

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 (“Boeing”) (“Respondent”) of its intention to initiate an administrative proceeding against it pursuant to Section 38(e) of the Arms Export Control Act (the “Act”) (22 U.S.C. 2778 (e)) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the “Regulations”);

WHEREAS, the draft charges are based on allegations that the Respondent Boeing violated Section 38 of the Act and Section 127 of the Regulations as set forth in a Draft Charging Letter, attached hereto and incorporated by reference herein, in connection with the unauthorized export of a defense article world-wide to include a proscribed country;

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

IT IS THEREFOR ORDERED:

FIRST, that the Respondent shall pay in fines a civil penalty of \$15,000,000.00 (fifteen million dollars) in complete settlement of the civil violations as set forth in the Department's Draft Charging Letter. This civil penalty shall be paid within ten (10) days of the signing of the Order and such payments to be made by cashier's or certified check payable to the Department of State.

The Department Recognizes that the Respondent agrees that the effect of any statutory limitations to the collection of the civil penalty imposed by the Consent Agreement and this Order shall be tolled until the last payment is made and all terms of the Consent Agreement are satisfied.

SECOND, the Respondent shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement (including the Annex of Compliance Measures) and shall do so within the deadlines established therein.

THIRD, that the draft Charging Letter, the Consent Agreement (including the Annex of Compliance Measures) and this Order shall be made available to the public.

This Order becomes effective on the day it is signed.



Dr. John Hillen
Assistant Secretary for
Political-Military Affairs
Department of State

Entered this 28th day of March 2006