restitution to the victims of the offense. The defendant  
26 agrees that the amount of restitution ordered, if any, is not  
27

1 restricted to the amounts alleged in the Information to which he  
2 is pleading guilty and may include losses arising from all  
3 relevant conduct in connection with this Information. The  
4 defendant further agrees that he will not seek the discharge of  
5 any restitution obligation, in whole or in part, in any present  
6 or future bankruptcy proceeding.

7 FACTUAL BASIS

8 9. The defendant and the Department of Justice agree and  
9 stipulate to the statement of facts in the attached Exhibit A.  
10 This statement of facts includes facts sufficient to support a  
11 plea of guilty to the charge described in this agreement and to  
12 establish the sentencing guideline factors set forth in paragraph  
13 12 below. It is not meant to be a complete recitation of all  
14 facts relevant to the underlying criminal conduct or all facts  
15 known to the defendant that relate to that conduct.

16 WAIVER OF CONSTITUTIONAL RIGHTS

17 10. By pleading guilty, the defendant gives up the  
18 following rights:

- 19 a) The right to persist in a plea of not guilty.  
20 b) The right to a speedy and public trial by jury.  
21 c) The right to the assistance of legal counsel at  
22 trial and at every other stage of the proceeding, including, if  
23 the defendant could not afford an attorney, the right to have the  
24 Court appoint one for him.  
25 d) The right to be presumed innocent and to have the  
26 burden of proof placed on the government to prove the defendant

1 guilty beyond a reasonable doubt.

2 e) The right to confront and cross-examine witnesses  
3 against the defendant.

4 f) The right, if the defendant wished, to testify on  
5 the defendant's own behalf and present evidence in opposition to  
6 the charges, including the right to call witnesses and to  
7 subpoena those witnesses to testify.

8 g) The right not to be compelled to testify, and, if  
9 the defendant chose not to testify or present evidence, to have  
10 that choice not be used against him.

11 By pleading guilty, the defendant also gives up any and all  
12 rights to pursue any defenses to the charge the defendant is  
13 pleading guilty to, including affirmative defenses, Fourth  
14 Amendment or Fifth Amendment claims, and other pretrial motions  
15 that have been filed or could be filed.

16 SENTENCING FACTORS

17 11. The defendant understands that the Court is required to  
18 consider the United States Sentencing Guidelines ("U.S.S.G." or  
19 "Sentencing Guidelines"), among other factors, in determining the  
20 defendant's sentence. The defendant understands, however, that  
21 the Sentencing Guidelines are only advisory, and that after  
22 considering the Sentencing Guidelines, the Court is free to  
23 exercise its discretion to impose any reasonable sentence up to  
24 the maximum set by statute for the crime of conviction. The  
25 defendant and the Department of Justice agree, pursuant to United  
26 States v. Booker, that they will not seek any departures from the

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1 applicable Sentencing Guidelines range other than a reduction for  
 2 acceptance of responsibility or via a motion for substantial  
 3 assistance brought in the sole discretion of the Department of  
 4 Justice, as described in paragraph 18.

5 12. The defendant and the Department of Justice agree and  
 6 stipulate that the 2007 Sentencing Guidelines apply in this case  
 7 and that, provided the defendant enters a plea of guilty to the  
 8 Information and otherwise meets his obligations under this  
 9 agreement, they will jointly recommend that the following  
 10 applicable sentencing guideline factors apply:

11	Base Offense Level	12	U.S.S.G. § 2C1.1(a) (2)
12	More than one bribe	2	U.S.S.G. § 2C1.1(b) (1)
13	Net value of benefit	18	U.S.S.G. §§ 2C1.1(b) (2),
14	to company is more than		2B1.1(b) (1) (J)
15	\$2,500,000 but less		
16	than \$7,000,000		
17	Manager or Supervisor	3	U.S.S.G. § 3B1.1(b)
18	of criminal activity		
19	involving 5 or more		
20	participants and		
21	activity that was		
22	otherwise extensive		
23	Acceptance of		
24	Responsibility	-3	U.S.S.G. § 3E1.1
25	<b>TOTAL OFFENSE LEVEL</b>	<b>32</b>	

26 13. Based on a total offense level of 32, the applicable  
 27 guidelines range (assuming a Criminal History Category of I) is  
 28 121-151 months. Section 5G1.1(a) of the U.S.S.G. states that  
 where the statutorily authorized maximum sentence is less than  
 the minimum of the applicable guideline range, the statutorily

1 authorized maximum sentence shall be the guideline sentence.

2 Because the statutory maximum sentence that the Court can impose  
3 for a violation of Title 18, United States Code, Section 371, is  
4 five years' imprisonment and is less than the bottom of the  
5 applicable guideline range, the defendant and the Department of  
6 Justice agree that the U.S.S.G. sentence is five years'  
7 imprisonment.

8 14. There is no agreement as to the defendant's criminal  
9 history or criminal history category.

10 15. The stipulations in this agreement do not bind either  
11 the United States Probation Office or the Court. Both the  
12 defendant and the Department of Justice are free to: (a)  
13 supplement the facts by supplying relevant information to the  
14 United States Probation Office and the Court; (b) correct any and  
15 all factual misstatements relating to the calculation of the  
16 sentence; and (c) argue on appeal and collateral review that the  
17 Court's Sentencing Guidelines calculations are in error, although  
18 each party agrees to maintain its view that the calculations in  
19 paragraph 12 are correct and consistent with the facts of this  
20 case.

21 THE DEFENDANT'S OBLIGATIONS

22 16. The defendant agrees that he will:

- 23 a) Plead guilty as set forth in this agreement.  
24 b) Abide by all sentencing stipulations contained in  
25 this agreement.  
26 c) Appear as ordered for all court appearances,

1 surrender as ordered for service of sentence, obey all conditions  
2 of bond, and obey any other ongoing court order in this matter.

3 d) Not commit any crime (offenses which would be  
4 excluded for sentencing purposes under U.S.S.G. § 4A1.2(c) are  
5 not within the scope of this agreement).

6 e) Be truthful at all times with the Department of  
7 Justice, Pretrial Services, the U.S. Probation Office, and the  
8 Court.

9 f) Pay the applicable special assessment at or before  
10 the time of sentencing unless the defendant lacks the ability to  
11 pay.

12 17. The defendant further agrees to cooperate fully with  
13 the Department of Justice, including the Federal Bureau of  
14 Investigation, and, as directed by the Department of Justice,  
15 with any other federal, state, local, or foreign law enforcement  
16 agency. This cooperation requires the defendant to:

17 a) Respond truthfully and completely to all questions  
18 that may be put to the defendant, whether in interviews, before a  
19 grand jury, or at any trial or other court proceeding.

20 b) Attend all meetings, grand jury sessions, trials  
21 or other proceedings at which the defendant's presence is  
22 requested by the Department of Justice or compelled by subpoena  
23 or court order.

24 c) Produce voluntarily all documents, records, or  
25 other tangible evidence relating to matters about which the  
26 Department of Justice, or its designee, inquires.

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1           d) Make a full, accurate, and complete disclosure to  
2 the Department of Justice and the Probation Office of the  
3 circumstances surrounding the relevant offense and the  
4 defendant's present financial condition.

5                   THE DEPARTMENT OF JUSTICE'S OBLIGATIONS

6           18. If the defendant complies fully with all his  
7 obligations under this agreement, the Department of Justice  
8 agrees:

9           a) To abide by all sentencing stipulations contained  
10 in this agreement.

11           b) At the time of sentencing, provided that the  
12 defendant demonstrates an acceptance of responsibility for the  
13 offense up to and including at the time of sentencing, to  
14 recommend a two-level reduction in the applicable sentencing  
15 guideline offense level, pursuant to U.S.S.G. § 3E1.1, and to  
16 recommend and, if necessary, move for an additional one-level  
17 reduction if available under that section.

18           c) In connection with the defendant's sentencing, to  
19 bring to the Court's attention the nature and extent of the  
20 defendant's cooperation.

21           d) If the Department of Justice determines, in its  
22 sole and exclusive judgment, that the defendant has provided  
23 substantial assistance to law enforcement in the prosecution or  
24 investigation of others ("substantial assistance"), to move the  
25 Court pursuant to U.S.S.G. § 5K1.1 or Rule 35 of the Federal  
26 Rules of Criminal Procedure to impose a sentence below the  
27

1 sentencing range otherwise dictated by the sentencing guidelines,  
2 provided that the defendant complies with all his obligations  
3 under this agreement. The defendant acknowledges and agrees,  
4 however, that nothing in this agreement may be construed to  
5 require the Department of Justice to file such a motion and that  
6 the Department of Justice's assessment of the nature, value,  
7 truthfulness, completeness, and accuracy of the defendant's  
8 cooperation shall be binding on the defendant.

9 e) Except for criminal tax violations (including  
10 conspiracy to commit such violations chargeable under 18 U.S.C.  
11 § 371), not to further prosecute defendant for violations arising  
12 out of and relating to the defendant's conduct described in the  
13 stipulated statement of facts set forth in Exhibit A. The  
14 defendant understands that the Department of Justice is free to  
15 prosecute the defendant, however, for any other unlawful past  
16 conduct, any unlawful conduct that occurs after the date of this  
17 agreement, or any unlawful conduct that arose during the period  
18 referenced in the stipulated statement of facts if such conduct  
19 was not disclosed by the defendant to the Department of Justice  
20 prior to the date of this agreement. The defendant agrees that  
21 at the time of sentencing the Court may consider the uncharged  
22 conduct in determining the applicable Sentencing Guidelines  
23 range, where the sentence should fall within that range, the  
24 propriety and extent of any departure from that range, and the  
25 sentence to be imposed after consideration of the Sentencing  
26 Guidelines and all other relevant factors.

1 THE DEFENDANT'S UNDERSTANDINGS REGARDING SUBSTANTIAL ASSISTANCE

2 19. The defendant understands the following:

3 a) Any knowingly false or misleading statement by the  
4 defendant will subject him to prosecution for false statement,  
5 obstruction of justice, and perjury and will constitute a breach  
6 by the defendant of this agreement.

7 b) Nothing in this agreement requires the Department  
8 of Justice or any other prosecuting or law enforcement agency to  
9 accept any cooperation or assistance that the defendant may  
10 offer, or to use it in any particular way.

11 c) The defendant cannot withdraw his guilty plea if  
12 the Department of Justice does not make a motion pursuant to  
13 U.S.S.G. § 5K1.1 or Rule 35 of the Federal Rules of Criminal  
14 Procedure for a reduced sentence or if the Department of Justice  
15 makes such a motion and the Court does not grant it.

16 d) At this time, the Department of Justice makes no  
17 agreement or representation as to whether any cooperation that  
18 the defendant has provided or intends to provide constitutes  
19 substantial assistance. The decision whether the defendant has  
20 provided substantial assistance rests solely within the  
21 discretion of the Department of Justice.

22 e) The Department of Justice's determination of  
23 whether the defendant has provided substantial assistance will  
24 not depend in any way on whether the government prevails at any  
25 trial or court hearing in which the defendant testifies.

26 f) The Court is under no obligation to grant a motion  
27

1 by the Department of Justice pursuant to U.S.S.G. § 5K1.1 or Rule  
2 35 should the Department of Justice exercise its discretion to  
3 file such a motion.

4 BREACH OF AGREEMENT

5 20. If the defendant, at any time between the execution of  
6 this agreement and the defendant's sentencing on a non-custodial  
7 sentence or surrender for service on a custodial sentence,  
8 knowingly violates or fails to perform any of his obligations  
9 under this agreement ("a breach"), the Department of Justice may  
10 declare this agreement breached. If the Department of Justice  
11 declares this agreement breached, the defendant will not be able  
12 to withdraw his guilty plea, and the Department of Justice will  
13 be relieved of all of its obligations under this agreement.

14 21. Following a breach of this agreement by the defendant,  
15 should the Department of Justice elect to pursue any charge that  
16 was either dismissed or not filed as a result of this agreement,  
17 then:

18 a) The defendant agrees that any applicable statute of  
19 limitations is tolled between the date of the defendant's signing  
20 of this agreement and the commencement of any such prosecution or  
21 action.

22 b) The defendant gives up all defenses based on the  
23 statute of limitations, any claim of preindictment delay, or any  
24 speedy trial claim with respect to any such prosecution, except  
25 to the extent that such defenses existed as of the date of the  
26 defendant's signing of this agreement.

1 c) The defendant agrees that all prior statements made  
2 by the defendant, including but not limited to the stipulated  
3 statement of facts attached to this agreement, and all evidence  
4 derived from these statements are admissible against the  
5 defendant in any future prosecution of the defendant, and the  
6 defendant shall assert no claim under the United States  
7 Constitution, any statute, Rule 410 of the Federal Rules of  
8 Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure,  
9 or any other federal rule, that the statements or any evidence  
10 derived from any statements should be suppressed or are  
11 inadmissible.

12 LIMITED MUTUAL WAIVER OF APPEAL

13 22. The defendant gives up the right to appeal any sentence  
14 imposed by the Court, and the manner in which the sentence is  
15 determined, provided that the sentence is within the statutory  
16 maximum specified above and the Court imposes a sentence within  
17 or below the range corresponding to the agreed determined total  
18 offense level and the criminal history category determined by the  
19 Court. Notwithstanding the foregoing, the defendant retains the  
20 ability to appeal the conditions of supervised release imposed by  
21 the Court, with the exception of the following: standard  
22 conditions set forth in district court General Orders 318 and 01-  
23 05; the drug testing conditions mandated by 18 U.S.C. §§  
24 3563(a)(5) and 3583(d); and the alcohol and drug use conditions  
25 authorized by 18 U.S.C. § 3563(b)(7).

26 23. The Department of Justice gives up its right to appeal  
27  
28

1 the sentence, provided that the Court imposes a sentence within  
2 or above the range corresponding to the agreed determined total  
3 offense level and the criminal history category determined by the  
4 Court.

5 COURT NOT A PARTY

6 24. The Court is not a party to this agreement and need not  
7 accept any of the Department of Justice's sentencing  
8 recommendations or the parties' stipulations. Even if the Court  
9 ignores any sentencing recommendation, finds facts or reaches  
10 conclusions different from any stipulation, and/or imposes any  
11 sentence up to the maximum established by statute, the defendant  
12 cannot, for that reason, withdraw his guilty plea, and the  
13 defendant will remain bound to fulfill all the defendant's  
14 obligations under this agreement. No one - not the prosecutor,  
15 the defendant's attorney, or the Court - can make a binding  
16 prediction or promise regarding the sentence the defendant will  
17 receive, except that it will be within the statutory maximum.

18 NO ADDITIONAL AGREEMENTS

19 25. Except as set forth herein, there are no promises,  
20 understandings or agreements between the Department of Justice  
21 and the defendant or his counsel. Nor may any additional  
22 agreement, understanding or condition be entered into unless in a  
23 writing signed by all parties or on the record in court.

24 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

25 26. The parties agree and stipulate that this agreement  
26 will be considered part of the record of the defendant's guilty  
27

1 plea hearing as if the entire agreement had been read into the  
2 record of the proceeding.

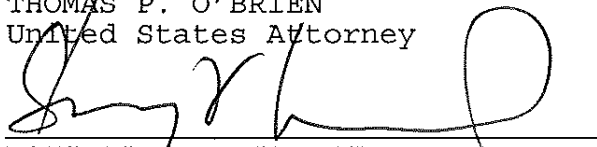
3 EFFECTIVE DATE

4 27. This agreement is effective upon signature by  
5 the defendant, his attorney, an Assistant United States Attorney  
6 with the USAO, and a Trial Attorney with the Fraud Section.

7 AGREED AND ACCEPTED

8 UNITED STATES ATTORNEY'S OFFICE  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 THOMAS P. O'BRIEN  
11 United States Attorney

12   
13 DOUGLAS F. McCORMICK  
14 Assistant United States Attorney

15 1/7/2009  
16 Date

17 FRAUD SECTION, CRIMINAL DIVISION  
18 U.S. DEPARTMENT OF JUSTICE

19 STEVEN A. TYRRELL  
20 Chief

21 \_\_\_\_\_  
22 HANK BOND WALTHER  
23 Assistant Chief

24 \_\_\_\_\_  
25 Date

26 ANDREW GENTIN  
27 Trial Attorney

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2 record of the proceeding.

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8 UNITED STATES ATTORNEY'S OFFICE  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 THOMAS P. O'BRIEN  
11 United States Attorney

12 \_\_\_\_\_  
13 DOUGLAS F. McCORMICK  
14 Assistant United States Attorney

\_\_\_\_\_ Date

15 FRAUD SECTION, CRIMINAL DIVISION  
16 U.S. DEPARTMENT OF JUSTICE

17 STEVEN A. TYRRELL  
18 Chief

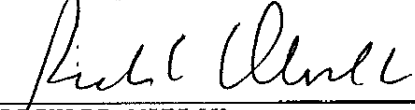
19 H. Walther/ag  
20 HANK BOND WALTHER  
21 Assistant Chief

\_\_\_\_\_ 1/6/09  
Date

22 ANDREW GENTIN  
23 Trial Attorney



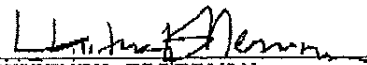
1 I have read this agreement and carefully discussed every  
2 part of it with my attorney. I understand the terms of this  
3 agreement, and I voluntarily agree to those terms. My attorney  
4 has advised me of my rights, of possible defenses, of the  
5 Sentencing Guidelines' provisions, and of the consequences of  
6 entering into this agreement. No promises or inducements have  
7 been made to me other than those contained in this agreement. No  
8 one has threatened or forced me in any way to enter into this  
9 agreement. Finally, I am satisfied with the representation of my  
10 attorney in this matter.

11 

12 RICHARD MORLOK  
13 Defendant

11/7/2009  
Date

14  
15 I am Richard Morlok's attorney. I have carefully discussed  
16 every part of this agreement with my client. Further, I have  
17 fully advised my client of his rights, of possible defenses, of  
18 the Sentencing Guidelines' provisions, and of the consequences of  
19 entering into this agreement. To my knowledge, my client's  
20 decision to enter into this agreement is an informed and  
21 voluntary one.

22  
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24 WHITNEY ELLERMAN  
25 Counsel for Defendant RICHARD MORLOK

1/06/2009  
Date

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27  
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1                                    **EXHIBIT A - STATEMENT OF FACTS**

2            The Department of Justice and RICHARD MORLOK ("MORLOK"), the  
3 defendant, agree that the following facts are true and correct:

4            1. Defendant MORLOK served as the Finance Director for an  
5 unnamed co-conspirator company, hereinafter referred to as  
6 Company A, from in or around 2002 through in or around 2007. In  
7 this capacity, he oversaw the Finance Department and had  
8 responsibility for approving certain commission payments and  
9 signing off on wire transfers to the recipients of those  
10 commission payments. Approximately ten Company A employees  
11 reported to defendant MORLOK during this time. Defendant MORLOK  
12 was a citizen of the United States and thus was a "domestic  
13 concern" as that term is defined in the Foreign Corrupt Practices  
14 Act ("FCPA"), Title 15, United States Code, Section 78dd-  
15 2(h)(1)(A).

16            2. Company A was a Delaware corporation headquartered in  
17 Rancho Santa Margarita ("RSM"), California, that designed and  
18 manufactured service control valves for use in the nuclear, oil  
19 and gas, and power generation industries worldwide. Company A  
20 sold its products to both state-owned enterprises and private  
21 companies in approximately thirty countries around the world.  
22 Because Company A was organized under the laws of a State of the  
23 United States and had its principal place of business in the  
24 United States, it was a "domestic concern" as that term is  
25 defined in the FCPA, Title 15, United States Code, Section 78dd-  
26 2(h)(1)(B).

1           3.     Company A's state-owned customers included, but were  
2 not limited to, China National Offshore Oil Company, PetroChina,  
3 Jiangsu Nuclear Power Corporation (China), Korea Hydro and  
4 Nuclear Power ("KHNP") (Korea), Rovinari Power (Romania), and  
5 Safco (Saudi Arabia). Each of these state-owned entities was a  
6 department, agency, and instrumentality of a foreign government  
7 within the meaning of the FCPA, Title 15, United States Code,  
8 Sections 78dd-2(h)(2)(A). The officers and employees of these  
9 entities, including their Vice-Presidents, Engineering Managers,  
10 General Managers, Procurement Managers, and Purchasing Officers,  
11 were "foreign officials" within the meaning of the FCPA, Title  
12 15, United States Code, Section 78dd-2(h)(2)(A).

13           4.     During his tenure as Finance Director, defendant MORLOK  
14 caused Company A employees and agents to make corrupt payments to  
15 foreign officials employed at state-owned enterprises through the  
16 payment of "commissions" to "friends-in-camp" ("FICs") who  
17 successfully assisted Company A in obtaining and retaining  
18 business. Numerous FICs were officers and employees of Company  
19 A's state-owned customers holding such positions as Vice-  
20 President, Engineering Manager, General Manager, Procurement  
21 Manager, and Purchasing Officer, and had the authority either to  
22 award contracts or to influence the technical specifications of  
23 an order in a manner that would favor Company A.

24           5.     From in or around 2003 through in or around 2006,  
25 defendant MORLOK caused Company A employees and agents to make  
26 corrupt payments totaling approximately \$628,000 to foreign  
27

1 officials employed at state-owned companies in order to assist in  
2 obtaining and retaining business for Company A, and Company A  
3 earned approximately \$3.5 million in profits from the contracts  
4 that it obtained as a result of these corrupt payments. The  
5 corrupt payments were made to foreign officials at state-owned  
6 entities including, but not limited to, China National Offshore  
7 Oil Company, Petrochina, Jiangsu Nuclear Power Corporation  
8 (China), KHNP (Korea), Rovinari Power (Romania), and Safco (Saudi  
9 Arabia).

10 6. On or about April 21, 2004, defendant MORLOK caused  
11 Company A to wire a commission payment of \$57,658 from its bank  
12 account in California to an account in Korea for the purpose of  
13 making a corrupt payment to a KHNP official.

14 7. In or around August 2004, during an internal audit of  
15 Company A's commission payments conducted by Company A's parent  
16 company, defendant MORLOK provided false and misleading  
17 information to the internal auditors regarding his knowledge of  
18 and participation in improper payments made by Company A to  
19 foreign officials at state-owned entities.

20 8. In or around December 2004, during an external  
21 accounting audit, defendant MORLOK provided false and misleading  
22 information to Company A's external auditors regarding his  
23 knowledge of and participation in improper payments made by  
24 Company A to foreign officials at state-owned entities.

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