

Senator Rudman to Lead Independent Review of Boeing

The Boeing Company [NYSE: BA] announced today that former Senator Warren B. Rudman will lead an independent review of the company's policies and procedures regarding ethics and the handling of competitive information, including any management or cultural factors that could affect how these policies and procedures are respected and enforced.

The Air Force and the Department of Justice are reviewing whether Boeing employees misused information from Lockheed Martin in 1997 and 1998 during the competition for the Evolved Expendable Launch Vehicle (EELV) program. The competition resulted in awards of space launches to both companies. Boeing continues to cooperate with these reviews.

"Senator Rudman has an outstanding reputation for independence and integrity. He will be given total access to Boeing information and people," said Boeing Chairman and CEO Phil Condit.

"I have asked Senator Rudman to verify that the EELV incident was an exceptional violation of company policy and to make recommendations for any improvements he deems warranted," Condit said. "We intend to make public the results of his review.

"There is no doubt that our standards of behavior were violated; that is unacceptable. Boeing has a valued legacy of high ethical standards and we do not want this hard-earned reputation to be harmed by the actions of a few," Condit said. "Boeing's integrity and behavior must never be questioned and no one should be able to allege that we have acted improperly or that we would compromise our own internal review process."

Senator Rudman is a partner in the Washington, D.C., office of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison. He is a former U.S. Senator from New Hampshire and Chairman of the Senate Ethics Committee. Most recently he was a member of the Conference Board's Commission on Public Trust and Private Enterprise, which recommended significant reforms related to corporate governance, business ethics, and auditing and accounting issues. He is a director of the Chubb Corporation, Allied Waste, Boston Scientific, Collins & Aikman and the Raytheon Company.

Boeing said it hoped that Senator Rudman would be able to complete his review in 60-90 days, but that the timing is not as important as the thoroughness. Senator Rudman will choose the other members of his team.

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