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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

FILED
KENNETH J. MURPHY
CLERK

1992 JUL 22 A 10:44

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WEST DIVISION
CR-1-92-89

UNITED STATES OF AMERICA, : CRIMINAL NO.
 :
 Plaintiff, :
 :
 :
 vs. : PLEA AGREEMENT
 : (Judge Rubin)
 :
 GENERAL ELECTRIC COMPANY, :
 :
 Defendant. :

Judge	10
Mag.	
Journal	
Motion #	
Issue	
Card	
N/S	63
Docketed	

Pursuant to Rule 11(e) of the Federal Rules of Criminal Procedure, the United States, by its undersigned counsel, and the defendant GENERAL ELECTRIC COMPANY ("GENERAL ELECTRIC"), by its undersigned counsel, have engaged in plea discussions and have agreed as follows:

1. GENERAL ELECTRIC will waive Indictment and plead guilty to a four count Information charging violations of Title 18, United States Code, Section 371 (conspiracy to defraud the United States and to commit offenses against the United States); Title 18, United States Code, Section 287 (submitting false claims against the United States); Title 18, United States Code, Section 1957 (engaging in monetary transactions in criminally derived property); and Title 15, United States Code, Sections 78m(b)(2)(A) and 78ff(a) (failure to make and keep accurate books and records).

2. The maximum statutory penalty for each count is a fine of the greater of twice the gross pecuniary gain or twice the gross

pecuniary loss as set forth in Title 18, United States Code, Section 3571(d).

3. The Information to which GENERAL ELECTRIC will plead is appended as Attachment A. The United States' Statement of Facts is appended as Attachment B.

4. GENERAL ELECTRIC has cooperated and will continue to cooperate fully with the United States' investigation of allegations of wrongdoing described in the Information, the Statement of Facts, and the complaints in United States ex. rel. Taxpayers Against Fraud, a nonprofit corporation, and Chester L. Walsh v. General Electric Company, a New York corporation, Civil Action No. C-1-90-792 (U.S.D.C. S.D. OH), regarding the ILS Contract and 1988 F110 Contract (which contracts are described in paragraphs 10 and 11 of the Information), and in the United States' related investigations involving former Israeli Air Force Brigadier General Rami Dotan. Such cooperation shall include, among other things, complete production (including testimony by appropriate custodians of records in the Grand Jury, at trial and/or in any judicial or administrative proceeding) of all nonprivileged relevant information, including production of any and all nonprivileged books, papers, documents and other objects in its custody, possession and control as requested by the United States. GENERAL ELECTRIC agrees that its failure to provide said cooperation will be a breach of this Plea Agreement and will empower the United States to set aside this Plea Agreement and to pursue all possible federal violations against GENERAL ELECTRIC.

However, if such failure is one which may be cured, GENERAL ELECTRIC shall have a reasonable opportunity to do so. If GENERAL ELECTRIC (a) fails to comply with any of the terms of this Plea Agreement, including failing to provide complete, truthful and accurate information or withholds nonprivileged information, documents or other evidence relevant to the United States' investigations or (b) attempts to withdraw its guilty plea except as provided in paragraph 13, below, GENERAL ELECTRIC agrees that, any statements, documents or information provided by GENERAL ELECTRIC to the United States Department of Justice or to federal agencies pursuant to this agreement or in the course of the investigation of this case, may be used directly and indirectly against GENERAL ELECTRIC for any purpose and shall be admissible in evidence against GENERAL ELECTRIC in any and all criminal, civil or administrative proceedings hereafter brought against GENERAL ELECTRIC, and GENERAL ELECTRIC further agrees that it shall not assert, based upon any claim under Rule 11(e)(6), Federal Rules of Criminal Procedure, or Rule 410, Federal Rules of Evidence, that any such statements, documents or information should be suppressed or excluded from admission into evidence in any future grand jury proceedings, trials, hearings, or ancillary proceedings.

5. GENERAL ELECTRIC further agrees to cooperate with the Internal Revenue Service by producing nonprivileged documents and all other nonprivileged information deemed necessary by the Internal Revenue Service for its review to determine whether any additional tax liability and/or civil tax penalties may be due and

owing by GENERAL ELECTRIC to the Internal Revenue Service for the tax years 1984 through 1990, inclusive, in connection with all allegations of wrongdoing described in the Information, the Statement of Facts, and the complaints in United States ex. rel. Taxpayers Against Fraud, a nonprofit corporation, and Chester L. Walsh v. General Electric Company, a New York corporation, Civil Action No. C-1-90-792 (U.S.D.C. S.D. OH), and/or matters relating to the ILS Contract and 1988 F110 Contract (which contracts are described in paragraphs 10 and 11 of the Information) which General Electric has, as of May 22, 1992, disclosed in writing or during its oral presentations to Department of Justice attorneys. GENERAL ELECTRIC agrees that its failure to provide said cooperation shall be a breach of this Plea Agreement and will be subject to the same terms and conditions as set forth in Paragraph 4, above.

6. The United States and GENERAL ELECTRIC agree, pursuant to Rule 11(e)(1)(C), Federal Rules of Criminal Procedure, that a total fine of \$9,500,000 is an appropriate sentence to be imposed upon GENERAL ELECTRIC. GENERAL ELECTRIC agrees, upon the Court's acceptance of this Plea Agreement and sentencing, to immediately pay said fine to the United States. GENERAL ELECTRIC waives the Rule 32(c)(1), Federal Rules of Criminal Procedure, presentence investigation and report. In its determination not to seek restitution, forfeiture under 18 U.S.C. §§ 981 and 982, and costs of investigation, the United States has taken into consideration the agreement entered into between the United States and GENERAL ELECTRIC settling civil claims in United States ex. rel. Taxpayers

Against Fraud, a nonprofit corporation, and Chester L. Walsh v. General Electric Company, a New York corporation, Civil Action No. C-1-90-792 (U.S.D.C. S.D. OH), a copy of which is appended as Attachment C.

7. GENERAL ELECTRIC understands that it must also pay at time of sentencing a special assessment of \$800.00 to the Clerk of the District Court as required by Title 18, United States Code, Section 3013.

8. In the Statement of Facts and at the time of sentencing, the United States will advise the Court of the nature and extent of GENERAL ELECTRIC's cooperation with the United States' investigation.

9. This Plea Agreement is entered into in conjunction with a corresponding agreement entered into between the United States and GENERAL ELECTRIC settling civil claims in United States ex. rel. Taxpayers Against Fraud, a nonprofit corporation, and Chester L. Walsh v. General Electric Company, a New York corporation, Civil Action No. C-1-90-792 (U.S.D.C. S.D. OH).

10. The United States agrees not to prosecute GENERAL ELECTRIC or any of its divisions and subsidiaries for other possible federal criminal violations, including criminal violations of Title 26 of the United States Code, regarding the allegations of wrongdoing described in the Information, the Statement of Facts or the complaints in United States ex. rel. Taxpayers Against Fraud, a nonprofit corporation, and Chester L. Walsh v. General Electric Company, a New York corporation, Civil Action No. C-1-90-792

(U.S.D.C. S.D. OH), and/or matters relating to the ILS Contract and 1988 F110 Contract (which contracts are described in paragraphs 10 and 11 of the Information) which GENERAL ELECTRIC had, as of May 22, 1992, disclosed in writing or during its oral presentations to Department of Justice attorneys. This agreement not to prosecute does not extend or apply to any other entity or to any individual, including any current or former employee of GENERAL ELECTRIC, its divisions or subsidiaries.

11. This Plea Agreement does not prohibit agencies or departments of the United States from pursuing any and all available administrative and/or civil injunctive remedies against GENERAL ELECTRIC or any individual including any current or former employee of GENERAL ELECTRIC in connection with the matters described in the attached Information and Statement of Facts.

12. GENERAL ELECTRIC will treat the payments described in Paragraphs 6, 7 and 9, above, as well as all costs incurred by it on its own behalf or on behalf of any current or former officer, director, employee or agent, in connection with the United States' criminal and civil investigations, grand jury proceedings, pretrial proceedings, trials, appeals, administrative proceedings, and the defense and settlement thereof, as unallowable under provisions of Federal Acquisition Regulations § 31.205-47. GENERAL ELECTRIC will not include such payments or costs as direct costs on any contract or subcontract with the United States and will not include such payments or costs in any overhead allocation to be borne, in whole or in part, by the United States.

13. It is understood by the parties that the Court is neither a party to nor bound by this Plea Agreement. The Court may accept or reject this Plea Agreement. If the Court rejects this Plea Agreement, negotiated pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, the Court will afford GENERAL ELECTRIC an opportunity to withdraw its plea of guilty pursuant to Rule 11(e)(4) of the Federal Rules of Criminal Procedure. In that event, neither party would be bound by any of the provisions of the Plea Agreement, and the admissibility of any statements in this Plea Agreement or its attachments against either party to this proceeding will be determined under Rule 11(e)(6) of the Federal Rules of Criminal Procedure and Rule 410 of the Federal Rules of Evidence.

14. GENERAL ELECTRIC agrees that all applicable criminal statutes of limitations will be tolled from January 23, 1992, through the date on which the Court accepts or rejects this Plea Agreement and/or through two weeks after the date on which it may be set aside pursuant to the provisions of paragraph 4.

15. By the execution of this Plea Agreement, GENERAL ELECTRIC and its counsel represent that their signatures on this Plea Agreement are authorized by GENERAL ELECTRIC's Board of Directors.

16. GENERAL ELECTRIC is pleading guilty because it is guilty of the crimes set forth in the appended Information.

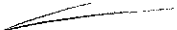
17. This writing contains the entire Plea Agreement between GENERAL ELECTRIC and the United States with respect to this plea of guilty. No additional promises, representations, or inducements

other than those referenced in this Plea Agreement have been made to GENERAL ELECTRIC or to its attorneys with regard to this Plea, and none will be made or entered into unless in writing and signed by all parties.

Dated this 22 day of July, 1992.

General Electric Company

D. Michael Crites
United States Attorney
Southern District of Ohio

Bonavent Rowe
By: 

Chris Barnes
Christopher K. Barnes
Assistant U.S. Attorney
Southern District of Ohio

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