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16 *Counsel for IMI plc and Control Components, Inc.*

17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

19 UNITED STATES OF AMERICA,

20 Plaintiff,

21 vs.

22 STUART CARSON, HONG
23 CARSON, a/k/a "Rose Carson,"
24 PAUL COSGROVE, DAVID
25 EDMONDS, FLAVIO RICOTTI, and
26 HAN YONG KIM,

27 Defendants.

Case No. SA CR 09-0077-JVS

DECLARATION OF
BRIAN M. HEBERLIG IN
SUPPORT OF MOTION TO
INTERVENE BY IMI plc AND
CONTROL COMPONENTS, INC.

Assigned to: Hon. James V. Selna

Date: October 5, 2009
Time: 9:00 a.m.
Place: Courtroom
411 West Fourth Street
Santa Ana, CA 92701-4516

28 Pursuant to 28 U.S.C. § 1746, I, Brian M. Heberlig, hereby declare:

ORIGINAL

1 1. I am a partner in the Washington, D.C. office of Steptoe & Johnson
2 LLP (“Steptoe”). I am counsel to IMI plc (“IMI”) and its wholly-owned
3 subsidiary, Control Components, Inc. (“CCI”) (collectively “the Companies). I
4 submit this declaration in support of the Motion to Intervene by IMI plc and
5 Control Components, Inc.

6 2. On August 15, 2007, IMI made a voluntary disclosure to the
7 Department of Justice (the “Department” or “DOJ”) in which it advised the
8 Department of potential FCPA violations committed by CCI and its employees.

9 3. In August 2007, IMI retained Steptoe to conduct a privileged
10 investigation of CCI’s business practices and potential violations of the FCPA in
11 order to provide IMI with legal advice. IMI also retained Steptoe to advise the
12 company with regard to any interactions with U.S. governmental authorities,
13 including DOJ, and to handle any enforcement action arising out of the events
14 under investigation. In August 2007, IMI established a Special Committee of its
15 Board of Directors to coordinate the investigation.

16 4. In August 2007, Steptoe retained forensic accountants at Ernst &
17 Young (“EY”) to act as counsel’s agents and assist with document collection and
18 analysis.
19

20 5. At Steptoe’s direction, EY secured potentially relevant documents and
21 electronic records worldwide, including entire email servers and forensic images of
22 over 200 hard drives of company employees. Steptoe also conducted over 125
23 employee interviews in numerous countries.

24 6. On October 18, 2007, IMI and DOJ entered into a Confidentiality and
25 Non-Waiver Agreement. A true and correct copy of this agreement is attached as
26 Exhibit A.
27
28

1 7. Pursuant to the Confidentiality and Non-Waiver Agreement, Steptoe
2 provided oral summaries of witness interviews and produced numerous documents,
3 including binders of the key documents that counsel used to interview witnesses.
4 At the Department's request, Steptoe also prepared a chart of the improper
5 payments identified during the investigation, as well as similar analyses of gifts,
6 travel and entertainment expenses provided to customers and certain improper
7 "training trips" provided by CCI to employees of state-owned enterprises. IMI and
8 CCI also produced to the Department the supporting factual documentation upon
9 which these analyses were based.

10 8. IMI and the Special Committee directed Steptoe to cooperate fully
11 with the Department's investigation and to produce all relevant, non-privileged
12 documents reflecting potentially improper payments to employees of state-owned
13 and privately-owned CCI customers. Steptoe, in turn, searched the EY electronic
14 database for such records -- both in the context of preparing for witness interviews
15 and generating the payments chart requested by the Department -- and produced
16 them to the Department.

17 9. Steptoe represented both IMI and CCI in negotiations with the
18 Department about resolving the matters under investigation. Steptoe negotiated
19 CCI's Plea Agreement and represented the Company in the plea hearing and
20 sentencing before the Court. Steptoe also negotiated with the Department on IMI's
21 behalf and secured a letter in which the Department agreed not to prosecute IMI
22 based on the conduct described in the Statement of Facts accompanying the CCI
23 Plea Agreement or any information disclosed by IMI or CCI to the Department. A
24 true and correct copy of this letter, from Mark Mendelsohn, Deputy Chief of the
25 Department's Fraud Section, to Steptoe partner Patrick Norton, dated August 3,
26 2009, is attached as Exhibit B.
27
28

1 I declare under penalty of perjury that the foregoing is true and correct.

2 Executed on September 11, 2009, in Washington, D.C.

3 By: 

4 BRIAN M. HEBERLIG

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Exhibit A

STEPTOE & JOHNSON ^{LLP}

ATTORNEYS AT LAW

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October 18, 2007

William B. Jacobson, Esq.
Assistant Chief
U.S. Department of Justice
Criminal Division, Fraud Section
1400 New York Avenue, NW
Washington, DC 20005

Re: IMI plc -- CCI Investigation

Dear Mr. Jacobson:

As you are aware, IMI plc of Birmingham, England, through a special Investigation Committee of its Board of Directors ("Company"), has retained Steptoe & Johnson LLP to conduct an internal investigation of certain transactions at its U.S. subsidiary, Control Components, Inc. ("CCI"). The Company has made a voluntary disclosure of the events at issue in the internal investigation to the Fraud Section of the Department of Justice ("DOJ") and intends to cooperate in your investigation. In light of the Company's interest in cooperating with DOJ's investigation, the Company has provided certain document compilations to DOJ and intends to provide additional information regarding the internal investigation to DOJ, including oral summaries of interviews, additional document and/or data compilations, and other investigative findings ("Confidential Information"). The Confidential Information may contain communications protected by the attorney-client privilege and material protected by the attorney work product doctrine.

Please be advised that by producing the Confidential Information pursuant to this agreement, the Company does not intend to waive any protection of the attorney-client privilege or the attorney work product doctrine that the Company could otherwise assert in the context of this investigation or with respect to third parties, government or non-government.

DOJ will not assert that the Company's production of Confidential Information pursuant to this agreement constitutes a waiver of the protection of the attorney-client privilege or the attorney work product doctrine as to any third party. Further, DOJ will not assert that the Company's production of Confidential Information to the U.S. government constitutes waiver of the attorney-client privilege or the attorney work product doctrine applicable to any other information, materials or communications not

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STEPTOE & JOHNSON LLP

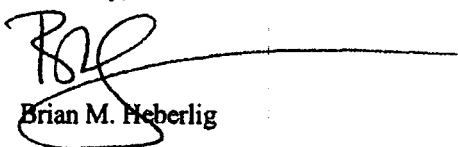
William B. Jacobson, Esq.
October 18, 2007
Page 2

so produced or provided. DOJ agrees not to assert that the fact that the Company has produced the Confidential Information provides additional grounds to obtain other documents or materials from the Company (although any such grounds that may exist apart from such production shall remain unaffected by this agreement). DOJ does not waive any other arguments it may have to seek to compel the production of materials or information that are not produced or provided pursuant to this agreement.

DOJ will maintain the confidentiality of the Confidential Information pursuant to this agreement and will not disclose it to any third party, except to the extent that DOJ determines in its sole discretion that disclosure is otherwise required by law.

DOJ's agreement to the terms of this letter is signified by your signature on the line provided below.

Sincerely,



Brian M. Heberlig

AGREED AND ACCEPTED:

The Department of Justice


By: 
William B. Jacobson
Assistant Chief
Fraud Section

Exhibit B



U.S. Department of Justice

Criminal Division

Mark F. Mendelsohn
Deputy Chief
Fraud Section, Criminal Division
10th & Constitution Ave. NW (Bond 4402)
Washington, DC 20530-0001

Telephone: (202) 514-1721
Facsimile: (202) 514-7021

August 3, 2009

By Mail

Patrick Norton, Esq.
Stephoe & Johnson
1330 Connecticut Avenue, N.W.
Washington, DC 20036

Re: IMI plc

Dear Mr. Norton:

In August 2007, IMI plc ("IMI") made a voluntary disclosure to the Department of Justice regarding possible violations of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. § 78dd-1, *et seq.*, in connection with business conducted by IMI's wholly-owned subsidiary, Control Components, Inc. ("CCI").

You have provided certain information to the Department and have described the results of your internal investigation into this matter. Based upon the information that has been made available to us to date, together with our own investigation into the conduct at issue, we have closed our inquiry into the conduct of IMI and its officers with regard to (a) the conduct described in the Statement of Facts attached as Exhibit 1 to CCI's plea agreement and (b) the information disclosed by CCI or IMI to the Department. If, however, additional information or evidence should be made available to us in the future, including information that indicates that information you previously provided was false or misleading or that implicates IMI in the FCPA violations, we may reopen our inquiry into the conduct of IMI or its officers.

As you are aware, CCI recently pleaded guilty to a three-count information in U.S. District Court for the Central District of California and thus this letter solely applies to IMI and its officers and does not apply to CCI.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark F. Mendelsohn" with a stylized flourish at the end.

Mark F. Mendelsohn
Deputy Chief
Fraud Section