

November 14, 2006

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), a compilation of information from public resources regarding government contractors, including United Technologies. On August 16, 2005 and December 2, 2005, we sent you information regarding findings relevant to United Technologies, which we have enclosed for your reference. As of today, we have not received a response from your office.

A written response is certainly in the best interest of everyone involved. It is the best way for your company to go on record regarding this process and the instances identified; your letter will be posted in its entirety on the database. Several companies have already responded and have expressed appreciation for the opportunity to express their views. POGO would prefer to receive a response by November 30, 2006 to ensure it is included with the launch of our new database.

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

Sincerely,

Scott Amey
General Counsel

Enclosure

Instances of Misconduct

1.

Cost and Labor Mischarge

Date: 11/18/1997 (Date of Settlement)

Misconduct Type: Defective Pricing

Contracting Party: Government Defense

Court Type: Civil

Amount: \$150,000

Disposition: Settlement

Synopsis: According to a GAO report cited by Senator Harkin and Representative DeFazio, United Technologies, reached a settlement for \$150,000 for an alleged cost/labor mischarge.

Document(s):

Harkin and DeFazio Press Release

2.

Defective Pricing (1999)

Date: 06/07/1999 (Date of Settlement)

Misconduct Type: Defective Pricing

Contracting Party: Government Defense

Court Type: Civil

Amount: \$304,729

Disposition: Settlement

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

Document(s):

Harkin and DeFazio Press Release

3.

United States v. United Technologies (Submitting False Invoices)

Date: 05/20/1997 (Date of Settlement)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$14,800,000

Disposition: Settlement

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 (31 U.S.C. §§ 3729, et. seq.) 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.

Document(s):

DOD Inspector General Report

DOJ Press Release

4.

Brainard v. Pratt & Whitney

Date: 07/07/2005 (Date of Settlement)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Civil

Amount: \$30,000

Disposition: Settlement

Synopsis: On July 7, 2005, Pratt & Whitney, a subsidiary of United Technologies, reached a settlement “for potential violations of the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. §§ 4301- 4333, et. seq...John Brainard worked at Pratt & Whitney’s Jet Propulsion site in Palm Beach County, Florida, under an outsource labor contract between Pratt & Whitney and EDF Company. On April 24, 2002, Brainard, a Major with the United States Army Reserve, was called to active military service. For the next six months, Brainard was stationed primarily overseas in Kuwait. He was released from active duty in October and returned home. Upon his return to work on October 21, 2002, Brainard was informed that his job had been eliminated. No comparable position was offered to him...the companies denied violating the provisions of the Act, but agreed to settle Brainard’s claims.”

Document(s):

DOJ Press Release

5.

Violations of Workplace Injury & Illness Recordkeeping Requirements

Date: 10/27/1999 (Date of Penalty Proposal)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$155,000

Disposition: Fine

Synopsis: The Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor...cited the Pratt and Whitney Aircraft, Turbine Modular Center, located in North Haven, Connecticut, for alleged willful violations of the Occupational Safety and Health Act and has proposed penalties totaling \$155,000 for those alleged violations...the company is being cited for four alleged WILLFUL violations, carrying proposed penalties totaling \$154,000, for: failing to maintain an equivalent OSHA Log at their facility which is as readable and comprehensible as the OSHA 200 form; for calendar years 1996, 1997, 1998 and 1999, failure to record 71 recordable injury and illness cases; failure to make available supplementary records of occupational illness and injuries for the month of December 1996; and failure to make readily available complete and accurate OSHA 200 logs for the 1996, 1997, 1998 and 1999 calendar years”.

Document(s):

OSHA Press Release

6.

Clean Air Violations

Date: 06/27/2006 (Date of Fine)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Civil

Amount: \$176,000

Disposition: Fine

Synopsis: "Sikorsky Aircraft Corp. will pay a fine of \$176,000 to settle an EPA complaint for violations of the federal stratospheric ozone protection regulations and two federal hazardous air pollutant standards...Sikorsky, a subsidiary of United Technologies Corp., is a helicopter manufacturer with a major plant in Stratford, Conn. EPA's complaint alleged that Sikorsky violated leak repair and follow-up testing requirements for two industrial refrigeration units that used chlorofluorocarbons ("CFCs") or other ozone-depleting substances as refrigerants."

Document(s):

EPA Press Release

7.

Violations of Underground Tank Systems Standards

Date: 09/07/2004 (Date of Conesent Order)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Administrative
Amount: \$10,000
Disposition: Administrative Agreement

Synopsis: "The Department of Environmental Protection entered into an administrative consent order with Pratt & Whitney Division of United Technologies Corporation ("Pratt & Whitney") on September 7, 2004 for allegedly violating the standards for underground storage tank systems...As part of the consent order, Pratt & Whitney has agreed to thoroughly empty the tank systems of all contents and ensure that no material is placed in the tank system until approved by the Commissioner. Pratt & Whitney is required to comply with leak detection requirements and to conduct an investigation to determine whether or not the tanks systems have leaked. Pratt & Whitney has also agreed to payment of a \$10,000 civil penalty for the alleged violations."

Document(s):
Connecticut DEP Press Release

8.
Air Emissions Violations
Date: 12/02/2002 (Date of Consent Order)
Misconduct Type: Environment
Contracting Party: N/A
Court Type: Administrative
Amount: \$17,700
Disposition: Administrative Agreement

Synopsis: "United Technologies Corporation ("UTC") entered into an administrative consent order with the Department of Environmental Protection on December 2, 2002 for alleged air emission violations...Emission testing conducted in January and February 2001, and January 2002 showed that P&W exceeded the full load emission rates...The consent order requires UTC to: expend not less than \$46,500 to purchase and permanently retire not less than thirty-six (36) tons of approved non-ozone season DERCs, and pay a civil penalty of \$17,700."

Document(s):
Connecticut DEP Press Release

Pending Cases

1.
United States v. United Technologies (Overcharging the Government)
Date: 03/03/1999 (Date of Filing)
Misconduct Type: Defective Pricing
Contracting Party: Government Defense
Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: The Department of Justice sued UTC to recover approximately \$75 million that it allegedly overcharged the Air Force for jet engines.

Document(s):

DOJ Press Release