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Home

What You Can Do

PCB's in the Hudson

GE Survivors

GE Misdeeds

Contribute

Over 1.3 million pounds of PCB's were dropped in the Hudson river by GE.

GE Misdeeds

GE has a lengthy record of criminal, civil, political and ethical transgressions.

In 1995 -- with the establishment of a Presidential Advisory Commission -- the full extent of GE's human experiments with nuclear radiation were revealed. General Electric ran the Hanford Nuclear Reservation in Richland, Washington as part of America's weapons program; beginning in 1949, General Electric deliberately released radioactive material to see how far downwind the radioactive material would travel. One cloud drifted four hundred miles, all the way down to the California-Oregon border, carrying perhaps thousands of times more radiation than that emitted at Three Mile Island.

In 1986 Congressman Edward Markey held hearings in which he disclosed that the United States and General Electric had conducted experiments on hundreds of United States citizens who became "nuclear calibration devices for experimenters run amok." According to Markey: "Too many of these experiments used human subjects that were captive audiences or populations ...considered 'expendable' ...the elderly, prisoners and hospital patients who might not have retained their full faculties for informed consent. "

One of GE's most gruesome experiments --disclosed in the Markey hearings -- was performed on inmates at a prison in Walla Walla, Washington, near Hanford. Starting in 1963, sixty-four prisoners had their scrotums and testes irradiated to determine the effects of radiation on human reproductive organs. Although the inmates were warned about the possibility of sterility and radiation burns, the forms said nothing about the risk of testicular cancer. Markey's committee heard allegations that, at the time of the experiments, General Electric violated both civil and criminal laws. GE's nuclear testing is merely one example of a lengthy corporate history of malfeasance that includes conviction of criminal price-fixing in the 1960s and many equivalent deeds. This memo focuses only on General Electric's recently adjudicated or settled criminal or civil violations.

I. Environment

A. GE is wholly or partially liable for at least 78 Federal Superfund Sites.

B. On September 29, 1998 General Electric agreed to a \$200 million settlement in principle of environmental claims resulting from pollution of the Housatonic River and other areas by chemical releases from GE's plant in Pittsfield, Massachusetts. (The settlement was with the Environmental Protection Agency and the Department of Justice .) The claims result from a long history of GE's use and disposal of polychlorinated biphenyls (PCB's) and other hazardous substances at the plant, which GE no longer uses for manufacturing. (PCBs, which have been linked to cancer, were commonly used in electrical devices and lubricants from the 1930s through the 1970s, when they were banned.)

Chronology of GE Misdeeds

1 Feb 1977	D.C. - GE ordered to stop misleading ad claims on color televisions and other home appliances
16 June 1981	Lincoln NE- GE ordered to pay damages over storage of spent nuclear fuel \$8.5 million
May 1985	D.C.- GE fined for defrauding Defense department on contracts \$1.04 million
26 May 1986	Portland OR- GE fined for safety violations at nuclear plant- \$80,000
5 June 1987	Los Angeles CA- GE subsidiary fined \$25.3 million for insider trading
20 Nov 1987	Cincinnati Ohio- GE ordered to pay damages on safety defects at Zimmer nuclear plant-\$78 million
3 June 1988	San Francisco- GE and others ordered to cleanup groundwater contamination-\$5.3 million initial settlement
29 March 1989	D.C.- GE fined for defrauding government on defense contracts \$ 3.5 million
5 Oct 1989	Tennessee- GE ordered to refund overcharges on work at Brown's Ferry Plant-\$2.6 million
23 March 1990	Shepherdsville KY- GE and others ordered to cleanup PCB contamination of soil and water
27 March 1990	Wilmington, NC - GE fined for discrimination against employees who report safety violations-\$20,000
11 May 1990	Ft. Edward/Hudson Falls- GE ordered to cleanup PCB contamination of Hudson River -\$10 million
27 July 1990	7.27.90 Philadelphia PA- GE fined for defrauding government in defense contacts-\$30 million

Under the settlement, GE will remove contaminated sediments from the one-half mile of the Housatonic River nearest the GE plant. Through a cost-sharing agreement, GE will also fund much of the anticipated cost of an additional mile-and-one-half of river cleanup to be conducted by EPA. These river cleanups will include contaminated river banks and soils in properties in the flood plain along the river. Later, after a cleanup plan is selected for downstream portions of the river, GE will perform that cleanup as well. In addition, GE will remedy contamination at the Pittsfield plant and other nearby areas, including a school and several commercial properties. The settlement also will address claims that hazardous substances released from the GE plant caused injuries to natural resources in the Housatonic River downstream of the plant, extending through Massachusetts and into Connecticut. In addition to cleaning up, GE agreed to pay \$15 million in damages and to conduct a number of projects designed to acquire or enhance wildlife habitat. The damages payment will be used by the natural resource trustees -the U.S. Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, and agencies of Massachusetts and Connecticut -to restore, replace, or acquire the equivalent of the injured natural resources.

The City of Pittsfield will benefit, too, from the settlement. GE has agreed to a "brownfield" redevelopment project on a portion of the defunct plant, including a multi-million dollar investment in Pittsfield, in conjunction with the new Pittsfield Economic Development Authority ("PEDA"). PEDA will commit up to \$4 million of anticipated revenues from the redevelopment to further enhancement of natural resources.

C. On March 26, 1998 General Electric Co. agreed to pay a \$92,000 fine for previous violations of EPCRA reporting requirements for toxic releases at its silicone manufacturing plant in Waterford, N.Y. according to EPA Region 2. In addition, GE agreed to spend about \$112,000 to pay to upgrade local emergency response capabilities in surrounding communities. Between 1991 and 1996, EPA cited GE for 23 violations when toxic releases were un- or under reported. Chemicals involved were dimethyl sulfate, chlorine, 1, 1, 1, - trichloroethane, ammonia, and toluene.

D. On September 15, 1995, General Electric Co. agreed to pay \$137,000 in fines and expenses and to clean up a hazardous waste dump at a former plant where it repaired and rebuilt transformers. The agreement was part of a settlement with the Florida State Department of Environmental Protection. In October 1993, investigators swooped down on the GE Apparatus Service Center in Brandon, Florida with search warrants to take soil samples and confiscate computer records and files. Inspectors found 30 violations, including hazardous waste pumped from underground storage tanks into a nearby railroad spur, reports show. They also discovered groundwater contaminated with elevated levels of PCBs and a layer of petroleum and cleaning solvents floating on the groundwater. Complaints from previous employees and discoveries during routine inspections sparked a sheriff's office's investigation of the center, where employees cleaned and serviced heavy-duty electric motors and generators for 20 years. GE closed the facility in December 1993.

E. On March 13, 1992, the Nuclear Regulatory Commission issued a \$20,000 fine against General Electric Company for violations of regulations at the fuel fabrication plant in Wilmington, N.C. On May 29, 1991, GE personnel accidentally moved about 320 pounds of uranium to a waste treatment tank. The danger of the mistake was that the size and shape of the waste container caused unsafe concentrations of uranium, which could lead to a nuclear accident. The NRC dispatched a special incident investigation team the same day and an inspection began two days later. The NRC found that the mistake was the result of lax safety controls.

11 Oct 1990	Waterford NY- GE fined for pollution at Silicone Products plant- \$176,000
20 May 1991	D.C. - GE Ordered to pay damages over improperly tested aircraft parts for Air Force and Navy- \$1 million
27 Feb 1992	Allentown, PA - GE ordered to pay damages on design flaws of nuclear plants -\$80 million
4 March 1992	Orange County CA - GE fined for violation of worker safety rules on handling PCBs-\$11,000
13 March 1992	Wilmington, NC- GE fined for safety violations at nuclear fuel plant \$20,000
22 May 1992	Illinois - GE ordered to pay damages on design flaws of nuclear plants \$65 million
22 July 1992	D.C.- GE fined for money laundering and fraud over illegal sale of fighter jets to Israel-\$70 million
13 Sep 1992	Chicago, IL- GE ordered to pay damages for airplane crash-\$1.8 million
12 Oct 1992	Nashville TN - GE ordered to pay damages from deceptive advertising on lightbulbs -\$165,000
27 Oct 1992	D.C.-GE ordered to pay damages from overcharging on defense contracts \$576,215
12 May 1992	D.C.-GE ordered to pay damages to whistleblower on illegal sale of fighter jets to Israel-\$13.4 million
2 March 1993	Riverside CA - GE and others ordered to pay damages for contamination from dumping of industrial chemicals-\$96 million
11 March 1993	Grove City PA - GE and others ordered to cleanup mining site \$1.81 million
16 Sep 1993	NY - GE ordered to compensate commercial fisherman for PCB contamination of the Hudson River-\$7 million
11 Oct 1993	San Francisco- GE ordered to offer rebates to consumers after deceptive light bulb advertising - \$3.25 million
18 July 1993	7.18.93 Hudson Falls NY- GE ordered to clean up PCB contamination of Hudson River -\$2.5 Million
2 Feb	2.2.94 Perry OH - GE

F. According to documents obtained by Public Citizen under the Freedom of Information Act, GE designed nuclear reactors around the world have a design flaw that make it virtually certain (90%) that in the event of a meltdown, radiation would be released directly into the environment and into surrounding communities, leaving the public without any protection. The NRC acknowledges that the reactor containment structure in GE built nuclear power plants did not work, but they licensed the reactors anyway. (Also, a dozen or more GE designed boiling water reactors in the US and abroad have evidence of cracking in the reactor core shroud -- a metal cylinder surrounding the reactor's radioactive fuel rods.)

G. GE continues to mislead government officials and the public about the dangers of PCB's. At an April 22, 1998 shareholder meeting, GE CEO Jack Welch claimed: "PCBs do not pose adverse health risks..." Testifying in Albany on July 9, 1998, EPA Administrator Carol Browner stated: "GE tells us this contamination is not a problem. GE would have people of the Hudson River believe, and I quote: 'living in a PCB-laden area is not dangerous.' But the science tells us the opposite is true ... And concern about PCB's goes beyond cancer ... The science has spoken: PCB's are a serious threat..."

H. GE was a big proponent, and prime beneficiary of the "business-friendly" initiatives undertaken by former Environmental Conservation Commissioner Michael Zagata, who was ousted by Pataki after a controversial tenure. This business friendly policy, in 1995, let General Electric Co. avoid paying a fine and gave the company a tax writeoff. The settlement, reached through the program, let General Electric Co. off the hook for permitting an industrial landfill to burn out of control for nearly a year in Waterford, Saratoga County. The deal allowed the company to avoid paying a fine, gave them a \$1.5 million tax writeoff, and resulted in a boat launch being built near the Columbia County residences of former Environmental Conservation Commissioner Michael Zagata and his chief deputy. (These "business-friendly" initiatives were later rescinded.)

I. General Electric may not be forthcoming about the possible liability for their environmental problems. In its 1998 annual report, GE reported that it had expended \$81 million for capital projects related to the environment in 1998 and \$80 million in 1997. The report indicated that GE expects to spend \$85 million over the next two years for capital projects.

The same report indicated that expenditures for site remediation actions amounted to about \$127 million in 1998, compared with \$84 million in 1997. "It is presently expected that such remediation actions will require average annual expenditures in the range of \$90 million to \$170 million over the next two years." Given GE ' s expenditures on the Massachusetts PCB cleanup alone, these figures appear overly optimistic and perhaps misleading.

II. Defense Contracting Fraud

A. On July 23, 1992 GE pled guilty in federal court to civil and criminal charges of defrauding the Pentagon and agreed to pay \$69 million to the U .S. government in fines -- one of the largest defense contracting fines ever. GE said in a statement that it took responsibility for the actions of a former marketing employee who, along with an Israeli Air Force General, diverted Pentagon funds to their own bank accounts and to fund Israeli military programs not authorized by the U.S. Under the settlement with the Justice Department, GE paid \$59.5 million in civil fraud claims paid \$9.5 million criminal fines. (Foreign Corrupt Practices Act Violation.)

B. GE's civil and criminal transgressions stemming from the Israeli military program are by no means isolated. GE is a repeat offender when it comes to Defense Department fraud. Numerous times the company has violated the False

1994	settles with utility companies on defective Perry Nuclear Plant.
14 Mar 1994	Ft. Edward NY - GE ordered to cleanup contamination of sediment from reaching Hudson River \$100,000
14 Sep 1994	9.14.94 D.C.- GE fined for overcharges in defense contracts-\$20 million
2 Sep 1995	Waterford NY - GE fined for air pollution and contamination of the Hudson River, -\$1.5 million
15 Sep 1995	Brandon FL- GE fined for groundwater contamination-\$137,000
9 Sep 1996	Waterford, NY -GE Fined for Clean Air Act violations -\$60,000
7 Oct 1996	Hendersonville NC - GE ordered to cleanup contamination of soil and groundwater- \$1.029 million
8 Oct 1996	Cook County IL- GE ordered to pay settlement from airline crash in Sioux City -\$15 million
22 Feb 1997	Somersetworth NH - GE and others ordered to cleanup contamination of groundwater and public water supply -\$ 7 million
Feb 1998	Waterford NY- GE fined for pollution violations \$234,000
20 April 1998	Waterford NY- GE fined for pollution violations-\$204,000
Oct 1998	United Kingdom - GE ordered to cleanup asbestos and pollution claims \$2 billion pounds
26 Oct 1998	Puerto Rico - GE and others ordered to cleanup contamination of drinking water supply -\$4.2 million
5 Nov 1998	South Whitehall PA- GE and others ordered to cleanup contamination \$1.035 million
24 Jan 1999	Chicago- GE ordered to reimburse consumers over unfair debt collection practices-\$147 million
19 Aug 1999	Piscataway NJ -GE and others ordered to cleanup contamination of groundwater-\$23 million
2 Sep 1999	Malvern PA- GE and others ordered to cleanup groundwater contamination- \$18.8 million

Claims Act -- a measure originally proposed by Lincoln to protect federal coffers. When the Project on Government Oversight surveyed defense contractors, it found that General Electric had 15 examples of fraudulent activity in just a four year period (1990-1994) -- more than any other defense contractor:

1. Paid \$7.1 million to settle a qui tam suit alleging that the company failed to satisfy electrical bonding requirements for its jet engine contracts, thereby creating a safety risk.
2. Paid \$5.87 million (along with Martin Marietta) to settle a qui tam suit associated with improper sales of radar systems to Egypt.
3. From 1990 to 1994, GE paid fines ranging from a \$20,000 criminal fine to a \$24.6 million civil fine for a variety of defense contracting frauds, including: misrepresentation, money laundering, defective pricing (2 incidents), cost mischarging (3 incidents), false claims, product substitution, conspiracy/ conversion of classified documents, procurement fraud, and mail fraud.
4. Convicted on February 3, 1990 in US District Court in Philadelphia of defrauding the government out of \$10 million for a battlefield computer system.
5. Pled guilty on May 19, 1985 to charges of fraud and falsifying 108 claims on a missile contract.
6. Convicted of Defrauding the Air Force out of \$800,000 on the Minuteman Missile Project.
7. Convicted Of Bribing The Puerto Rico Water Resources Authority.

III. Other Litigations

A. Workplace Safety

More than one-fifth of all taxpayer dollars paid out to federal contractors go to companies cited by federal inspectors for serious violations of workplace safety rules, according to a 1996 General Accounting Office study. Although federal agencies have the power to bar companies from receiving contracts for a variety of reasons, including workplace safety violations, the authority is "rarely exercised" to punish companies for safety violations. The GAO study examined federal contracts awarded during 1994, when \$38 billion of the total \$176 billion in federal contracts went to companies with serious OSHA violations. Some 35 workers died and another 55 were hospitalized for injuries in accidents associated with those safety violations. Only 261 federal contractors were cited in the GAO report, but an estimated 60,000 companies received federal contracts awarded in 1994. GE was one of the few contractors that committed workplace violations -- GE failed to meet standards for personal protective equipment at a Springfield, Mo., plant. That citation resulted in a \$42,500 fine.

B. Employment Discrimination

In a lawsuit, a black worker at GE's Burkville, Alabama plant claims that General Electric officials have fostered a racially hostile environment. General Electric reached settlements with two ex-General Electric employees employed at the plant. The workers claim that they've been subjected to Ku Klux Klan symbols, swastikas and a hangman's noose at the plant.

IV. Conclusion

The Corporate Crime Reporter recently released a list entitled: The Top 100 Corporate Criminals of the Decade. Using a narrow definition that only included corporations that pled guilty or no contest to crimes and that have been criminally fined, the survey found that General Electric was number 34 on the list.

17 Sep 1999	Moreau NY - GE ordered to build drinking water system after PCB contamination of water supply-\$5 million
9 Oct 1999	Pittsfield MA -GE ordered to cleanup PCB pollution in Housatonic river \$250-750 million
18 Oct 2000	New York, NY- GE and others ordered to clean up contamination of soil \$28 million
Jan 2001	NY- GE and others ordered to refund overcharges on mortgage insurance \$4 million
4 Feb 2001	NY - State Supreme Court rules GE deceptively mislead consumers into purchasing new dishwashers after recall while sending commercial customers a replacement part.

What distinguishes General Electric is not merely the number of crimes committed -- or the dollar amount of the crimes -- but a consistent pattern of violating criminal and civil laws over many years. Even worse, General Electric has been a leader in using political influence to attempt to overturn environmental and defense contracting laws that GE persistently violates.

A Sad Pollution Parody