Boeing Responds to U.S. Air Force Announcement

Boeing Chairman and CEO Phil Condit released the following statement today regarding the U.S. Air Force's suspension action in the Evolved Expendable Launch Vehicle rocket launch competition:

"We are extremely disappointed by the circumstances that prompted our customer's action, but we understand the U.S. Air Force's position that unethical behavior will not be tolerated. We apologize for our actions. We will continue to work with the Air Force to address the issues that caused this suspension.

"Last week, I asked former Senator Rudman to review the company's policies and procedures regarding ethics and the handling of competitive information. His review will include looking at any management or cultural factors that could affect how these policies and procedures are respected and enforced.

"To reinforce the impact unethical behavior has on the customer and the company, a stand-down will take place on July 30 for all 78,000 employees in our Integrated Defense Systems business unit. These employees will be briefed on today's action taken by our Air Force customer and the events that caused it, and participate in specialized interactive ethics and procurement integrity training.

"As I've said before, I am proud of the 160,000 men and women of The Boeing Company. The unethical conduct that led to this action does not reflect the high standards that we exhibit day-in and day-out to our customers, suppliers and communities. We want to ensure that Boeing will never again have to face such criticism."

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