

August 16, 2005

United Technologies Corporation  
Attn: General Counsel's Office  
United Technologies Building  
Hartford, CT 06101

Dear General Counsel of United Technologies:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database ([www.pogo.org/db/index.cfm](http://www.pogo.org/db/index.cfm)), a compilation of information from public resources regarding government contractors, including United Technologies. I have enclosed the findings relevant to United Technologies and am requesting verification or refutation of the data from you.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to United Technologies, please be assured that any response received by POGO will be posted on the website along with the data.

Changes to the database include: the addition of more current instances, removal of Superfund cleanup costs, and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in any totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Kevin L. Phelps  
Project Director

Enclosure

Instances of Misconduct

1.

Case Name N/A

Date- 6/7/1999

Amount- \$304,729

Synopsis- According to a GAO report cited by Senator Harkin and Representative DeFazio, United Technology, reached a settlement of \$304,729 for alleged defective pricing.

Disposition- Settlement

Court Type- Civil

Misconduct Type- Government Contract Fraud

Contract Type- N/A

Documents- Harkin/DeFazio Press Release

2.

Case Name N/A

Date- 11/18/1997

Amount- \$150,000

Synopsis- According to a GAO report cited by Senator Harkin and Representative DeFazio, United Technology, reached a settlement for \$150,000 for alleged cost/labor mischarge, in violation of the False Claims Act.

Disposition- Settlement

Court Type- Civil

Misconduct Type- Government Contract Fraud

Contract Type- N/A

Documents- Harkin/DeFazio Press Release

3.

Case Name- United States v. United Technologies

Date- 5/20/1997

Amount- \$14,800,000

Synopsis-

United Technologies Corporation, Pratt & Whitney (P & W), Government Engine and Space Propulsion Division, entered into a settlement agreement in which P&W agreed to pay the Government \$14.8 million, following the Defense Contract Audit Agency (DCAA)-assisted DCIS investigation. The agreement resolved charges that P&W violated the False Claims Act by preparing false purchase orders and submitting false invoices under the Foreign Military Sales Program (FMSP) administered by the Defense Security Assistance Agency. The program involved the FMSP funded Lavi fighter aircraft under development for the Israeli Air Force.

Disposition- Settlement

Misconduct Type- Government Contract Fraud

Contract Type- Government Defense

Documents- DOD IG semiannual report to Congress  
<http://www.dodig.osd.mil/sar/972semi.pdf>

#### Pending Cases

1.

Case Name- United States v. United Technologies

Synopsis- The Department of Justice sued UTC to recover approximately \$75 million that it allegedly overcharged the Air Force for jet engines. 99cv93 US DC SD OH

Court Type- Civil

Misconduct Type- Government Contract Fraud

Contract Type- Government Defense