

Boeing faces deadline to rebut possible US prosecution

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Boeing has been under heightened scrutiny since January 2024, when a panel on a fuselage of an Alaska Airlines flight blew out.

Boeing faces a Thursday deadline to respond to a US Department of Justice determination that the planemaker can be prosecuted for

violating a 2021 deal that allowed it to escape criminal prosecution over two fatal 737 MAX crashes.

The embattled aviation giant delivered its official response on Wednesday contesting the Justice Department's assessment, Bloomberg News reported late Wednesday, citing unnamed sources.

"We'll decline to comment on any specific communications with the Justice Department, however we continue to engage transparently with the Department, as we have throughout the term of the agreement," Boeing said of the Bloomberg report.

The case, which relates to a deferred prosecution agreement (DPA) over two MAX crashes in 2018 and 2019 that together claimed 346 lives, comes as Boeing faces intensifying scrutiny following recent manufacturing and safety problems.

Also on Thursday, Federal Aviation Administrator Mike Whitaker is due to testify in the Senate Commerce Committee on Boeing's recent plan to upgrade its safety and quality control efforts.

And next Tuesday, Boeing Chief Executive Dave Calhoun takes a turn before Congress in a hearing with the Senate Permanent Subcommittee on Investigations.

The aviation giant has been under a microscope since a January 5 incident in which a 737 MAX operated by Alaska Airlines was forced to make an emergency landing after a fuselage panel blew out mid-flight.

The incident came soon before the three-year DPA was due to conclude.

If satisfied with Boeing's conduct, the Department of Justice (DOJ) could have moved to drop the charges.

But in a May 14 letter to US Judge Reed O'Connor, the DOJ concluded that Boeing "breached its obligations" under the agreement, citing a number of provisions.

The January 2021 agreement required Boeing to pay \$2.5 billion to settle [fraud charges](#) over certification of the 737 MAX.

The DOJ letter cited 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.

"We believe that we have honored the terms of that agreement," Boeing said to AFP in a statement on May 14, adding that it planned to defend itself.



Federal Aviation Administration Administrator Mike Whitaker will be questioned on Boeing by a Senate panel.

Families urge prosecution

In October 2018, a MAX 8 operated by Lion Air crashed in Indonesia's Java Sea, leaving 189 people dead.

Less than six months later, in March 2019, another MAX 8 operated by Ethiopian Airlines crashed southeast of Addis Ababa, killing the 157 people on board.

Prosecutors met with family members who lost relatives in the two MAX crashes on May 31 this year.

"The families have been strongly urging the DOJ to prosecute Boeing versus supporting a negotiated plea agreement," said a press release from the Clifford Law Offices, which represents the families.

The families "asked for full transparency including a [criminal trial](#) on conspiracy and other possible criminal charges against Boeing and their executives responsible for the two crashes," it said.

The Justice Department has said it will decide how to proceed on the case by July 7.

Ahead of that, Calhoun can expect a grilling at the June 18 hearing, which has been called a probe into "Boeing's Broken Safety Culture" after the panel earlier heard from company whistleblowers.

In March, Boeing announced that Calhoun would step down as CEO at the end of 2024, setting the stage for the company to undertake an executive search.

The company's travails have continued to weigh on its finances.

Last month, Boeing Chief Financial Officer Brian West said the company expects negative cash for all of 2024 after previously forecasting positive cash generation in the low single-digit billions for the year.

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