

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, D.C. 20520

In the Matter of:)
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)
 RAYTHEON COMPANY)
 Massachusetts)
)
 Respondent)
)
)

ORDER

WHEREAS, the Office of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State ("Department"), has notified the Raytheon Company ("Raytheon") of its intention to initiate an administrative proceeding against it pursuant to the Arms Export Control Act (the "Act") (22 U.S.C. § 2778(e)) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "Regulations"), based on allegations set forth in a proposed charging letter that Raytheon violated § 38 of the Act (22 U.S.C. § 2778) and the Regulations, in that during the period June 1998 to February 1999, Raytheon exported defense articles and technical data covered by the U.S. Munitions List (22 C.F.R. § 121.1) to Canada without the required approvals from the Department, and in other circumstances, violated the terms and conditions of approvals that were provided by the Department; and

WHEREAS, the Department and Raytheon have entered into a Consent Agreement pursuant to Section 128.11 of the Regulations whereby the Department and Raytheon have agreed to settle this matter in accordance with the terms and conditions set forth therein;

IT IS THEREFORE ORDERED,

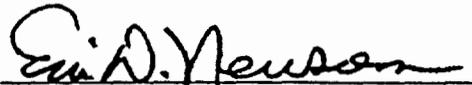
FIRST, that Raytheon shall pay to the Department a civil penalty of \$500,000.00 (five hundred thousand dollars) by cashier's check or certified check made payable to the Department of State. The penalty shall be paid within 10 days of the signing of this Order.

SECOND, that Raytheon is assessed an additional penalty of \$50,000.00 (fifty thousand dollars) which shall be suspended. This additional penalty represents an amount Raytheon will apply over a twelve-month period to pay the costs of an independent audit. Raytheon will provide the Department after one-year on the anniversary of this Order a written accounting of the expenditures associated with this additional penalty.

THIRD, Raytheon shall institute a compliance restructuring of the totality of Raytheon Aircraft Company's T-6A-Canada program, as set forth in the Consent Agreement in order to prevent recurrence of violations of the Act or the Regulations.

FOURTH, that the proposed Charging Letter, the Consent Agreement and this Order shall be made available to the public:

This Order becomes effective on the day it is signed.



Eric D. Newsom
Assistant Secretary
for Political-Military Affairs

Entered this 28th day of October 1999.