

# **EXHIBIT K**

## **Answer to Question #37**

1. United States of America v. General Electric Company, Hoyt P. Steele, Robert Naples, Twombly Inc., Schenectady Turbine Services Ltd. and Charles Mothon (Puerto Rico)

In 1981 General Electric Company (“GE”) and others were convicted in the United States District Court in New Jersey (at Trenton) on charges of violations of certain provisions of the United States Criminal Code claimed to have resulted from an alleged bribe of an official of the Puerto Rico Water Resource Authority in connection with a contract for the supply and construction of a power plant. These convictions were reversed in 1982 by the U.S. Court of Appeals for the Third Circuit. Verdicts of acquittal were ordered on certain counts and other counts were remanded for retrial. In April 1983 GE pleaded nolo contendere to a general conspiracy count. This plea was accepted by the United States District Court and GE was fined \$10,000. The remaining counts against GE were dismissed.

2. United States of America v. General Electric Company (Re-Entry Systems)

On March 26, 1985 an indictment was returned against GE by a grand jury in the United States District Court for the Eastern District of Pennsylvania charging GE with 4 counts of making false claims and with 104 counts of making false statements in violation of the United States Criminal Code, in connection with work performed for the United States Air Force by GE’s Re-Entry Systems Operation. On May 13, 1985, GE pleaded guilty to the various counts in the indictment and was fined a total of \$1,040,000 and paid an additional \$1,905,000 in civil fines and reimbursements.

3. United States of America v. General Electric Company d/b/a Management and Technical Services Co., Gerald A. Leo a/k/a “Bud” and James Badolato (MATSCO)

On February 2, 1990, a jury sitting in the United States District Court for the Eastern District of Pennsylvania found GE “vicariously liable” for the 1983 acts of two contract employees of a separate corporate subsidiary (“MATSCO”) of GE. GE was found guilty of mail fraud and of violating the False Claims Act. This action arose from 1983 negotiations by MATSCO of a single contract with the Army for production of battlefield computer systems. A MATSCO contract employee was found to have failed to notify the Army that they had negotiated lower subcontract prices with vendors than had originally been projected. Following an internal review, MATSCO promptly refunded \$3.69 million to the Government. The Government did not allege that any director or officer of GE had any knowledge of any withholding of information from the Army. On July 26, 1990, pursuant to a joint sentencing memorandum, GE and the Department of Justice settled the MATSCO civil and criminal cases and resolved several other civil matters from the early 1980’s which were not the subject of litigation. Under the settlement, GE

paid the Government \$13.9 million for unrelated contracting errors voluntarily disclosed to the Government by GE or agreed to by GE as a result of governmental and GE audits. GE also paid \$16.1 million in fines for the MATSCO civil and criminal cases.

4. United States ex rel. Taxpayers Against Fraud and Chester L. Walsh v. General Electric Company (Israel)

On November 15, 1990, an action under the federal False Claims Act, 31 U.S.C. §§ 3729-32, was filed under seal against GE in the United States District Court for the Southern District of Ohio. The qui tam action, brought by an organization called Taxpayers Against Fraud and an employee of GE's Aircraft Engines division ("GEAE"), alleged that GEAE, in connection with its sales of F110 aircraft engines and support equipment to Israel, made false statements to the Israeli Ministry of Defense ("MoD") causing MoD to submit false claims to the United States Department of Defense under the Foreign Military Sales Program. Senior GE management became aware of possible misconduct in GEAE's Israeli F110 program in December 1990. Before learning of the sealed qui tam suit, GE immediately made a voluntary disclosure to the Departments of Defense and Justice, promised full cooperation and restitution, and began an internal investigation. In August 1991, the federal court action was unsealed, and the Department of Justice intervened and took over responsibility for the case.

On July 22, 1992, after GE had completed its investigation and made a complete factual disclosure to the U.S. government as part of settlement discussions, the United States and GE executed a settlement agreement and filed a stipulation dismissing the civil action. Without admitting or denying the allegations in the complaint, GE agreed to pay \$59.5 million in full settlement of the civil fraud claims. Also on July 22, 1992, in connection with the same matter, the United States filed a four count information charging GE with violations of 18 U.S.C. § 287 (submitting false claims against the United States), 18 U.S.C. § 1957 (engaging in monetary transactions in criminally derived property), and 15 U.S.C. §§ 78m(b)(2)(A) and 78ff(a) (inaccurate books and records), and 18 U.S.C. § 371 (conspiracy to defraud the United States and to commit offenses against the United States). The same day, GE and the United States entered a plea agreement in which GE agreed to waive indictment, plead guilty to the information, and pay a fine of \$9.5 million. GE was that day sentenced by the federal court in accordance with the plea agreement.

5. Except for the foregoing, GE has not and, to the best of GE's knowledge, none of the directors and executive officers of GE has been, during the last fifteen years, convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).