



Department of Justice

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Statement of Tasia Scolinos, Director of Public Affairs, Regarding the Proposed Settlement with the Boeing Company

The Department of Justice and The Boeing Company have reached a tentative agreement in the investigation by the United States Attorney's Office for the Eastern District of Virginia concerning Boeing's hiring of former Air Force acquisition official Darleen Druyun in 2002 and the investigation by the United States Attorney's Office for the Central District of California regarding possession of a competitor's information in connection with launch service contracts with the Air Force under the Evolved Expendable Launch Vehicle Program and with a task order with NASA for 19 missions under its launch services contract.

The tentative agreement between Boeing and the United States Attorneys' Offices provides that those offices will not seek any criminal charges against Boeing relating to the EELV, NASA and Druyun matters. Boeing has agreed to accept responsibility for the conduct of its employees in these matters, pay a monetary penalty of \$50 million, continue its cooperation with federal investigators, and maintain an effective ethics and compliance program, with particular attention to the hiring of former government officials and the handling of competitor information. The United States Attorneys' Offices may seek to prosecute Boeing for the Druyun matter, or to assess a further penalty of up to \$10 million, if during the two-year term of the settlement agreement, an executive management employee of Boeing commits federal crimes as outlined in the tentative agreement, and the company fails to report the misconduct to the Department of Justice.

Under the proposed agreement, Boeing will pay a total of \$615 million. In addition to the \$50 million monetary penalty, Boeing will pay \$565 million to resolve potential civil claims asserted by the Department's Civil Division. A written agreement will be drafted and is expected to be signed in the next few weeks.

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