

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF ILLINOIS

Benton       East St. Louis       Contested     Uncontested

MINUTES OF DISPOSITION

USA v. Honeywell International, Inc.

Criminal No. 11-CR-40006-JPG

Defense Counsel: Tony Valukas, Jessie Liu, Tom Crosby

Judge: J. Phil Gilbert

Government Counsel: Mike Quinley, Liam Coonan, Jennifer Whitfield, Susan Park

Date: March 11, 2011

Reporter: Jane McCorkle

Deputy: K. Jane Reynolds

Time: 30 minutes

— COURT ORDERS PRE-SENTENCE REPORT TO BE SEALED WITH COUNSEL HAVING ACCESS TO SAME IN THE EVENT OF APPEAL. RECOMMENDATION TO BE PLACED UNDER SEPARATE SEAL AND COUNSEL WILL NOT HAVE ACCESS TO SAME.

COURT'S RULINGS ON OBJECTIONS TO PRE-SENTENCE REPORT:

**TOTAL AMOUNT OF      CONSTITUTING DEFENDANT'S RELEVANT CONDUCT IS OFFENSE LEVEL:**

**CRIMINAL HISTORY CATEGORY:**

**SENTENCE RANGE:      FINE RANGE:**

COURT ACCEPTS PLEA AGREEMENT       COURT REJECTS PLEA AGREEMENT

DEFENSE WITNESSES:

GOVERNMENT WITNESSES:

MOTION FOR DOWNWARD DEPARTURE BY       GRANTED       DENIED

DEPARTURE TO:

OFFENSE LEVEL:      CRIMINAL HISTORY CATEGORY:

CUSTODY OF ATTORNEY GENERAL       CUSTODY OF BUREAU OF PRISONS

**SENTENCE:** 5 years probation TOTAL YEARS ON COUNT 1 of the Information;     ALL COUNTS TO RUN CONCURRENT WITH EACH

OTHER;

**UPON RELEASE FROM IMPRISONMENT, DEFENDANT ON**

**SUPERVISED RELEASE** TOTAL YEARS ON COUNT(S); ;     ALL COUNTS TO RUN CONCURRENT WITH EACH OTHER

**Conditions of Supervision/Probation:**

- Within 72 hours of release from BOP, defendant to report to Probation in District released.
- Defendant shall not commit any further crimes.
- Defendant shall not possess firearm or other destructive device.
- Defendant shall not illegally possess any controlled substances.
- Defendant to participate in substance abuse program approved by Probation.

Other:

(a) A criminal fine in the amount of \$11,800,000.00 (eleven million eight hundred thousand). HONEYWELL will pay the fine by electronic funds transfer pursuant to instructions to be provided by the Clerk of the Court for the United States District Court for the Southern District of Illinois; and

(b) A five-year period of probation, the terms of which shall include the following conditions:

(i) HONEYWELL must comply with the terms of the Interim Consent Order entered into with the People of the State of Illinois, *ex rei*. Lisa Madigan, Attorney General of the State of Illinois, and Illinois Environmental Protection Agency ("EPA"), filed on April 21, 2010 ("Order"), and any subsequent revisions to the Order. The Order imposes a schedule for the processing of KOH mud, the hazardous waste at issue in this case. A copy of the Order is attached hereto as Attachment A. HONEYWELL shall provide the United States Probation Office and the Government an annual report on the status of its processing of the KOH mud for that calendar year no later than two months after the end of the calendar year.

(ii) In furtherance of satisfying the sentencing principles provided for under 18 U.S.C. § 3553(a), as community service aimed at ensuring the proper

management of hazardous waste in the community surrounding the Metropolis facility, which is the subject of the Criminal Information, pursuant to U.S.S.O. § 881.3, HONEYWELL shall develop, fund, and implement a household hazardous waste collection and disposal program in Massac County, Illinois, at a cost of approximately \$200,000.00 (two hundred thousand). HONEYWELL shall inform the community of Massac County, Illinois, about the collection program and make arrangements for the proper collection, storage, transportation, treatment, and/or disposal of household hazardous waste collected during the program. HONEYWELL will arrange at least eight (8) collection events over a two (2) year period. The program shall comply with all state, federal and local laws, regulations, standards, and procedures, involving the treatment, storage, transportation, and disposal of hazardous waste, including but not limited to the Resource Conservation and Recovery Act. HONEYWELL shall provide to the United States Probation Office and the Government an annual report on the status of the program within two months after the close of the calendar year. Each report should include the date of the collection event, the name of the company hired to manage the program, an accounting of the amount of waste collected, and the total funds expended to carry out the program. HONEYWELL further acknowledges and understands that any community service provided as a result of this Agreement is not a charitable effort. As such, HONEYWELL agrees that it will not seek any reduction in its tax obligations for providing this community service and shall not characterize, publicize, or refer to this program or associated payments as a charitable effort.

After HONEYWELL has successfully completed two years of probation, pursuant to 18 U.S.C. § 3564(c), HONEYWELL may petition the Court for early termination of probation if HONEYWELL has completed the processing of all the KOH mud referenced in the Stipulation

of Facts and otherwise complied with all other terms of probation.

18. HONEYWELL agrees to pay the full amount of the special assessment on the date of sentencing.

19. The parties agree, subject to approval by the Court, that the record contains information sufficient to enable a meaningful exercise of sentencing authority under 18 U.S.C. § 3553. Thus, pursuant to FED. R. CRIM. PRO. 32 (CXI)(A)(ii), the parties request that the Court waive the preparation of a pre-sentence report in this matter and that sentencing be held at the time the guilty plea to the Information is entered.

20. HONEYWELL shall not, through a change of name, business reorganization, sale or purchase of assets, divestiture of assets, or similar actions, seek to avoid the obligations and conditions set forth in this Agreement. This Agreement, together with all of the obligations and terms herein, shall inure to the benefit of and shall bind assignees, successors-in-interest, or transferees of the parties. This Agreement shall not prevent any stock or asset purchase transaction, provided obligations under this Agreement transfer to the purchaser. The existence of this Agreement and the obligations hereunder shall not prevent any party subject to the terms herein from ceasing operations otherwise covered by such obligations.

- Defendant shall submit within\_\_ for drug urinalysis.
- Defendant fined a total of \$11,800,000.00 on Count(s) 1 of the Information ; Interest Waived
- Fine to be paid from prison earnings, or while defendant is on supervised release.
- Special Assessment of \$400.00 on Count(s) 1 of the Information due immediately.
- Restitution is ordered in the amount of to be paid to:
- Court finds defendant's financial condition is such that he is unable to:
  - pay restitution,  pay a fine,  pay costs of incarceration or supervision, and they are WAIVED
- Defendant advised of right to appeal.
- Recommendation \_\_

BOND:  REVOKED  REMANDED  CONTINUED and Defendant to voluntarily surrender as notified by United States Marshal to designated institution; or  surrender to United States Marshal on

□ Counts(s) dismissed on Motion of Government