

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, DC 20520

In the Matter of:)
)
)

THE BOEING COMPANY,)
Delaware)
)

Respondent)
_____)

ORDER

WHEREAS, the Office of Defense Trade Controls, Bureau of Political Military Affairs, United States Department of State (the "Department"), has notified The Boeing Company, ("Boeing") of its intention to initiate an administrative proceeding against it pursuant to the Arms Export Control Act (the "Act") (22 C.F.R. § 2778 (e)) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. § 120-130) (the "Regulations"), based on allegations that Boeing violated Section 38 of the Act (22 U.S.C. § 2778) and § 127 of the Regulations as set forth in a proposed Charging Letter, attached hereto and incorporated by reference herein; and

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

IT IS THEREFORE ORDERED,

FIRST, that Boeing shall pay to the Department a civil penalty of \$3,800,000 (three million eight hundred thousand dollars) by cashier's check or certified check made payable to the Department of State. Boeing shall pay to the Department \$1,000,000 (one million dollars) within ten (10)

days of the signing of this Order, and \$1,000,000 (one million dollars) in annual installments for two years and \$800,000 (eight hundred thousand dollars) in year three, due each year on the anniversary of the signing of this Order.

SECOND, that Boeing is assessed an additional penalty of \$400,000 (four hundred thousand dollars) which shall be suspended on the condition that Boeing will apply this amount over a three year period to pay costs associated with the Special Officer and the compliance and monitoring measures specified in the Consent Agreement. Boeing will provide annually to the Department on the anniversary of this Order a written accounting of the expenditures associated with this additional penalty, and failure to use these funds appropriately for this purpose or to provide a satisfactory accounting shall result in a lifting of the suspension, in which case Boeing shall be required to pay this amount to the Department of State.

THIRD, James A. Bell, Vice President for Finance and Corporate Controller, is appointed as Special Officer to ensure that Boeing performs its responsibilities in a timely and fully satisfactory manner as required by this Order and paragraph (5) of the Consent Agreement.

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.



Gregory M. Suchan
Acting Assistant Secretary for
Political-Military Affairs
Department of State

Entered this 30th day of March, 2000[*]