

Judge rejects Boeing plea deal

- A Monitor Desk Report

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USA: A federal judge has rejected Boeing Co.'s plea deal with U.S. prosecutors over two fatal 737 Max crashes, dealing a setback to the company's efforts to resolve criminal charges stemming from the accidents.

U.S. District Judge Reed O'Connor sided with families of the crash victims, who opposed the agreement. The judge criticized provisions in the deal that required consideration of the race of an independent monitor during the selection process and limited his oversight role. O'Connor directed both parties to discuss and determine the next steps.

"These provisions are inappropriate and against the public interest," O'Connor said in his ruling Thursday.

Earlier this year, Boeing had agreed with the US Justice Department to plead guilty to criminal conspiracy, pay a fine and install an independent

corporate monitor. Plus, the company would have been required to spend at least \$455 million to bolster its compliance and safety programs.

O'Connor cited provisions related to the selection of the independent monitor as his motivation for rejecting the deal, including language directing prosecutors to consider diversity and inclusion when selecting the monitor. He also took issue with requirements that the monitor answer to the government, rather than to the court.

The judge's rejection of the proposed deal comes months after he made an unusual request for both parties to explain language in the deal directing the DOJ to consider diversity and inclusion when selecting an independent monitor. The government defended it as a reflection of longstanding practice at the agency.

Paul Cassell, one of the lawyers representing family members of crash victims, said O'Connor's decision is an important victory in their efforts to hold the company accountable.

"Judge O'Connor has recognized that this was a cozy deal between the Government and Boeing that failed to focus on the overriding concerns "- holding Boeing accountable for its deadly crime and ensuring that nothing like this happens again in the future," Cassell said in a statement. "This order should lead to a significant renegotiation of the plea deal to reflect the deaths Boeing caused and put in place proper remedies for the future."

A representative for Boeing didn't immediately comment on the ruling.

The company's shares were down less than 1 per cent as of 12:33 p.m. in New York. The stock has lost about 39 per cent this year, the biggest decline in the Dow Jones Industrial Average.

The case is US v. Boeing, 21-cr-005, US District Court, Northern District of Texas (Fort Worth).

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