

November 15, 2006

General Electric Company  
Attn: Office of General Counsel  
3135 Easton Turnpike  
Fairfield, CT 06828

Dear General Counsel of General Electric:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database ([www.pogo.org/db/index.cfm](http://www.pogo.org/db/index.cfm)), a compilation of information from public resources regarding government contractors, including GE. You have already responded to a previous letter, which is greatly appreciated. I have enclosed findings relevant to GE that have been added since the first letter and am requesting verification or refutation of the data from you.

Any response would be extremely welcomed, as the accuracy of this information is in the best interest of all parties. Out of fairness to GE, please be assured that any response received by POGO will be posted on the website along with the data.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Scott Amey  
General Counsel

Enclosure

## New Instances

1.

Hazardous Waste Violations (2004)

Date: 04/16/2004 (Date of Notice)

Misconduct Type: Environment

Contracting Party: Government Civilian

Court Type: Administrative

Amount: \$75,000

Disposition: Settlement

Synopsis: "On April 16, 2004, the New York Department of Environmental Conservation (DEC) informed [General Electric] that it would be seeking \$97,800 in penalties for violations by our Waterford, NY facility of the State of New York's water and hazardous waste laws. In July 2004, DEC informed us that it was dropping certain allegations and including others pertaining to the reporting of information and increasing its penalty demand to \$117,000." The matter has been tentively settled for \$75,000.

Document(s):

SEC 10-K

2.

Violations of Performance Standards

Date: 09/26/1997 (Date of Performance Test)

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Administrative Agreement

Synopsis: A test in September 1997 revealed violations of Performance Standards in x-ray equipment developed by General Electric Medical Systems. General Electric was given 15 days to submit a corrective action plan to rectify the noncompliances found during the test. This violation of the Food, Drug, and Cosmetic Act also carries the potential for a civil liability.

Document(s):

FDA Warning Letter

3.

Deviations from Equipment Regulations

Date: 05/28/1997 (Date of Violation Notification)

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Administrative Agreement

Synopsis: In May 1997, a test conducted on equipment manufactured by General Electric Medical Systems revealed regulation violations. General Electric was given 15 days to submit a corrective action plan to rectify the noncompliances found during the test. This violation of the Food, Drug, and Cosmetic Act also carries the potential for a civil liability.

Document(s):  
FDA Warning Letter

4.

Failure to Conform to Current Good Manufacturing Practices

Date: 04/09/1999 (Date of Investigation Report)

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Administrative Agreement

Synopsis: An investigation in March 1999 revealed “a serious regulatory problem involving software for [the] Solar Model 7000/8000 Patient Monitors”. The “inspection found that the devices are adulterated within the meaning of Section 501 (h) of the Act in that the methods used in, facilities or controls used for manufacturing, packing, storage, or installation of the medical devices are not in conformance with the Good Manufacturing Practices (GMP) requirements set forth in the Quality System Regulations for Medical Devices as prescribed by Title 21, Code of Federal Regulations (CFR), Part 820. Violations included “failure to establish the appropriate responsibility, authority, and interrelation of all personnel who manage, perform, and assess work affecting quality” and “failure to establish and maintain procedures for validating the device design”.

Document(s):  
FDA Warning Letter

5.

Failure to Conform to Current Good Manufacturing Practices (2005)

Date: 03/31/2005 (Date of Violation Notification)

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Administrative Agreement

Synopsis: During a 2004 inspection it was found that x-ray and fluoroscopic systems and accessories manufactured by General Electric were not manufactured in conformance with

Quality System and Good Manufacturing Practices. Violations included “Failure of management with executive responsibility to ensure requirements are effectively established and effectively maintained”, “failure to establish and maintain procedures for implementing corrective and preventive actions”, and “Failure to adequately validate a process whose results cannot be fully verified by subsequent inspection and test”.

Document(s):  
FDA Warning Letter

6.

Quality Control Problems

Date: 07/21/2006 (Date of Settlement Payment)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$11,500,000

Disposition: Settlement

Synopsis: "General Electric Co. (GE) and two of its subcontractors paid the United States \$11.5 million to settle a lawsuit that alleges that GE sold defective blades for engines in U.S. military airplanes and helicopters...The lawsuit alleged quality-control problems over a period of years involving the manufacture of several types of engine blades at GE's Aircraft Engines division facility in Madisonville, Ky. These alleged problems included nonconformances in casting and in non-destructive testing. Two subcontractors, Howmet Corp., a subsidiary of Alcoa, and Precision Castparts Corp. manufactured unfinished castings for the blades, which GE then finished at the Madisonville facility. Both subcontractors were also named as defendants."

Document(s):  
DOJ Press Release

7.

Pesticide Registration

Date: 10/18/2004 (Date of Notice)

Misconduct Type: Environment

Contracting Party: Non-Governmental

Court Type: Civil

Amount: \$120,916

Disposition: Settlement

Synopsis: “On October 18, 2004, the California Department of Pesticide Registration informed us that it would be seeking \$202,959 in penalties for violations by our Betz Water business of the State of California’s pesticide registration requirements. The California Department of Pesticide Registration has since reduced its penalty demand to \$160,000.” The matter was ultimately settled in 2005 for \$120,916.

Document(s):  
SEC 10-K  
Letter from GE