

Boeing agrees to US plea deal over fatal MAX crashes

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Boeing says it has reached an agreement with the US Department of Justice over two fatal 737 MAX crashes.

Boeing confirmed on Monday that it had reached a deal with the US Department of Justice over two fatal 737 MAX crashes, with court

documents showing the planemaker set to plead guilty to fraud.

The agreement comes after prosecutors concluded Boeing flouted an earlier settlement addressing the disasters, in which 346 people were killed in Ethiopia and Indonesia more than five years ago.

"We have reached an agreement in principle on terms of a resolution with the Justice Department," Boeing said in a statement.

Families of crash victims immediately filed an objection to the deal, arguing that it "unfairly makes concessions to Boeing that other criminal defendants would never receive."

Catherine Berthet, who lost her daughter Camille in the 2019 Ethiopian Airlines crash—involving a 737 MAX 8—said the deal reflects "weakness and manifest contempt for the victims' families and public interest."

Court papers filed in Texas on Sunday said the company had agreed to plead guilty to "conspiracy to defraud the United States" during the certification of MAX airplanes.

The plea deal would see Boeing avoid a criminal trial and instead agree to a series of terms that includes a fresh \$243.6 million fine.

The company will also be required to make a minimum investment of \$455 million in "compliance and safety programs."



Families of Boeing crash victims demonstrate in Washington on June 18.

Such changes at the firm will be overseen by an independent monitor appointed by the government for a three-year term.

The company's board of directors will also be required to meet the families of crash victims.

The high-profile agreement follows the DOJ finding in May that Boeing failed to improve its compliance and ethics program, in breach of a 2021 deferred prosecution agreement (DPA) in the wake of the MAX crashes.

Families reject 'generous' deal

The families of victims will ask the court to reject the plea deal at an upcoming hearing.

"The generous plea agreement rests on deceptive and offensive premises," said the objection filed by their legal team Sunday.

In a statement shared by her lawyers, Berthet added that the agreement shows the DOJ's "deafness" despite an alarming rise in incidents.

The original DPA was announced in January 2021, over charges that Boeing knowingly defrauded US aviation regulators.



Victims' relatives after meeting Department of justice officials on April 24.

That agreement required Boeing to pay \$2.5 billion in fines and restitution in exchange for immunity from criminal prosecution.

A three-year probationary period was set to expire this year.

But in January, Boeing was plunged back into crisis mode when a 737 MAX flown by Alaska Airlines was forced to make an emergency landing after a fuselage panel blew out mid-flight.

The incident launched a new wave of scrutiny into Boeing's manufacturing and safety practices, with formal probes initiated by US regulators and Congress.

In a May 14 letter to the court overseeing the MAX case, DOJ officials said that Boeing flouted its obligations under the DPA by "failing to design, implement, and enforce a compliance and ethics program to prevent and detect violations of the US fraud laws throughout its operations."

The conclusion opened up the company to possible prosecution, with Boeing initially arguing it had not violated the 2021 agreement.

DOJ representatives briefed families in late June on the proposed plea deal and the company was given until July 5 to accept the offer, or face a possibly damaging trial.

Boeing was meanwhile met with fresh negative news on Monday, with the US Federal Aviation Administration announcing that over 2,600 737 jets would need inspections, amid concerns that passenger oxygen masks could fail in emergencies.

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