

What's next for Boeing after the US says it can be prosecuted?

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Boeing's 737 MAX experienced two infamous crashes in 2018 and 2019 that together claimed 346 lives.

The Department of Justice said that Boeing can be prosecuted for violating a 2021 criminal settlement over the certification of the 737

MAX.

The DOJ determination, filed in US court in Texas on Tuesday, comes on the heels of a near-catastrophic Alaska Airlines flight in January that made an emergency landing after a panel on the fuselage blew out.

US officials gave Boeing until June 13 to respond with input the United States "shall consider in determining whether to pursue prosecution of (Boeing)."

What was the 2021 settlement?

In January 2021, the Department of Justice announced a deferred prosecution agreement (DPA) in which Boeing agreed to pay \$2.5 billion to settle [fraud charges](#) over certification of the 737 MAX, which experienced two fatal crashes in 2018 and 2019 that together claimed 346 lives.

In addition to the financial penalties, the agreement required Boeing to strengthen its compliance program, meet regularly with US anti-fraud officials and submit annual reports documenting its progress.

The agreement, announced on January 7, 2021 in the waning days of Donald Trump's administration, was designed to expire after three years if Boeing met its requirements.

What did DOJ conclude?

The letter from DOJ to US Judge Reed O'Connor said the agency determined Boeing "breached its obligations" under the DPA, citing a number of provisions in the accord.

These included measures requiring Boeing to implement a compliance and ethics program, beef up its internal controls "to effectively detect and deter violations of US fraud laws" and prohibit Boeing from providing "deliberately false, incomplete or misleading" information about its compliance.

Other provisions require Boeing leaders to model excellent behavior supporting compliance as part of creating and fostering "a culture of ethics."

Is this a result of the Alaska Airlines problem?

The DOJ letter did not mention the Alaska Airlines incident, which has spurred "multiple governmental and regulatory investigations," according to a Boeing securities filing.

The Alaska Airlines incident follows numerous other unflattering revelations about Boeing manufacturing problems and complaints from whistleblowers, heightening scrutiny of the company.

The FAA in January opened an investigation following the Alaska Airlines episode on whether jets delivered by Boeing "were in condition for safe operation."

The FAA on February 28 gave Boeing 90 days to develop "a comprehensive action plan to address its systemic quality-control issues to meet FAA's non-negotiable safety standards."

What punishments does Boeing face?

Family members of the 737 MAX victims, who have slammed the 2021 agreement as a mere slap on the wrist, have called for prosecution of

Boeing and top officials, as well as the appointment of an independent monitor.

DOJ is set to gather input from victims at a meeting on May 31.

Columbia Law School Professor John Coffee said straightforward remedies for DOJ could include extending the DPA and appointing a monitor with extensive oversight capacities, but considers prosecution of senior executives unlikely.

How does DOJ's action affect the crisis at Boeing?

The DOJ's action adds to pressure on Boeing, which has reported a string of financial losses and has significantly slowed its delivery of new jets while it addresses quality control issues.

Senator Richard Blumenthal, a Connecticut Democrat, said the DPA failed to address Boeing's "rotten corporate culture" because it held "no one accountable," adding that he looks forward to hearing from Boeing leaders at a hearing.

Blumenthal and other lawmakers critical of Boeing have characterized the company's success as essential, alluding to economic and national security priorities.

Coffee cited an "economic" rationale for not criminally prosecuting Boeing.

"The company is badly injured and a [criminal trial](#) would get considerable attention, causing even greater economic damage and possibly fueling a backlash from retail passengers," Coffee said in an email.

"Air carriers would be scared of a world in which Boeing shrank into relative insignificance, leaving Airbus holding a monopoly and predictably charging higher prices."

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