

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
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For Immediate Release

NEWS RELEASE SUMMARY - November 6, 2007

United States Attorney Karen P. Hewitt announced that John K. Norris and his son, Matthew K. Norris tendered pleas of guilty today in federal court in San Diego before United States Magistrate Judge Cathy Ann Bencivengo, subject to final acceptance of the plea by United States District Judge M. James Lorenz, at the time of sentencing, to one count of conspiracy to steal trade secrets from The Imperial Group, in violation of Title 18, United States Code, Section 1832. John Norris is a former employee of The Imperial Group.

According to Assistant U.S. Attorney Mitch Dembin, who is prosecuting the case, in connection with his guilty plea John Norris admitted that he had been employed by The Imperial Group from September 1996 until November 2004. The Imperial Group, located in La Jolla, California, was and remains in the business of bidding on United States General Services Administration ("GSA") building projects. After leaving The Imperial Group, John Norris established his own competing business, John Norris and Company, and employed his son Matthew. John K. Norris and Company and The Imperial Group submitted competing bids

to build and manage a structure to house an office of the Department of Homeland Security, Immigration and Customs Enforcement, in El Centro, California.

In his plea, John Norris admitted that sometime on or before March 23, 2007, he decided to break into his former employer's offices to determine what they had bid on the project. He also convinced his son Matthew to assist him. On March 23, 2007, John and Matthew Norris conducted a practice run; with Matthew standing outside the building keeping watch, John Norris took a master key from the janitor's closet servicing The Imperial Group's offices and determined that it did work in The Imperial Group's door. Then, on April 8, 2007, again with Matthew standing guard outside, John Norris used the master key to enter the offices of The Imperial Group and searched for the records of The Imperial Group's bid.

According to court documents, unbeknownst to John and Matthew Norris, the practice run on March 23, 2007, was captured on a hallway surveillance camera designed to monitor performance by janitorial staff. The janitorial supervisor viewed the practice break-in and reported it to The Imperial Group. In response, The Imperial Group removed the documents of its pending bid from its offices and installed its own surveillance system. On April 8, 2007, the hallway camera captured John Norris entering the hallway and the janitor's closet, but he shielded his face with a piece of cardboard. The Imperial Group's surveillance system, however, captured him rifling their files.

This case was investigated by Special Agents assigned to the Cybercrime Squad of the San Diego Division of the Federal Bureau of Investigation.

John Norris will be sentenced on January 28, 2008, by United States District Judge M. James Lorenz. The plea agreement with Matthew Norris provides that the entry of Matthew Norris's guilty plea will be deferred for a period of twelve months. If, during that twelve month period, Matthew Norris complies with the conditions of the agreement, the case against him will be dismissed. If he violates the agreement, his plea of guilty will be entered, and he will be sentenced in accordance with law.

DEFENDANTS

Case Number: 07cr2914-L

John Keller Norris

Matthew Knox Norris

SUMMARY OF CHARGE

One Count - Title 18, United States Code, Section 1832(a)(5) (Conspiracy to Steal Trade Secrets)

Maximum Penalty: 10 years' imprisonment and \$250,000 fine

AGENCY

Federal Bureau of Investigation