

December 2, 2005

Honeywell International Inc.
Attn: Office of General Counsel
101 Columbia Road
Morristown, NJ 07962

Dear General Counsel of Honeywell:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including Honeywell. On October 18, 2005, I sent you information regarding findings relevant to Honeywell, which I have enclosed for your reference. As of today, I have not received a response from your office.

A written response is certainly in the best interest of everyone involved. It is the best way for your company to go on record regarding this process and the instances identified; your letter will be posted in its entirety on the database. Several companies have already responded and have expressed appreciation for the opportunity to express their views. POGO would prefer to receive a response by December 31, 2005 to ensure it is included with the launch of our new database.

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

Sincerely,

Kevin L. Phelps
Project Director

Enclosure

Instances of Misconduct

1.

Case Name: N/A

Date: 10/4/2004, Date of Settlement

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Civil

Amount: \$2,150,000

Disposition: Settlement

Synopsis:

“The U.S. Equal Employment Opportunity Commission (EEOC)... resolved a class action employment discrimination lawsuit against Morristown, N.J.-based Honeywell International, a global diversified technology company with over 100,000 employees in 95 countries. EEOC's litigation alleged violations of the Age Discrimination in Employment Act of 1967 (ADEA) at the company's headquarters and various regions nationwide by representatives of the former AlliedSignal Automotive Aftermarket (the makers of consumer car care items such as Prestone and Fram products), which Honeywell, Inc. acquired during a 1999 merger.

According to EEOC's suit, a class of sales managers and representatives were either terminated or demoted in 1997 because of their age during a companywide reorganization. Assertedly, in many instances, younger workers with less experience were retained and/or offered those positions. The suit was filed in federal district court in New Jersey by the agency's Philadelphia District Office.”

Documents:

EEOC Press Release <http://www.eeoc.gov/press/10-4-04a.html>

2.

Case Name: Local 144 Nursing v. Honeywell International

Date: 6/4/2004, Date of Settlement

Misconduct Type: Securities

Contracting Party: N/A

Court Type: Civil

Amount: \$100,000,000

Disposition: Settlement

Synopsis:

To settle allegations of securities fraud, Honeywell agreed to pay \$100 million to shareholders.

Documents:

Settlement Agreement

http://securities.stanford.edu/1014/HON00/200468_r02o_00CV03605.pdf

3.

Case Name: N/A

Date: 11/22/2002, Date of settlement

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$100,000

Disposition: Settlement

Synopsis:

“The U.S. Equal Employment Opportunity Commission (Commission or EEOC)... has resolved a disability discrimination lawsuit against aerospace giant Honeywell for \$100,000 for a single charging party, as well as significant injunctive and remedial relief. The EEOC alleged that Honeywell, a large aerospace and systems control company employing over 100,000 people, violated the Americans with Disabilities Act of 1990 (ADA) when it engaged in a pattern of discrimination against Sherry Layne, a disability-rights activist who is hearing and visually impaired.

According to the litigation, Honeywell discriminated against Ms. Layne by withdrawing an accommodation for her disability, involuntarily transferring her, failing to accommodate her disability, and discriminating against her because she sought an accommodation of her disability.”

Documents:

EEOC Press Release

<http://www.eeoc.gov/press/11-21-02.html>

4.

Case Name: N/A

Date: 10/1/2002, Date of Settlement

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$17,600,000

Disposition: Settlement

Synopsis:

To settle allegations of labor law violations, Honeywell agreed to pay “a total of \$17.6 million in severance and other benefits to the over 500 former employees of the Allied Signal, Inc. plant in Stratford, Connecticut.”

“The charges involved [Honeywell predecessor] Allied Signal's failure to honor the terms of its "Effects Bargaining Agreements" (EBA) with the Local Unions. The case arose in 1997 when Allied Signal announced that it would not continue the terms of the EBA. On April 12, 2000 the [National Labor Relations Board] issued an Order directing Allied Signal to comply with the terms of the EBA and begin paying severance benefits. Honeywell appealed the Board's Order to the Appeals Court, which on June 29, 2001, issued its Judgment enforcing the Order in full.

Thereafter, representatives of Honeywell, UAW Locals 1010 and 376, and NLRB's Hartford, CT office (Region 34), entered into compliance discussions”

Documents:

EEOC Press Release

<http://www.nlr.gov/nlr/press/releases/r2460.asp>

5.

Case Name: N/A

Date: 9/9/2002, Date of fine

Misconduct Type: Environmental

Contracting Party: Nongovernmental Civilian

Court Type: Administrative

Amount: \$36,000

Disposition: Fine

Synopsis:

“U.S. Environmental Protection Agency Region 5... settled an administrative complaint against Honeywell International for violation of federal laws on the reporting of hazardous chemical releases. The company... agreed to pay a \$36,000 fine.”

“EPA alleged that fires on February 5, 1998, and December 17, 1999, at Honeywell’s tar plant at 1200 Zug Road, Detroit, Mich., resulted in the release of coal tar. After the incident, the company failed to immediately notify the National Response Center and the Michigan State Emergency Response Commission. Honeywell also failed to provide written follow-up reports to the Michigan SERC and the city of Detroit’s local emergency planning committee after the second fire. These reports are required as soon as practicable after such incidents.”

Documents:

<http://www.epa.gov/region5/news/news02/02opa120.htm>

6.

Case Name: N/A

Date: 12/21/2001, date of settlement

Misconduct Type: Antitrust

Contracting Party: Nongovernmental civilian

Court Type: Civil

Amount: \$440,000,000

Disposition: Settlement

Synopsis:

“Northrop Grumman Corporation... reached a settlement agreement in antitrust and patent infringement lawsuits filed against Honeywell, Inc.... Under the agreement Honeywell has agreed to pay Northrop Grumman \$440 million in cash, \$220 million of which will be paid in 2001, with the balance due in July 2002. Northrop Grumman stated that the settlement agreement resolved all aspects of the litigation.”

“The suits accused Honeywell of patent infringement and illegal monopolization of the inertial reference systems market for large commercial air transport, commuter and business aircraft.”

Documents:

Northrop Grumman Press Release

<http://investor.northropgrumman.com/phoenix.zhtml?c=112386&p=IROL-nrtext&t=Regular&id=241307&>

7.

Case Name: N/A

Date: 11/30/2001, date of settlement

Misconduct Type: Environmental

Contracting Party: Government Civilian

Court Type: Administrative

Amount: \$922,000

Disposition: Settlement

Synopsis:

“Honeywell International, Inc.... agreed to pay a \$150,000 penalty and perform five special environmental projects worth \$772,000 to settle alleged violations of federal and state environmental regulations at a chemical manufacturing plant in Hopewell, Va.”

“The federal government’s complaint, which was filed with the proposed settlement, alleges violations of the federal Clean Air Act and federal and state regulations on the storage and disposal of hazardous substances. The alleged violations include:

- * inadequate safeguards to prevent or repair leaks of hazardous organic air pollutants;
- * inadequate repair and recordkeeping of air conditioners and refrigeration units containing ozone-depleting chlorofluorocarbons (CFCs);
- * untimely and incomplete reporting of benzene emissions;
- * untimely reporting to federal, state, or local emergency response officials of releases of ammonia, nitrogen oxide, dichlorodifluoromethane, sulfuric acid, sulfur dioxide, caprolactam, and benzene;
- * untimely reporting to federal, state or local emergency response officials regarding the manufacturing, use or storage of several hazardous substances or toxic chemicals; and
- * violations of hazardous waste storage and disposal regulations.”

Documents:

EPA Region 3 Press Release

<http://yosemite.epa.gov/r3/press.nsf/7f3f954af9cce39b882563fd0063a09c/ffd75cd0c4a99d1b85256b1400529837!OpenDocument>

8.

Case Name: N/A

Date: 11/1/2001, Date of Settlement

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$800,000

Disposition: Settlement

Synopsis:

Honeywell Consumer Products (HCP) paid \$800,000 to settle the Consumer Product Safety Commission's allegations of defective and unsafe humidifiers, baseboard heaters, and ceramic heaters created by HCP.

Documents:

CPSC Agreement

<http://www.cpsc.gov/businfo/frnotices/fr02/honeywel.html>

9.

Case Name: Neal v. Honeywell

Date: 11/8/1999, Date of Judgment

Misconduct Type: Labor

Contracting Party: Government Civilian

Court Type: Civil

Amount: \$1,950,000

Disposition: Judgment against defendant

Synopsis:

"[D]uring the investigation [of a false claims case, Honeywell manager, Steve] Young began a campaign of intimidation against whoever had alerted his superiors. The parties dispute whether Young then knew Neal's identity but agree that he made plenty of threats. Young related to all who would listen his plans to 'get' the snitch, describing the whistleblower as 'dead meat,' and announcing his intention to 'break his legs.' Honeywell did nothing in response to these public threats, later asserting that it would only 'add fuel to the fire' to penalize Young for his intimidating words (or for his deeds: the eventual transfer was not a demotion...) But while Honeywell permitted Young to fulminate, it suggested that Neal leave town. Just before announcing the first steps it would be taking to discipline those responsible for the fraud, Honeywell chose to give Neal a one-month paid leave of absence 'for her own safety.' Bill Tyler, Neal's boss, harangued her repeatedly for reporting the fraud, then took away most of her responsibilities until less than a quarter of her duties remained. Neal took the hint and quit. Six years later she sued under the Act, claiming retaliatory discharge and harassment. A jury agreed with her accusations and awarded her \$ 550,000 for emotional distress (she accepted a remittitur to \$ 200,000), and \$ 40,000 in back pay (which, as a result of the statutorily-required doubling plus interest, the judge increased to \$ 150,000). The judge also awarded her \$ 1.6 million in

attorneys' fees and costs.”

Documents:

191 F.3d 827 (7th Cir 1999)

10.

Case Name: N/A

Date: 4/4/1996, date of settlement

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$592,779

Disposition: Settlement

Synopsis:

According to a GAO report cited by Senator Harkin and Representative DeFazio, Honeywell Information Systems paid \$592,779 to settle allegations of “cost/labor mischarge” which would be in violation of the False Claims Act.

Documents:

Harkin/DeFazio Press Release