

**UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS**
Fort Worth Division

UNITED STATES OF AMERICA)	
)	
Plaintiff,)	
)	
v.)	4:21-cr-00005-O
)	
THE BOEING COMPANY,)	
)	
Defendant.)	
)	

**GOVERNMENT STATUS REPORT AND
PROPOSED PLEA AGREEMENT**

The United States of America (the “Government”) and The Boeing Company (“Boeing” or “the Company”) have finalized their plea agreement, which the Government hereby submits to the Court as an exhibit to this status report. Consistent with the Government’s standard practice in corporate cases, the parties are respectfully asking the Court to accept the plea agreement under Federal Rule of Criminal Procedure 11(c)(1)(C). *See e.g., United States v. Trafigura Beheer B.V.*, No: 1:23-cr-20476 (S.D. Fla. Mar. 28, 2024); *United States v. Gunvor S.A.*, No: 1:24-cr-00085 (E.D.N.Y. Mar. 1, 2024); *United States v. Telefonaktiebolaget LM Ericsson*, No: 1:19-cr-00884 (S.D.N.Y. Mar. 20, 2023). Shortly after filing this status report, the Government will be providing a copy of the same, as well as the Court’s July 15, 2024 Scheduling Order, to the families of the victims of the Lion Air Flight 610 and Ethiopian Airlines Flight 302 airplane crashes (“families”) and Boeing’s airline customers that purchased the 737 MAX (“airline customers”).

As summarized below, the material terms of the plea agreement are consistent with the parties’ agreement in principle that the Government described in its July 7, 2024 status report (ECF No. 206 (amended)). In addition, Attachment A-1 of the plea agreement sets forth the

Government's factual basis for its determination that Boeing breached the terms of the Deferred Prosecution Agreement ("DPA") (ECF No. 4) by failing to sufficiently design, implement, and enforce a compliance and ethics program to prevent and detect violations of U.S. fraud laws throughout its operations.

Charge. Boeing agrees to plead guilty to the most serious readily provable offense, which is the sole count in the pending Criminal Information (ECF No. 1): conspiracy to defraud the United States, specifically, the lawful function of the Federal Aviation Administration Aircraft Evaluation Group, in violation of Title 18, United States Code, Section 371.

Scope of criminal release. The Government will not charge Boeing with any other criminal offense related to the conduct described in the Statement of Facts (Attachment A-2 of the plea agreement). The plea agreement will not provide Boeing with immunity for any other conduct, including any conduct that may be the subject of any ongoing or future Government investigation of the Company.

Criminal fine. The Government alleges in the Statement of Facts, and Boeing agrees, that the Company derived \$243,600,000 in pecuniary gain from the offense of conviction, which increases the statutory maximum fine to twice that amount, \$487,200,000, pursuant to the Alternative Fine Act, 18 U.S.C. § 3571(d). The parties agree that the Court should impose a fine at the top of the applicable Sentencing Guidelines range, which is the statutory maximum fine of \$487,200,000. The parties recommend that when imposing sentence, the Court credit \$243,600,000 previously paid by Boeing pursuant to the DPA, resulting in a remaining criminal monetary penalty of \$243,600,000, because the Sentencing Guidelines calculation set forth in the plea agreement and in the DPA are the same and the penalty the Company paid pursuant to the DPA was based on this Guidelines calculation.

Restitution. Based on the offense charged in the Information, and the factual allegations establishing that offense set forth in the Information and Statement of Facts, the plea agreement provides that restitution is discretionary pursuant to Title 18, United States Code, Section 3663, and not mandatory pursuant to Title 18, United States Code, Section 3663A. The Court will determine whether and in what amount restitution is owed to the families, whom the Court previously determined were directly and proximately harmed by Boeing's conduct as charged in the Information (*see* ECF No. 116). The Government retains the right to support any legally authorized claim for restitution presented by a family. Boeing retains the right to contest and to appeal any restitution claim. The plea agreement further provides that the Court shall not order Boeing to pay any restitution amount to the airline customers or any other third parties that may assert a restitution claim.

Forfeiture. Forfeiture is not applicable to the offense charged in the Information.

Probation. Boeing will serve a three-year term of organizational probation imposed pursuant to Title 18, United States Code, Sections 3551(c)(1) and 3561(c)(1).

Retention of Independent Compliance Monitor. A condition of probation shall be that Boeing retain an Independent Compliance Monitor. The Independent Compliance Monitor's selection process, mandate, duties, review, and certification are described in the plea agreement and Attachment D to the plea agreement. The Government will select and oversee the Independent Compliance Monitor. With respect to selection, the Government will post on its public website a request for proposals from potential monitor candidates, and, with feedback from Boeing, select a candidate that meets the specific qualifications articulated in the public posting and the general qualifications articulated in the Criminal Division's Revised Memorandum on Selection of Monitors in Criminal Division Matters. The Government will notify the Court under seal of its

intent to select a certain candidate; and if, after 10 days, the Court does not raise concerns, the Government will finalize the selection and appoint the monitor. The monitor will prepare a confidential annual report for the Government, and file on the public court docket an executive summary of that annual report.

Investment in compliance, quality, and safety. A condition of probation shall be that over the term of probation, Boeing shall invest in its compliance, quality, and safety programs a total of at least \$455,000,000, representing on an average annual basis an increase of approximately 75% above Boeing's previously planned expenditures on its corporate compliance program for fiscal year 2024.

Board of Directors meeting with families. A condition of probation shall be that Boeing ensures that its Board of Directors holds a meeting with the families, should they wish to attend, and their legal representatives within four months after Boeing is sentenced.

Respectfully submitted,

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cc: Counsel of Record (via ECF)