

FILED

DEC 15 2020

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA

CARMELITA REEDER SHINN, CLERK
U.S. DIST. COURT, WESTERN DIST. OKLA.
BY YAT, DEPUTY

UNITED STATES OF AMERICA,

Plaintiff,

-vs-

JOSHUA DECKER,

Defendant.

No.

CR-20-332 SLP

Violations: 18 U.S.C. § 1832(a)(5)
18 U.S.C. § 1832(a)(2)
18 U.S.C. § 1832(a)(4)
18 U.S.C. § 2
18 U.S.C. § 1832(a)(3)
18 U.S.C. § 1834
18 U.S.C. § 2323
28 U.S.C. § 2461(c)

INDICTMENT

The Federal Grand Jury charges:

At all times relevant to this Indictment:

1. Oil States Industries, Inc. ("Oil States") is a company that provides integrated energy systems and solutions, serving customers in oil and gas drilling and production in offshore and onshore fields, as well as marine and industrial markets. Oil States Piper Valve ("Piper") is a division of Oil States that manufactures valves and valve systems for use in the oil and gas industry, and it is headquartered in Oklahoma City, Oklahoma, in the Western District of Oklahoma.

2. From in or about 2013 until on or about May 10, 2017, **JOSHUA DECKER** was employed by Piper as a Division Controller, which made him the senior financial officer at Piper, reporting directly to the General Manager of Piper. **DECKER** was a resident of Oklahoma County, in the Western District of Oklahoma.

3. As an employee of Piper, **DECKER** agreed to abide by company terms and policies to maintain the confidentiality of proprietary information and to avoid the disclosure of any trade secrets to any third party, as codified in Oil States' Corporate Code of Business Conduct and Ethics. **DECKER** specifically signed an Oil States Employee Confidentiality, Intellectual Property, and Non-Disclosure Agreement on or about December 20, 2016.

4. Piper manufactures compact manifold ball valves that are used in the drilling and production of oil and gas throughout the United States. These valves come in various sizes, the best-selling of which are the 1", 2", 3", and 4" valves. Piper uses trade secret information to manufacture, market, and sell its valves across the United States. The trade secret information included Piper's complete customer list; confidential product cost information; Piper's component drawings used by Piper to manufacture its valves; technical documents regarding manufacturing instructions and procedures; marketing policies and procedures; quality assurance procedures; quality control procedures; engineering work instructions; and other confidential business information (the "Trade Secrets"). The Trade Secrets had independent economic value derived from 23 years of research, design, product, and procedural development that gave Piper a competitive advantage and would have been valuable to Piper's competitors, to the detriment of Piper.

5. Piper considered the Trade Secrets to be confidential, proprietary trade secret information and protected the information through a variety of reasonable measures, including the following:

- a. Piper's office building had restricted access based on a card provided to employees;
- b. Piper maintained the Trade Secrets on a network with limited, password-controlled access;
- c. All the drawings and technical Trade Secrets bore restrictive legends identifying them as confidential and proprietary;
- d. Piper employees, including **DECKER**, signed written agreements promising to maintain the confidentiality of Piper's Trade Secrets, to not take them off-site, to not use them for personal purposes, and to not disclose them to third parties;
- e. Piper employees were required to complete a training program regarding the Oil States' Corporate Code of Business Conduct and Ethics that required confidential information to not be misused or disclosed;
- f. Piper required vendors to sign non-disclosure agreements to protect Piper's confidential and proprietary information and drawings provided to the vendors; and

- g. Piper did not provide any vendor with the complete set of drawings for any valve and did not rely on a sole source for any of its products.

COUNT 1
(Conspiracy)

6. The allegations set forth in paragraphs 1–5 of this Indictment are incorporated herein as if set forth in full.

7. Beginning in or about March 2017 and continuing until in or about September 2017 in the Western District of Oklahoma and elsewhere,

----- **JOSHUA DECKER** -----

knowingly, intentionally, and with interdependence, combined, conspired, and agreed with others known and unknown to the Grand Jury (the “Coconspirators”), to commit the following offenses:

(a) knowingly and without authorization stealing, appropriating, taking, carrying away, and concealing, and by fraud, artifice, and deception obtaining a trade secret that is related to or included in a product that is produced for or placed in interstate and foreign commerce, with the intent to convert such trade secret to the economic benefit of anyone other than its owner, and intending and knowing that the offense will injure any owner of that trade secret, in violation of Title 18, United States Code, Section 1832(a)(1);

(b) knowingly and without authorization copying, duplicating, sketching, drawing, photographing, downloading, uploading, altering, destroying, photocopying, replicating, transmitting, delivering, sending, mailing, communicating, and conveying a

trade secret that is related to or included in a product that is produced for or placed in interstate and foreign commerce, with the intent to convert such trade secret to the economic benefit of anyone other than its owner, and intending and knowing that the offense will injure any owner of that trade secret, in violation of Title 18, United States Code, Section 1832(a)(2); and

(c) knowingly receiving, buying, and possessing a trade secret that is related to or included in a product that is produced for or placed in interstate and foreign commerce, knowing such trade secret to have been stolen and appropriated, obtained, and converted without authorization, with intent to convert that trade secret to the economic benefit of anyone other than its owner, and intending and knowing that the offense will injure any owner of that trade secret, in violation of Title 18, United States Code, Section 1832(a)(3).

Object of the Conspiracy

8. The object of the conspiracy was to steal, download, copy, possess, and use the technical drawings, manufacturing and engineering policies and procedures, and financial and sales information of Piper to start Legacy, a competing valve manufacturing company.

Manner and Means

9. **DECKER** and his Coconspirators would and did carry out the conspiracy and effect its unlawful objects, that is the theft, transmission, possession, delivery,

copying, and duplication of Trade Secrets owned by Piper, through the following manner and means, among others:

(a) It was part of the conspiracy that **DECKER** and his Coconspirators planned to steal the drawings, customer information, cost information, technical specifications, financial records, and policies and procedures of Piper to establish a new competing company, Legacy Valve Systems LLC (“Legacy”), to produce and sell the same and nearly identical valve products as those made by Piper;

(b) It was further part of the conspiracy that **DECKER** and his Coconspirators accessed, downloaded, saved, copied, duplicated, and transmitted confidential and proprietary Piper documents constituting Trade Secrets and used such Trade Secrets to manufacture and market the same and nearly identical valve products as those made by Piper; and

(c) It was further part of the conspiracy that **DECKER** and his Coconspirators deleted, erased, and destroyed the Trade Secrets and their communications regarding the theft of Trade Secrets in an effort to conceal their theft from Piper.

Acts in Furtherance

10. In furtherance of the conspiracy and to achieve the objects and purposes thereof, **DECKER** and his Coconspirators committed and caused to be committed the following overt acts, among others, in the Western District of Oklahoma and elsewhere:

(a) On or about March 15, 2017, **DECKER** filed Articles of Incorporation for Legacy, to manufacture and sell valves in competition with Piper. **DECKER** was an owner of Legacy.

(b) On or about March 23, 2017, **DECKER** sent a text message to Coconspirator 1, a mechanical engineer employed by Piper, asking for his assistance on what **DECKER** called his “clandestine operation.”

(c) Between on or about March 6, 2017, and on or about May 8, 2017, **DECKER** prepared a Legacy Valve 2017 Business Plan, which he emailed from his Piper account to other employees. It described a “start-up manufacturing firm” to compete with Piper.

(d) On or about April 3, 2017, Coconspirator 2, a Piper employee whom **DECKER** had invited to join Legacy, transmitted by email to **DECKER** a Piper spreadsheet with cost details for Piper valve products.

(e) Also on or about April 3, 2017, **DECKER** downloaded a 2” valve drawing from the Piper network, took three or four valves from the Piper warehouse to use in developing valves for Legacy, and got a referral from another Piper employee for a machinist who might be able to manufacture valve parts for Legacy.

(f) On or about April 7, 2017, **DECKER** transmitted the spreadsheet with cost details from his Piper email account to his personal email account.

(g) On or about April 17, 2017, Coconspirator 1 downloaded from the Piper network approximately 26 drawings for 2” Piper valves and delivered them to **DECKER**. **DECKER** believed those drawings were trade secrets that belonged to Piper.

(h) On or about April 22, 2017, Coconspirator 1 downloaded from the Piper network approximately 11 drawings of 1” Piper valves.

(i) Between on or about April 17, 2017, and May 10, 2017, **DECKER** delivered by email and a thumb drive the 2” and 1” Piper valve drawings to an individual who agreed to convert the drawings to a different format, to change the Piper logo to a Legacy logo on the drawings, and to swap out the part numbers.

(j) On or about May 1, 2017, **DECKER** and Coconspirator 1 transmitted messages on an encrypted messaging application about asking another individual to claim he had made the drawings of the Legacy valves to conceal the fact that they had in fact copied the Piper drawings.

(k) On or about May 5, 2017, **DECKER** transmitted by email from his Piper email account to his personal email account the 2016 and 2017 Piper Reporting Packages, which included Piper’s income, expenses, debt, equity, cash flow, product-line sales, cost of sales, and sales amounts by customer.

(l) On or about May 7, 2017, Coconspirator 1 downloaded approximately 29 drawings of 3” Piper valves from the Piper network.

(m) On or about May 8, 2017, Coconspirator 3 downloaded approximately 250 confidential documents from the Piper network, including detailed Piper policies and procedures.

(n) On or about May 8, 2017, Coconspirator 1 submitted his resignation to Piper, effective May 19, 2017. On or about May 9, 2017, **DECKER** submitted his resignation to Piper, effective on or about May 23, 2017. On or about May 10, 2017, **DECKER** and Coconspirator 1 discovered that they had been locked out of the Piper network before they had planned to leave Piper. **DECKER** and Coconspirator 1 suspected that Piper had discovered the downloads of drawings from a master control log that documented access to confidential and proprietary documents. **DECKER** advised Coconspirator 1, "I knew it was a matter of time . . . Well you better wipe your phone BEFORE work tomorrow!!" At **DECKER**'s direction, Coconspirator 1 performed a factory reset of his phone to destroy evidence of their fraudulent scheme and theft.

(o) On or about May 10, 2017, **DECKER** sent a message to Coconspirator 3, a Piper employee, informing him that **DECKER** had been locked out of the Piper system. **DECKER** directed, "You might delete any messages from me. And backup your phone in case they take it."

(p) On or about May 15, 2017, **DECKER** sent text messages to a Coconspirator or a Piper employee **DECKER** was recruiting to join Legacy, who confirmed that he or she had deleted their text messages but that the messages remained in the cloud storage system. **DECKER** instructed, "Better kill those too . . . I don't think

we can be too careful.” The recipient confirmed that he or she had deleted the messages from the cloud.

(q) On or about June 8, 2017, **DECKER** sent text messages to the individual preparing drawings, directing the individual to delete his text messages and to “keep the drawings well guarded.” **DECKER** also sent text messages to Coconspirator 3, instructing him to “delete all records of material specs from your emails . . . And please delete my texts.” **DECKER** indicated that he anticipated Oil States would be suing him.

(r) On or about September 6, 2017, **DECKER** and his Coconspirators recruited a draftsman to convert the stolen two-dimensional drawings of 2” valves from Piper into three-dimensional drawings for use in Legacy’s brochure for 2” valves.

All in violation of Title 18, United States Code, Section 1832(a)(5).

COUNTS 2–24
(Downloading and Attempted Downloading of Trade Secrets)

11. The Federal Grand Jury incorporates by reference the allegations of paragraphs 1–10.

12. On or about the dates listed below, in the Western District of Oklahoma and elsewhere,

----- **JOSHUA DECKER**, -----

with the intent to convert a trade secret to the economic benefit of someone other than Piper, and intending and knowing that the offense would injure Piper, did knowingly and

without authorization copy, duplicate, sketch, draw, download, upload, alter, destroy, replicate, transmit, deliver, send, and convey, and attempted to do the same, specifically the files described below, owned by Piper, which were related to and included in a product that is produced for and placed in interstate and foreign commerce:

Count	Date Downloaded from Piper	Name of File	Description of File
2	April 3, 2017	BC108-131111111	Bill of Materials Drawing, 2" Piper Ball Valve
3	April 17, 2017	3901-XX	Drawing of Body for 2" Piper Ball Valve with Square Body
4	April 17, 2017	3901-XXR	Drawing of Body for 2" Piper Ball Valve with Round Body
5	April 17, 2017	3905-0X	Drawing of Stop Plate for 2" Piper Ball Valve
6	April 17, 2017	3906-XX	Drawing of Seat Carrier for 2" Piper Ball Valve
7	April 17, 2017	3910-08	Drawing of Thrust Washer for 2" Piper Ball Valve
8	April 17, 2017	3911-XX	Drawing of Ball for 2" Piper Ball Valve
9	April 17, 2017	3912-0X	Drawing of Seat for 2" Piper Ball Valve
10	April 17, 2017	3950-02	Drawing of Tag, Warning & Torque
11	April 17, 2017	L-SEALS	Drawing of L-Seal Dimensions
12	April 17, 2017	SR-DB	Drawing of Size D Splitring
13	April 17, 2017	SR-GB	Drawing of Size G Splitring
14	April 17, 2017	NBW-G-XDD-0525	Drawing of Nipple, Size G
15	April 22, 2017	10806-XX	Drawing of Seat Carrier for 1" Piper Ball Valve
16	April 22, 2017	10812-0X	Drawing of Seat for 1" Piper Ball Valve
17	April 22, 2017	3401A-XXR	Drawing of Body for 1" Piper Ball Valve

18	April 22, 2017	3402-XX	Drawing of Bonnet for 1" Piper Ball Valve
19	April 22, 2017	3403-0X	Drawing of Handle for Piper Ball Valve
20	April 22, 2017	3405-0X	Drawing of Stop Plate for Piper Ball Valve
21	April 22, 2017	3408-XX	Drawing of Stem for 1" Piper Ball Valve
22	April 22, 2017	3410-08	Drawing of Thrust Washer for 1" Piper Ball Valve
23	April 22, 2017	3411-XX	Drawing of Ball for 1" Piper Ball Valve
24	April 22, 2017	3707-XX	Drawing for Retainer for 1" Piper Ball Valve

All in violation of Title 18, United States Code, Sections 1832(a)(2), 1832(a)(4), and 2.

COUNTS 25–34
(Possession and Attempted Possession of Trade Secrets)

13. The Federal Grand Jury incorporates by reference the allegations of paragraphs 1–12.

14. Between on or about April 17, 2017, and on or about September 5, 2017, in the Western District of Oklahoma and elsewhere,

----- **JOSHUA DECKER**, -----

with the intent to convert a trade secret to the economic benefit of someone other than Piper, and intending and knowing that the offense would injure Piper, did knowingly receive, buy, and possess a trade secret, knowing the same to have been stolen and appropriated, obtained, and converted without authorization, and attempted to do the

same, specifically the trade secrets described below and owned by Piper, which were related to and included in a product that is produced for and placed in interstate and foreign commerce:

Count	Name of File	Description of File
25	3901-XX	Drawing of Body for 2" Piper Ball Valve with Square Body
26	3901-XXR	Drawing of Body for 2" Piper Ball Valve with Round Body
27	3905-0X	Drawing of Stop Plate for 2" Piper Ball Valve
28	3906-XX	Drawing of Seat Carrier for 2" Piper Ball Valve
29	3910-08	Drawing of Thrust Washer for 2" Piper Ball Valve
30	3911-XX	Drawing of Ball for 2" Piper Ball Valve
31	3912-0X	Drawing of Seat for 2" Piper Ball Valve
32	NBW-G-XDD-0525	Drawing of Nipple, Size G
33	SR-DB	Drawing of Size D Splitring
34	SR-GB	Drawing of Size G Splitring

All in violation of Title 18, United States Code, Sections 1832(a)(3), 1832(a)(4), and 2.

COUNT 35
(Transmission of Trade Secrets)

15. The Federal Grand Jury incorporates by reference the allegations of paragraphs 1–10.

16. On or about May 5, 2017, in the Western District of Oklahoma and elsewhere,

----- **JOSHUA DECKER**, -----

with the intent to convert a trade secret to the economic benefit of someone other than Piper, and intending and knowing that the offense would injure Piper, did knowingly and without authorization transmit, send, mail, and convey a trade secret owned by Piper, and attempted to do the same. Specifically, **DECKER** transmitted, sent, and emailed the 2016 and January-March 2017 reporting packages for Piper, which included Piper's income statement, intercompany sales, cost of sales, expense information, product line sales and cost of sales, manufacturing and engineering expenses, selling expenses, administrative expenses, and sales by customer. This information was related to and included in a product that was produced for and placed in interstate and foreign commerce.

All in violation of Title 18, United States Code, Sections 1832(a)(2), 1832(a)(4), and 2.

FORFEITURE

The allegations of this Indictment are re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture.

Upon conviction of a violation alleged in Counts 1–35 of this Indictment, Defendant shall forfeit to the United States any article, the making or trafficking of which is, prohibited under Title 18, United States Code, Section 1832.

Upon conviction of a violation alleged in Counts 1–35 of this Indictment, Defendant shall forfeit to the United States any property used, or intended to be used, in

any manner or part to commit or facilitate the commission of a violation Title 18, United States Code, Section 1832.

Likewise, upon conviction of a violation alleged in Counts 1–35 of this Indictment, Defendant shall forfeit to the United States any property constituting or derived from any proceeds obtained directly or indirectly as a result of the commission of an offense under Title 18, United States Code, Section 1832.

All pursuant to Title 18, United States Code, Sections 1834 and 2323 and Title 28, United States Code, Section 2461(c).

A TRUE BILL:



FOREPERSON OF THE GRAND JURY

TIMOTHY J. DOWNING
United States Attorney



K. McKENZIE ANDERSON
Assistant United States Attorney