

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

In the Matter of:)

THE BOEING COMPANY)

Respondent)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State ("Department"), has notified The Boeing Company ("Respondent") of its intention to initiate an administrative proceeding against it pursuant to section 38(e) of the Arms Export Control Act, as amended, (the "AECA") (22 U.S.C. 2778(e)), and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "ITAR");

WHEREAS, the proposed charges are based on allegations that the Respondent violated section 38 of the AECA and sections 127.1, 127.2 and 124.1 of the ITAR as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein in connection with exceeding the unauthorized values of manufacturing licensing agreements (MLAs), failing to submit for approval MLA amendment requests, omitting material facts within MLA amendments submitted to the Department and failing to comply with administrative requirements concerning MLAs;

WHEREAS, the Department recognizes that the Respondent agrees to waive its rights to raise the defense of Statute of Limitations with regard to the collection of the civil penalty imposed by the Consent Agreement and this Order, and that the Statute of Limitations shall be tolled until the last payment is made and all terms of the Consent Agreement are satisfied;

WHEREAS, pursuant to section 128.11 of the ITAR, the Department and the Respondent have entered into a Consent Agreement (attached hereto and incorporated by reference herein), whereby the Department and the Respondent have agreed to settle this matter in accordance with the terms and conditions set forth therein.

IT IS THEREFORE ORDERED:

FIRST, that the Respondent shall pay in fines a civil penalty of three million dollars (\$3,000,000) comprised of the amounts and payable, as stipulated below, in complete settlement of the civil violations contained in the Department's Proposed Charging Letter and other information identified in the Consent Agreement;

SECOND, one million dollars (\$1,000,000) of this civil penalty shall be paid to the Department within ten (10) days of the date that this Order is signed and entered. The Respondent shall then pay one million (\$1,000,000) dollars on each of the first and second anniversaries of the date that this Order is signed and entered. Such payments to be made by cashiers or certified check payable to the Department of State;

THIRD, that the Respondent shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein; and

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.



Stephen D. Mull
Acting Assistant Secretary
Bureau of Political-Military Affairs
U.S. Department of State

Signed and Entered this 17th day of June, 2008