



**U.S. Department of Justice**

Criminal Division

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*Fraud Section*

*Washington, D.C. 20530*

February 25, 2021

Mark Filip  
Mark E. Schneider  
Elizabeth S. Hess  
Kirkland and Ellis LLP  
300 North LaSalle Drive  
Chicago, Illinois 60654

Re: United Airlines, Inc.

Dear Mr. Filip, Mr. Schneider, and Ms. Hess:

The United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section") and United Airlines, Inc. ("United" or the "Company"), pursuant to authority granted by United's Board of Directors, enter into this Non-Prosecution Agreement ("Agreement"). United agrees to certain terms and obligations as set forth below.

1. The Fraud Section enters into this Agreement based on the individual facts and circumstances presented by this case and the Company, including:

(a) The nature and seriousness of the offense conduct, which involved a long-running scheme by United's postal sales team, a unit within United Cargo, to provide automated data regarding mail movements to the United States Postal Service ("USPS") in order to hide the fact that United was failing to comply with contractual requirements pertaining to its movement of mail for USPS. By providing inaccurate automated delivery data, United was able to avoid contractual penalties and secure payments from USPS to which United was not entitled. This data falsification scheme also deprived USPS and its customers of transparency regarding the international movement of United States mail;

(b) United did not receive voluntary disclosure credit pursuant to the Corporate Enforcement Policy in the Department of Justice Manual 9-47.120, or pursuant to the Sentencing Guidelines, because it did not voluntarily and timely disclose to the Fraud Section the conduct described in the Statement of Facts attached hereto as Attachment A ("Statement of Facts");

(c) United received credit for its cooperation with the Fraud Section's investigation, which was, in large part, not proactive, was in response to the Fraud Section's requests, and included United promptly collecting, organizing, and producing voluminous documents at the

Fraud Section's request, assisting in making employees available to be interviewed, and making a factual presentation to the Department of Justice;

(d) United provided to the Fraud Section all relevant facts known to it, including information about the individuals involved in the conduct described in the attached Statement of Facts;

(e) United's criminal history includes a non-prosecution agreement entered into on July 11, 2016, resolving any potential criminal bribery or corruption violations arising out of United's establishment and operation of a non-stop route between Newark Liberty International Airport in New Jersey and Columbia Metropolitan Airport in South Carolina;

(f) Upon learning about the conduct set forth in the attached Statement of Facts and the Department of Justice's separate criminal and civil investigations, United engaged in extensive remedial measures, including enhancing its compliance program and internal controls designed to detect and deter fraudulent conduct in connection with government contracts by, among other things:

- i. removing and replacing the principal manager of the criminal scheme detailed in the Statement of Facts;
- ii. hiring outside legal and accounting advisors to review and consult on United's government contracting compliance and related policies and procedures;
- iii. establishing an independent Government Contracts Organization to manage and ensure contractual compliance for United's government contracts that reports directly to United's Legal Department;
- iv. establishing a training curriculum and holding a monthly training call for employees who have government contracting-related duties and responsibilities;
- v. prohibiting automation and limiting access to flight configuration data to ensure that data transmitted to the USPS cannot be manipulated by employees;
- vi. conducting international mail operations process reviews; and
- vii. enhancing its policies and procedures, including updating the Operating Manual and Policy for Bidding on and Performing Government Contracts, which provides guidance on obtaining and complying with government contracts, including assignment of roles and responsibilities, ensuring accurate representations to the U.S. government, and subcontracting.

(g) The Fraud Section determined that an independent compliance monitor was unnecessary, based on the following factors, among others: (i) the misconduct was neither pervasive across the organization, nor facilitated by senior management; (ii) the nature and status

of United's remedial improvements to its compliance program and internal controls; and (iii) United's agreement to enhance its compliance program as set forth in Attachment B and report to the Fraud Section as set forth in Attachment C to this Agreement (Corporate Compliance Reporting);

(h) United has agreed to continue to cooperate with the Fraud Section as set forth in Paragraph 5, below;

(i) United has agreed to enter into a separate resolution with the U.S. Department of Justice's Civil Division relating to the conduct described in the Statement of Facts, under which United will pay a civil settlement amount of \$32,186,687; and

(j) Accordingly, after considering (a) through (i) above, the Fraud Section determined that the appropriate resolution in this case is a Non-Prosecution Agreement with the Company; Criminal Disgorgement and a Criminal Monetary Penalty in the total amount of \$17,271,415, which reflects a discount of fifteen percent off of the bottom of the otherwise-applicable Sentencing Guidelines fine range; and the Company's agreement to meet with and report to the Fraud Section as set forth in Attachment C to this Agreement.

2. United admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as set forth in the attached Statement of Facts, and that the facts described therein are true and accurate. United also admits, accepts, and acknowledges that the facts described in the attached Statement of Facts constitute a violation of U.S. federal law, specifically wire fraud, in violation of Title 18, United States Code, Section 1343.

3. United expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents, or any other persons authorized to speak for United, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by United set forth above or the facts described in the attached Statement of Facts. United agrees that if it, or any of its direct or indirect subsidiaries or affiliates, issues a press release or holds any press conference in connection with this Agreement, United shall first consult the Fraud Section to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters relating to this Agreement; and (b) whether the Fraud Section has any objection to the release.

4. United's obligations under this Agreement shall have a term of three (3) years from the date on which the Agreement is executed (the "Term"). United agrees, however, that, in the event the Fraud Section determines, in its sole discretion, that United has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of its obligations under this Agreement, an extension or extensions of the Term may be imposed by the Fraud Section, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Fraud Section's right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirements in Attachment C, for an equivalent period. Conversely, in the event the Fraud Section finds, in its sole discretion, that there exists a change in circumstances sufficient

to eliminate the need for the reporting requirement in Attachment C, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

5. United shall cooperate fully with the Fraud Section in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and other conduct under investigation by the Fraud Section at any time during the Term, until the later of the date the Term ends or the date upon which all investigations and prosecutions arising out of such conduct are concluded. At the request of the Fraud Section, United shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies in any investigation of United, its subsidiaries or affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct under investigation by the Fraud Section at any time during the Term. United's cooperation pursuant to this Paragraph is subject to applicable law and regulations, as well as valid claims of attorney-client privilege or attorney work product doctrine; however, United must provide to the Fraud Section a log of any information or cooperation that is not provided based on an assertion of law, regulation, or privilege, and United shall have the burden of establishing the validity of any such assertion. United agrees that its cooperation shall include, but not be limited to, the following:

(a) Upon request of the Fraud Section, United shall truthfully and in a timely manner disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its subsidiaries and affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which United has any knowledge or about which the Fraud Section may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of United to promptly provide to the Fraud Section, upon request, any document, record or other tangible evidence about which the Fraud Section may inquire of United.

(b) Upon request of the Fraud Section, United shall designate knowledgeable employees, agents, or attorneys to provide to the Fraud Section the information and materials described above on behalf of United. It is further understood that United must at all times provide complete, truthful, and accurate information.

(c) United shall use its best efforts to make available for interviews or testimony, as requested by the Fraud Section, present or former officers, directors, employees, agents, and consultants of United. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this paragraph shall include identification of witnesses who, to the knowledge of United, may have material information regarding the matters under investigation.

(d) With respect to any information, testimony, documents, records, or other tangible evidence provided to the Fraud Section pursuant to this Agreement, United consents to any and all disclosures subject to applicable law and regulations, to other governmental authorities, including

United States authorities and those of a foreign government, of such materials as the Fraud Section, in its sole discretion, shall deem appropriate.

(e) In addition, during the Term, should United learn of any evidence or allegation of a violation of U.S. fraud laws, United shall promptly report such evidence or allegation to the Fraud Section. On the date that the Term expires, United, by the Chief Executive Officer and the Chief Financial Officer of the Company, will certify to the Fraud Section that United has met its disclosure obligations pursuant to this Agreement consistent with Attachment D (Certification). Each certification will be deemed a material statement and representation by United to the executive branch of the United States for purposes of 18 U.S.C. §§ 1001 and 1519.

6. United represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of U.S. fraud laws in connection with government contracting throughout its operations, including with respect to its subsidiaries, affiliates, agents, and joint ventures, and those of its contractors and subcontractors, including, but not limited to, the minimum elements set forth in Attachment B (Corporate Compliance Program). In addition, United agrees that it will report to the Fraud Section annually during the Term regarding remediation and implementation of the compliance measures described in Attachment B. These reports will be prepared in accordance with Attachment C (Corporate Compliance Reporting).

7. In order to address any deficiencies in its internal controls, policies, and procedures, United represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures regarding compliance with U.S. fraud laws in connection with government contracting. Where necessary and appropriate, United agrees to modify its compliance program in order to ensure that it maintains a rigorous compliance program that incorporates relevant internal controls, as well as policies and procedures designed to effectively detect and deter violations of U.S. fraud laws in connection with government contracting. The compliance program will include, but not be limited to, the minimum elements set forth in Attachment B.

8. United agrees to pay Criminal Disgorgement and a Criminal Monetary Penalty in the total amount of \$17,271,415 to the United States Treasury no later than ten business days after the Agreement is fully executed. United acknowledges that no tax deduction may be sought in connection with the payment of any part of this amount. The Fraud Section is not requiring United to pay a Victim Compensation Payment as United has agreed to a global resolution of its criminal and civil liability, entering into a separate civil settlement with the U.S. Department of Justice's Civil Division which will make USPS whole. United shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the penalty or disgorgement amounts that United pays pursuant to this Agreement or any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in Attachment A. Nothing in this Agreement, however, shall be deemed an agreement by the Fraud Section that the payment amount is the maximum penalty that may be imposed in any future prosecution, and the Fraud Section is not precluded from arguing in any future prosecution that the Court should impose any type of monetary penalty, including a criminal fine, restitution, disgorgement or civil or criminal forfeiture, and the amount of such monetary penalty.

9. The Fraud Section agrees, except as provided herein, that it will not bring any criminal case (except for criminal tax violations, as to which the Fraud Section does not make any agreement) against United, United Airlines Holdings, Inc., or any of United's present or former subsidiaries or affiliates relating to any of the conduct described in the attached Statement of Facts. To the extent there is conduct disclosed by United that does not relate to any of the conduct described in the attached Statement of Facts, such conduct will not be exempt from prosecution and is not within the scope of or relevant to this Agreement. The Fraud Section, however, may use any information related to the conduct described in the attached Statement of Facts against United: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by United or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with United, or any of its present or former parents or subsidiaries or affiliates.

10. If, during the Term, United (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in this Agreement; (d) fails to implement or maintain a compliance program as set forth in this Agreement and Attachment B; or (e) otherwise fails specifically to perform or to fulfill completely each of United's obligations under the Agreement, regardless of whether the Fraud Section becomes aware of such a breach after the Term is complete, United and its subsidiaries and affiliates, shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section has knowledge, including, but not limited to, the conduct described in the attached Statement of Facts, which may be pursued by the Fraud Section in the U.S. District Court for the Northern District of Illinois or any other appropriate venue. Determination of whether United has breached the Agreement and whether to pursue prosecution of United shall be in the Fraud Section's sole discretion. Any such prosecution may be premised on information provided by United or its personnel. Any such prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Fraud Section prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against United or its subsidiaries or affiliates, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, United agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, United agrees that the statute of limitations as to any violation of U.S. federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section is made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

11. In the event the Fraud Section determines that United has breached this Agreement, the Fraud Section agrees to provide United with written notice of such breach prior to instituting

any prosecution resulting from such breach. Within thirty days of receipt of such notice, United shall have the opportunity to respond to the Fraud Section in writing to explain the nature and circumstances of such breach, as well as the actions United has taken to address and remediate the situation, which explanation the Fraud Section shall consider in determining whether to pursue prosecution of United or its subsidiaries or affiliates.

12. In the event that the Fraud Section determines that United has breached this Agreement: (a) all statements made by or on behalf of United, or its subsidiaries and affiliates to the Fraud Section or to the Court, including the attached Statement of Facts, and any testimony given by United, or its subsidiaries or affiliates before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads or evidence derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section against United, or its subsidiaries or affiliates; and (b) United, or its subsidiaries or affiliates shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of United, or its subsidiaries or affiliates prior or subsequent to this Agreement, or any leads or evidence derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, United, or its subsidiaries or affiliates, will be imputed to United for the purpose of determining whether United has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section.

13. Except as may otherwise be agreed by the parties in connection with a particular transaction, United agrees that in the event that, during the Term it undertakes a change in corporate form, including if it sells, merges, or transfers business operations as they exist as of the date of this Agreement, whether such change is structured as a sale, asset sale, merger, transfer, or other change in corporate form United shall include in any contract for such change, including any such sale, merger, transfer, or other change in corporate form, a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. United shall obtain approval from the Fraud Section at least thirty days prior to undertaking any such sale, merger, transfer, or other change in corporate form, including dissolution, in order to give the Fraud Section an opportunity to determine if such change in corporate form would impact the terms or obligations of the Agreement. If such transaction (or series of transactions) has the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Fraud Section, it shall be deemed a breach of this Agreement.

14. This Agreement is binding on United and the Fraud Section but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Fraud Section will bring the cooperation of United and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by United. This Agreement does not provide any protection against prosecution for any future conduct by the Company or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company or any of its present or former parents or subsidiaries.

15. It is further understood that United and the Fraud Section may disclose this Agreement to the public.

16. This Agreement sets forth all the terms of the agreement between United and the Fraud Section. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the attorneys for United, and duly authorized representatives of United.

Sincerely,

DANIEL S. KAHN  
Acting Chief, Fraud Section  
Criminal Division  
United States Department of Justice


Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Timothy A. Duree  
Assistant Deputy Chief


AGREED AND CONSENTED TO:

UNITED AIRLINES, INC.

Date: 2/25/21

BY:   
Robert S. Rivkin  
General Counsel  
United Airlines, Inc.

Date: 2/25/21

BY:   
Mark Filip  
Mark E. Schneider  
Elizabeth S. Hess  
Kirkland and Ellis LLP  
Outside counsel for United Airlines, Inc.



## ATTACHMENT A

### **STATEMENT OF FACTS**

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement (the “Agreement”) between the United States Department of Justice, Criminal Division, Fraud Section (the “Fraud Section”), and United Airlines, Inc. (“United”). United hereby agrees and stipulates that the following information is true and accurate. United admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Had this matter proceeded to trial, United acknowledges that the Fraud Section would have proven beyond a reasonable doubt, by admissible evidence, the facts alleged below:

#### **United and the Relevant Employees and Associates**

1. United is a major domestic airline headquartered in Chicago, Illinois. It is the world’s third largest airline and operates flights to hundreds of destinations across the globe. At times relevant to this statement of facts:
  - a. Manager-1 was the Postal Sales Manager within United’s Cargo Division.
  - b. Manager-2 was the Senior Manager of Postal Network Optimization and Performance within United’s Cargo Division. Manager-2 was also the supervisor of Manager-1.
  - c. Employee-1, Employee-2, and Employee-3 were Global Managers of Postal Affairs within United’s Cargo Division. Employee-1, Employee-2, and Employee-3 were all part of the postal sales team. All three reported directly to Manager-1.

### **Other Relevant Entities**

2. IT Company-1 provided technology services to United and managed the vMail system, which contained information about hundreds of routes flown by United and its affiliated codeshare airlines.

3. The United States Postal Service (“USPS”) is the U.S. Government entity tasked with the responsibility of delivering United States mail.

### **Background of United’s Involvement with ICAIR Contracts**

4. In order to carry mail internationally, airlines entered into contracts with the USPS dictating the terms under which the mail would be moved. These agreements were called International Commercial Air, or “ICAIR,” contracts.

5. ICAIR contracts required the airlines to scan the mail when the airline took possession of the mail or loaded the mail onto a flight, and when the mail was delivered to the foreign postal service or other intended recipients. ICAIR contracts also required that accurate data about these scans be provided to the USPS. For example, since 2011, ICAIR contracts have specifically provided that “[a]ll scans must be based on the physical movement of mail.” They have further specified that “[s]cans automatically generated by an air carrier system will not be accepted.” Airlines were entitled to full payment under the ICAIR contracts only if the mail was timely delivered to the correct foreign postal service or other intended recipient. ICAIR contracts established financial penalties if mail was delivered late, damaged, or sent to the wrong destination.

6. United had ICAIR contracts with the USPS, by which United transported mail internationally for the USPS. In addition to carrying international mail on its own flights, United also delegated mail transport duties to a network of codeshare airlines that worked as subcontractors to United. The codeshares operated pursuant to United’s ICAIR contracts, and their

subcontracts were supervised by Manager-1 and Manager-1's team, which included Employee-1, Employee-2, and Employee-3. As the codeshare ICAIR supervisor, Manager-1 was responsible for ensuring that the codeshare airlines complied with the terms of the United's ICAIR contracts. Manager-1's management of the codeshares' subcontracted ICAIR work was overseen by his supervisor, Manager-2.

7. In order to collect and organize the flight and mail movement data necessary for the ICAIR contracts, United maintained large databases of flight and mail-related information. Many of these databases were managed by IT Company-1, which acted at the direction of Manager-1 and others at United.

8. These databases contained information for individual flights including, but not limited to, the required scan information indicating that: (a) mail was received by United and/or loaded onto a flight; and (b) mail was ultimately delivered to a foreign postal carrier. Flight and mail movement information was transmitted from these databases to the USPS. This information formed the basis for the payments made by the USPS to United.

9. The system permitted users to automate data relating to flight and mail movements. For all or nearly all of the codeshare routes, the automated information would automatically populate in the database based on scheduled flight times and aspirational delivery times. For many routes operated directly by United, the automated delivery information was based on actual flight times, plus an automated delivery offset, which yielded an automated delivery time. Either way, this automated scan data was not tethered to the actual delivery of the mail to the foreign post, as required pursuant to the ICAIR contracts. Accordingly, payment for this automated scan data was not appropriate under the ICAIR contracts. Furthermore, the automated scan data was not based

on actual knowledge of the time possession of the mail was transferred to the designated foreign postal carrier or other intended recipient.

### **The Criminal Scheme**

10. United engaged in a scheme to defraud the USPS by routinely transmitting false delivery scan data, via interstate wire, to make it appear that United and its codeshares were in compliance with ICAIR requirements, when in fact they were not. Manager-1, Manager-2, Employee-1, and Employee-2, who were agents of United, effectuated this scheme and acted within the scope of their employment and agency at United when doing so. These individuals acted knowingly, willfully, for the benefit of United, and with the intent to defraud the USPS. Others, including employees of IT Company-1, were also aware of United's data falsification efforts and aided these practices. The automated delivery data was generated to make it appear that United's delivery of mail to the foreign postal services was timely. In reality, the automated delivery data was false because it did not conform to contractual requirements and was not generated based on the actual delivery of mail. Transmission of this automated delivery data violated the terms of the ICAIR contracts, prevented the USPS from ensuring international delivery of mail, and caused the USPS to make millions of dollars in unwarranted payments to United.

11. Manager-1 and others actively tried to conceal United's automation efforts from the USPS, as they knew that the data being transmitted was fabricated.

12. Through this automation scheme, United was able to conceal problems related to bar code scanning and mail movements at United that, if known, would have subjected United to financial penalties under the ICAIR contract. United secured millions of dollars in payments from the USPS to which United was not entitled under the ICAIR contacts.

13. United employees caused interstate wire transmissions to be sent in furtherance of this scheme, including the following:

- a. On September 25, 2012, Manager-1 emailed Employee-1, Employee-2, Employee-3, and an employee of IT Company-1, stating, in part, “KEEP IN MIND IT IS UNITED’S POLICY AND THE CONTRACTUAL REQUIREMENT TO DO REAL SCANS ... OR POSITIVE DATA CAPTURE. THE USPS DOES NOT WANT AUTO DELIVERY . . . BUT IT IS NEEDED IN PLACES . . . AND WE WILL HAVE TO DO IT.”
- b. On March 6, 2013, a USPS employee questioned Manager-1 about suspicious data that Manager-1 knew had been automated. Manager-1 then sent an email to an employee of IT Company-1 entitled, “we been caught” [sic]. Therein, Manager-1 stated that the USPS employee “is searching for Auto Delivery . . . this is something we knew we had a risk with.” Manager-1 then inquired whether the automated data could be modified “so it is not the same time every day.”
- c. On March 12, 2013, a manager at United emailed Manager-2 to say that automated delivery “is clearly against the contract” and “crosses an ethical line.”
- d. On April 19, 2013, Manager-2 sent an email to Manager-1 and others in which Manager-2 outlined United’s ongoing automated delivery efforts at numerous destinations.
- e. On September 3, 2014, Manager-1 sent an email to Employee-1 noting that the automated flight arrival and mail delivery times for a certain flight were

identical to each other and “certainly raise[d] a red flag to the USPS.” Manager-1 suggested that Employee-1 revise the automated delivery time to falsely and fraudulently include a delay after arrival, so that the arrival and delivery times would not be identical.

- f. On October 9, 2014, Manager-1 copied Employee-2 and Employee-3 on an email stating that automated delivery “is not an accepted USPS practice, but it is done by a lot of airlines.”
- g. On January 26, 2015, Manager-1 sent an email to Employee-2 stating that Manager-1 did not want a certain codeshare airline to use automated data. Manager-1 then provided Employee-2 an instruction on what the codeshare airline should do if it decided to use automated data anyway.
- h. Between April 27, 2013, and May 3, 2015, all data for flights on a certain codeshare airline terminating in Mexico City was fully automated. This automation was done at United’s request. The codeshare airline was tasked with transporting mail to Mexico City pursuant to United’s ICAIR contracts on hundreds of occasions during this time period. All of the data transmitted to the USPS by United employees relating to these flight movements was automated and was thus false. As one example among hundreds, on May 3, 2015, automated data was transmitted to the USPS indicating that this codeshare airline had flown mail from Los Angeles International Airport to Mexico City Benito Juarez International Airport, and that all mail receptacles on this flight were delivered to the Mexican postal authorities at 8:25AM Central Daylight Time. In reliance on this false data, the USPS made a payment to United.

## ATTACHMENT B

### **CORPORATE COMPLIANCE PROGRAM**

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with U.S. fraud laws in connection with government contracting, United Airlines, Inc. (“United” or “the Company”), agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures. Where necessary and appropriate, United agrees to adopt a new, or to modify its existing compliance program, including internal controls, compliance policies, and procedures in order to ensure that it maintains an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts, as well as policies and procedures designed to effectively detect and deter violations of U.S. fraud laws in connection with government contracting. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of United’s existing internal controls, compliance code, policies, and procedures:

#### *Commitment to Compliance*

1. United will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy prohibiting violations of U.S. fraud laws in connection with government contracting and its compliance codes, and demonstrate rigorous adherence by example. United will also ensure that middle management, in turn, reinforce those standards and encourage employees to abide by them. United will create and foster a culture of ethics and compliance with the law in their day-to-day operations at all levels of the Company.

### *Policies and Procedures*

2. United will develop and promulgate a clearly articulated and visible corporate policy against violations of U.S. fraud laws in connection with government contracting, which policy shall be memorialized in a written compliance code or codes.

3. United will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of U.S. fraud laws in connection with government contracting and United's compliance code, and United will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of U.S. fraud laws in connection with government contracting by personnel at all levels of the Company. These policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of United. United shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the Company.

### *Periodic Risk-Based Review*

5. United will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of United.

6. United shall review its compliance policies and procedures related to U.S. fraud laws in connection with government contracting no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.



### *Proper Oversight and Independence*

7. United will assign responsibility to one or more senior corporate executives of United for the implementation and oversight of United's compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, United's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of stature and autonomy from management as well as sufficient resources and authority to maintain such stature and autonomy.

### *Training and Guidance*

8. United will implement mechanisms designed to ensure that its compliance code, policies, and procedures related to violations of U.S. fraud laws in connection with government contracting are effectively communicated to directors, officers, and employees engaged in government contracting, and, where necessary and appropriate, agents and business partners engaged in government contracting. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements. United will conduct training in a manner tailored to the audience's size, sophistication, or subject matter expertise and, where appropriate, will discuss prior compliance incidents.

9. United will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with United's compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which United operates.

*Internal Reporting and Investigation*

10. United will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of U.S. fraud laws in connection with government contracting or United's compliance code, policies, and procedures.

11. United will continue to maintain an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of U.S. fraud laws in connection with government contracting or United's compliance code, policies, and procedures. United will handle the investigations of such complaints in an effective manner, including routing the complaints to proper personnel, conducting timely and thorough investigations, and following up with appropriate discipline where necessary.

*Enforcement and Discipline*

12. United will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. United will institute appropriate disciplinary procedures to address, among other things, violations of U.S. fraud laws in connection with government contracting and United's

compliance code, policies, and procedures by United's directors, officers, and employees. Such procedures should continue to be applied consistently, fairly, and in a manner commensurate with the violation, regardless of the position held by, or perceived importance of, the director, officer, or employee. United shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall compliance program is effective.

#### *Mergers and Acquisitions*

14. United will develop and implement policies and procedures for mergers and acquisitions requiring that United conduct appropriate risk-based due diligence on potential new business entities, including appropriate due diligence by legal, accounting, and for compliance personnel.

15. United will ensure that United's compliance code, policies, and procedures regarding compliance with U.S. fraud laws in connection with government contracting apply as quickly as is practicable to newly acquired businesses or entities merged with United and will promptly train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above and United's compliance code, policies, and procedures regarding U.S. fraud laws in connection with government contracting.

#### *Monitoring, Testing, and Remediation*

16. In order to ensure that their compliance program does not become stale, United will conduct periodic reviews and testing of its compliance code, policies, and procedures designed

to evaluate and improve their effectiveness in preventing and detecting violations of U.S. fraud laws in connection with government contracting and United's compliance code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards. United will ensure that compliance and control personnel have sufficient direct or indirect access to relevant sources of data to allow for timely and effective monitoring and/or testing of transactions. Based on such review and testing and its analysis of any prior misconduct, United will conduct a thoughtful root cause analysis and timely and appropriately remediate to address the root causes.

ATTACHMENT C

**REPORTING REQUIREMENTS**

United Airlines, Inc. (“United”), agrees that it will report to the U.S. Department of Justice, Criminal Division, Fraud Section (the “Fraud Section”) periodically, at no less than twelve-month intervals during a three-year term (the “Term”), regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment B. During this Term, United shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, United shall submit to the Fraud Section a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve United’s internal controls, policies, and procedures for ensuring compliance with U.S. fraud laws in connection with government contracting, and the proposed scope of the subsequent reviews. The report shall be transmitted to the Deputy Chief, MIMF Unit and the Deputy Chief, SPT Unit at:

Criminal Division, Fraud Section  
U.S. Department of Justice  
1400 New York Avenue NW  
Washington, DC 20005

United may extend the time period for issuance of the report with prior written approval of the Office.

b. United shall undertake at least two follow-up reviews and reports, incorporating the views of the Fraud Section on its prior reviews and reports, to further monitor and assess whether United’s policies and procedures are reasonably designed to detect and prevent violations of U.S. fraud laws in connection with government contracting.

c. The first follow-up review and report shall be completed by no later than one year after the initial review. The second follow-up review and report shall be completed by no later than one year after the completion of the preceding follow-up review. The final follow-up review and report shall be completed and delivered to the Fraud Section no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Fraud Section determines in its sole discretion that disclosure would be in furtherance of the Fraud Section's discharge of its duties and responsibilities or is otherwise required by law.

e. United may extend the time period for submission of any of the follow-up reports with prior written approval of the Fraud Section.

ATTACHMENT D

**CERTIFICATION**

To: United States Department of Justice  
Criminal Division, Fraud Section  
Attention: Deputy Chief, MIMF Unit

Re: Non-Prosecution Agreement Disclosure Certification

The undersigned certify, pursuant to Paragraph 5(e) of the Non-Prosecution Agreement (“NPA”) executed on February 25, 2021, by and between the United States and United Airlines, Inc. (“United” or the “Company”), that undersigned are aware of United’s disclosure obligations under Paragraph 5(e) of the NPA and that United has disclosed to the Criminal Division’s Fraud Section any and all evidence or allegations of conduct required pursuant to Paragraph 5(e) of the NPA, which includes evidence or allegations that may constitute a violation of the U.S. fraud laws (“Disclosable Information”). This obligation to disclose information extends to any and all Disclosable Information that has been identified through United’s compliance and controls program, whistleblower channel, internal audit reports, due diligence procedures, investigation process, or other processes. The undersigned further acknowledge and agree that the reporting requirement contained in Paragraph 5(e) and the representations contained in this certification constitute a significant and important component of the NPA and the Fraud Section’s determination whether United has satisfied its obligations under the NPA.

The undersigned hereby certify they are the Chief Executive Officer (“CEO”) of the Company and that the Chief Financial Officer (“CFO”) of the Company, respectively, and that each has been duly authorized by the Company to sign this Certification on behalf of United.

This Certification shall constitute a material statement and representation by the undersigned and by, on behalf of, and for the benefit of, United to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and such material statement and representation shall be deemed to have been made in the District of Columbia. This Certification shall also constitute a record, document, or tangible object in connection with a matter within the jurisdiction of a department and agency of the United States for purposes of 18 U.S.C. § 1519, and such record, document, or tangible object shall be deemed to have been made in the District of Columbia.

By: \_\_\_\_\_  
Scott Kirby  
CEO  
United Airlines, Inc.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Gerald Laderman  
CFO  
United Airlines, Inc.

Dated: \_\_\_\_\_