

Question 37 -- Summary of Boeing Felony Convictions

Past Boeing Convictions. The Boeing Company has pled guilty to felonies on two occasions. In November 1989, Boeing pled guilty in federal court to two counts of violating 18 U.S.C. § 641 and § 642 (unlawful conveyance). These convictions relate to the activity of a Boeing employee in its Washington D.C. office who improperly conveyed two government documents.

In June 1982, Boeing pled guilty in federal court to forty counts of violating 18 U.S.C. §§ 1001 and 1002 (false statements). These convictions relate to false statements that Boeing made in applications to the Exim Bank as to whether payments were made to non-regular agents in connection with sales of commercial aircraft.

Past Rockwell Convictions. In December 1996, The Boeing Company completed the acquisition of the aerospace units of Rockwell International Corporation. The acquired units became a wholly-owned subsidiary of Boeing, named Boeing North American, Inc. The acquired units had the following felony convictions, all of them prior to the acquisition.

In January 1989, Rockwell pled guilty in federal court to one count of violating 18 U.S.C. § 371 (conspiracy to commit a fraud against the United States) and one count of violating 18 U.S.C. § 401 (criminal contempt). These convictions arose out of activity by the Satellite and Space Electronics Division of Rockwell which was performing work under contracts for the United States government on the Global Positioning System program. The convictions were due to failure to disclose facts relating to a subcontract the disclosure of which were required by the Truth in Negotiations Act, and submission of false claims for payment under a Global Positioning System contract in violation of a prior court injunction.

In June 1992, Rockwell agreed to plead guilty in federal court to five felony and five misdemeanor counts of violating the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., and the Clean Water Act, 33 U.S.C. §§ 1251 et seq. These convictions arose out of activity performed by Rockwell in managing the Rocky Flats Nuclear Weapons Plant under contract to the Department of Energy.

In April 1996, Rockwell pled guilty in federal court to three counts of violating 42 U.S.C. § 6928 (for unlawful storage and disposal of hazardous waste). These convictions resulted from activity by employees of the Rockwell Rocketdyne division test site in Simi Hills, California.

Past McDonnell Douglas Convictions. In August 1997, Boeing completed the acquisition of McDonnell Douglas Corporation, now a wholly owned subsidiary of Boeing. McDonnell Douglas Corporation had the following felony convictions, all of them prior to the acquisition.

In September 1981, McDonnell Douglas Corporation pled guilty in federal court to five counts of violating 18 U.S.C. § 1001 (false statements), three counts of violating U.S.C. § 1341 (fraud by mail) and two counts of violating 18 U.S.C. § 1343 (fraud by wire). These convictions relate to false or incomplete statements made in Exim Bank filings concerning commission sales representatives used in the sale of commercial aircraft in five countries.