



**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

The Inspector General

Office of Inspector General
Washington, D.C. 20590

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January 16, 2004

The Honorable Scott J. Bloch
Special Counsel
United States Office of Special Counsel
1730 M Street, NW, Suite 300
Washington, DC 20036-4505

Dear Mr. Bloch:

This is in response to then-Special Counsel Elaine Kaplan's letter of March 28, 2003, referring allegations made by Gabriel D. Bruno and Dorvin D. Hagan, employees of the Federal Aviation Administration's (FAA) Orlando Flight Standards District Office (FSDO), to the Secretary of Transportation for investigation. Secretary Norman Mineta delegated your request to our office for investigation and subsequent response to you. Presented herein are the results of our investigation of the predicate allegations:

The Special Counsel referred the following allegations for investigation:

1. Mr. Bruno, then-Orlando FSDO Manager, alleged that in the spring of 2001, Dawn Veatch, then-Acting Division Manager, Southern Region Flight Standards Division, Atlanta, cancelled a program he implemented to re-examine individuals who had received airframe and power plant (A&P) mechanic certificates under fraudulent conditions. Mr. Bruno asserted that the cancellation of this program, and FAA's failure to re-examine more than 1,000 individuals holding questionable mechanic certificates, represents gross mismanagement, an abuse of authority, and a substantial and specific danger to public safety.
2. Mr. Bruno and Mr. Hagan, then-Supervisory Aviation Safety Inspector assigned to FAA's Certificate Management Unit (CMU) for AirTran Airways, Orlando FSDO, alleged that FAA Southern Region management, specifically, three consecutive Flight Standards Division managers, Marion Dittman, Dawn Veatch, and Nicholas Sabatini, failed to adequately staff the CMU from 1998

to 2001¹. They asserted that such understaffing represents gross mismanagement, resulting in a substantial and specific danger to public safety.

Background

Beginning in early 1998, OIG conducted a criminal investigation of St. George Aviation (SGA), an Orlando, FL, based aircraft maintenance school, and FAA-approved Designated Mechanic Examiner (DME) facility, for alleged issuance of fraudulent A&P mechanic certificates. Specifically, Anthony St. George, owner of SGA, and George Allen, an SGA examiner, were allegedly falsely certifying that they had administered examinations and had directed SGA employees to take examinations on behalf of applicants, or to otherwise ensure examinees received passing scores. Our investigation substantiated the predicate allegations². Subsequently, we provided FAA with a list of 1,626 A&P mechanics who received their certificates from SGA between October 10, 1995, and October 9, 1998, the period during which OIG's investigation disclosed that fraudulent certificates had been issued³.

In June 1999, based on a recommendation from OIG⁴, FAA initiated a program to re-examine the mechanics certified by SGA. Specifically, Thomas McSweeney, FAA's then-Associate Administrator for Regulation and Certification, advised us in a September 3, 1999, memorandum that there was sufficient evidence to believe that SGA-certificated mechanics had not been tested in accordance with regulations, and he committed FAA to a re-examination program.

¹ In April 1998, the Orlando FSDO became responsible for the regulatory oversight of aircraft formerly operated by ValuJet Airlines when that carrier merged with AirTran Airways. At that time, Mr. Bruno appointed Mr. Hagan as the Supervisor of the Certificate Management Unit (CMU), with combined oversight of AirTran Airways and the former ValuJet aircraft. The CMU subsequently became a Certificate Management Office when AirTran Airways grew large enough to warrant such designation.

² OIG's criminal investigation disclosed that between October 10, 1995, and October 9, 1998, employees of SGA issued numerous fraudulent A&P mechanic certificates. As a result of OIG's investigation, Anthony St. George and George Allen were convicted in U.S. District Court on multiple felony charges stemming from the issuance of fraudulent certificates.

³ Federal Aviation Regulations provide that once issued, mechanic certificates are effective until surrendered, suspended, or revoked. There is no requirement for periodic re-examination of an A&P mechanic certificate-holder (absent surrender, suspension, or revocation), and certificates do not expire.

⁴ Following completion of our investigation, we recommended to FAA that 1,626 A&P mechanics certificated by SGA be re-examined by FAA to ensure their level of competence. FAA concurred with our recommendation.

Mr. McSweeney's memorandum stated, in part, the following:

"Evidence shows that the certification practices at St. George Aviation, Inc., provide reason to believe that a group of [mechanics] was not tested in accordance with Title 14, Code of Federal Regulations, Part 65.79. Therefore the competence of approximately 2000 mechanics certificated at that site is in question. Re-examination of their qualifications to be holders of mechanic certificates with airframe and powerplant ratings is necessary in the interest of safety."

Mr. Bruno subsequently created and implemented the re-examination program through an action plan he formulated. Mr. Bruno's plan was to identify, contact, and re-examine, through both oral and practical examinations, individuals who received their A&P mechanic certificates from SGA, beginning with the last person certified by SGA and working backwards, in groups of 25 until the FAA was confident, through analysis of the test results that "those remaining [to be tested] do not pose a threat to aviation safety and the flying public." The action plan did not specify the manner in which such analysis would be conducted in support of a decision to end the testing. However, in contrast to his written statements to your office that all SGA-certificated mechanics should have been retested, Mr. Bruno told us, when interviewed for this investigation, along with then-members of his staff, that a simple majority of individuals passing the re-examination would be sufficient justification for ending it.

In June 2001, Dawn Veatch, then-Acting Manager, Southern Region Flight Standards Division, restricted the conduct of re-examinations to only those individuals who received their certifications from SGA after June 11, 1998, and directed that only oral examinations be conducted. The last re-examination was conducted on September 24, 2001.

Summary of Findings

In brief, we concluded that FAA prematurely canceled its re-examination program by not following-thru on its commitment to re-examine, as recommended by OIG, all 1,626 SGA-certificated A&P mechanics. We disagree with FAA's rationale that a re-examination pass rate of 79 percent, at the time the program was terminated, is sufficient to conclude that A&P mechanics who received their certificates from SGA do not represent a measurable impact on aviation safety. Further, we did not substantiate Mr. Bruno's allegations that Southern Region Flight Standards Division management failed to adequately staff the CMU for

AirTran Airways, or that there were excessive and redundant inspections of the CMU.

More specifically, we found the following:

1. FAA cancelled the re-examination program, designed to ensure the competency of mechanics that had been issued A&P certificates by SGA between October 10, 1995, and October 9, 1998. We found that Ms. Veatch directed cancellation of the program after only 130 mechanics had been re-examined, along with another 268 whose certificates were suspended, revoked, or surrendered. Ms. Veatch based her decision, in part, on an assertion by Keith May, an attorney from the Regional Counsel's Office assigned to the re-examination program, that it was merely speculation that the balance of approximately 1,228 certificate holders identified for re-examination had not received a valid test from SGA.

In a memorandum to Ms. Veatch, Mr. May stated, "There was a little bit of distinction between the [mechanics] that were sort of actually caught in the [OIG investigation] sting operation. Factually, we knew they didn't get a good [valid] test, so those we revoked. The other [mechanics], we were speculating."

Ms. Veatch further based her decision on information she received from John Dunbar, then-Manager, Regional Air Safety Regulation Branch, that 79 percent of the individuals taking the re-examination were passing. In a memorandum to Ms. Veatch, Mr. Dunbar stated, "Two years after closing the SGA facility, and considering the [79 percent pass rate], we have no conclusive measurable impact on aviation safety and the flying public that can be attributed to individuals tested at SGA."

We disagree with FAA's limitation of the re-examination program to only those mechanics who were certified by SGA after June 11, 1998. FAA had information as early as May 1995, through a direct complaint to them from two separate applicants, that SGA was not conducting proper examinations.

Moreover, we disagree with FAA's contention that a pass rate of 79 percent is sufficient to conclude that those A&P mechanics who received their certificates from SGA do not represent a measurable impact on aviation safety. With a pass rate of 79 percent, there were 21 percent—or 27 mechanics—who failed their re-examination. Arguably, when extrapolated, approximately 258 of the potential 1,228 mechanics remaining to be re-examined would fail. In our view, this does represent a measurable impact on aviation safety.

Accordingly, we are recommending to FAA that, consistent with our original recommendation and the original commitment of then-Associate Administrator McSweeney, it take appropriate action to assess the current competence of the 1,228 SGA-certificated A&P mechanics not previously re-examined, or whose certificates were not suspended or revoked.

2. We did not find that Southern Region Flight Standards Division managers failed to provide sufficient personnel to adequately staff the CMU for AirTran Airways from 1998 to 2001. We found that adequate staffing for the CMU was provided to the Orlando FSDO manager; however, individuals hired or transferred by Southern Region Flight Standards Division management to the Orlando FSDO for the staffing of the CMU were assigned to conduct re-examinations rather than performing CMU duties.

We found that Mr. Bruno declined offers for geographical support to assist with the SGA re-testing⁵. Such geographical support would have eased the need to divert Orlando FSDO personnel, including those that could have been assigned to the CMU, from performing normal certificate oversight functions to conducting re-examinations.

Additionally, we found that offers by Southern Region Flight Standards Division Managers to hire Aviation Safety Inspectors, as directed by Nicholas Lacey, then-Director, Flight Standards Division, were declined by Mr. Bruno, who wanted to hire inspectors at higher grades. However, such higher grade positions were rejected by FAA Headquarters on the basis of being duplicate positions.

We also did not substantiate Mr. Bruno's contentions that the CMU was subjected to seven different redundant inspections between November 2000, and March 2001. Mr. Bruno was able only to identify to us three specific inspections: (1) FAA Flight Standards' Certificate Audit Program, (2) FAA's Regional Aviation Safety Inspection, and (3) the DoD Air Carrier Survey and Analysis⁶. We did not find documentation for inspections other than the three identified by Mr. Bruno. Further, FAA records show that each of these inspections addressed separate areas of concern. Accordingly, we concluded that these inspections were conducted in keeping with FAA's, and DoD's, air carrier safety oversight mission and responsibilities.

⁵ Geographical support consists of inspectors permanently assigned to other geographical areas who are placed on temporary assignment at another location to assist with a project of assignment that temporarily requires an increase in the number of personnel.

⁶ The DoD inspection was based upon DoD's use of AirTran Airways as a contract carrier.

Details

Cancellation of re-examination

In 1998, OIG initiated a criminal investigation of SGA for alleged issuance of fraudulent A&P mechanic certificates. OIG's investigation resulted in the indictment and subsequent conviction of Mr. St. George and Mr. Allen on multiple felony charges stemming from the issuance of fraudulent certificates. Subsequently, OIG provided a list to the Orlando FSDO of 1,626 individuals who received A&P mechanics certificates from SGA between October 10, 1995, and October 9, 1998.

FAA, based on our recommendation, agreed to retest the mechanics certified by SGA. Mr. Bruno subsequently developed an action plan to conduct re-examination of the A&P mechanics certified by SGA beginning with the most recent mechanic certified and continuing backwards chronologically in groups of 25 until FAA was confident, through analysis of the testing results, that "those remaining [to be tested] do not pose a threat to aviation safety and the flying public."

There were 398 individuals contacted by FAA for re-examination. Of that 398, 130 submitted to re-examination, with a 79 percent pass rate. In addition, there were 118 mechanics who voluntarily surrendered their certificates to FAA, 155 whose certificates were suspended by FAA for failure to appear for re-examination, 12 who had their certificates revoked, 12 whose certificates were suspended for other reasons, and 2 mechanics for whom action on their certificates remains pending, i.e., medical examination.

Subsequently, in June 2001, upon assuming duties as Acting Manager, Southern Region Flight Standards Division, Ms. Veatch directed the re-examinations be discontinued after the 398 individuals contacted by FAA had been re-examined, or other action had been taken (e.g., certificate surrender or revocation). Further, Ms. Veatch limited the remaining re-examinations solely to oral re-examinations. Ms. Veatch told us the re-examination project was a significant drain on limited personnel and financial resources. Therefore, after her appointment as Acting Manager in May 2001, she solicited information and recommendations concerning the re-examinations to determine the need to continue the program.

Mr. May told us he provided information in a memorandum to Ms. Veatch recommending she terminate the re-examination project. He explained that based on the OIG investigation; there was sufficient evidence to establish that fraudulent certificates were issued between June 11, 1998, and January 20, 1999, the date on

which FAA terminated SGA as a DME. However, Mr. May maintained that there was no such substantiated information that fraudulent activity occurred prior to June 11, 1998. Specifically, Mr. May told us, "There was a little bit of distinction between the [mechanics] that were sort of actually caught in the sting operation. Factually, we knew they didn't get a good test, so those we revoked. The other airmen, we were speculating."

Moreover, Mr. May did not believe that the re-examination process could determine the level of competency a mechanic possessed four to five years earlier. He said the testing results were "suggestive at best." Further, he did not agree with the most common interpretation of the testing results—that the mechanics who voluntarily surrendered their certificates were incapable of passing the re-examination. Mr. May believed a number of the mechanics were "fed-up" with FAA and their restrictions, namely traveling back to Orlando, FL for the re-examination. Accordingly, he believed a number of the mechanics simply surrendered their certificates in order to test at a local DME.

Mr. Dunbar provided a memorandum to Ms. Veatch, in which he recommended that the re-examination program be terminated. Mr. Dunbar advised that, based on the results of the re-examinations already conducted, there was no evidence to show that those individuals who received their A&P certificates from SGA were having a measurable impact on aviation safety and the flying public.

Mr. Dunbar's memorandum to Ms. Veatch stated:

"Approximately 980 airmen were certified between June 1, 1997 and the date SGA operations were terminated in 1998. As of January 10, 2001 there had been 312 letters...sent to individuals, 133 re-exams...scheduled, 78 re-exams conducted, 59 re-exams passed and 19 re-exams failed. There are 85 individuals that voluntarily surrendered their certificates. Those voluntarily surrendering their certificates may reapply for a certificate with no record relating to SGA and are thus not in the equation for evaluating the SGA effect. There are 95 letters that received no response.

Two years after closing the SGA facility, and considering the above information, we have no conclusive measurable impact on aviation safety and the flying public that can be attributed to individuals tested at SGA."

Ms. Veatch said she reviewed spreadsheets and briefing papers from the Orlando FSDO, reviewed costs associated with the re-examinations and based, in part, on

advice she received from Mr. Dunbar and Mr. May she restricted testing to mechanics who received their certificates between June 11, 1998, and January 20, 1999, because it was inclusive of the dates between the first substantiated fraudulent issuance of an A&P certificate by SGA and the date SGA was terminated as a DME (on January 20, 1999).

A June 14, 2001, memorandum from Ms. Veatch to Mr. Bruno contained the following explanation:

“This office felt it necessary to conduct an evaluation to determine to what extent this process needs to continue. The evaluation concludes the reexamination process should consider all airmen issued certificates after June 11, 1998. I have found no supporting evidence to indicate a need to dedicate limited resources past this date. This determination was based on the following facts:

1. Our documentation for the U. S. Attorney and FAA Investigation began on June 11, 1998.

2. No airmen were used as evidence in the criminal prosecution or FAA enforcement actions with certificates issued prior to June 11, 1998.

3. Airmen identified in the original complaint were issued certificates in January 1998. This was never substantiated, but this allegation prompted the investigation that followed.

4. Verification with Keith May, ASO-7, Cliff Weiss ASO-700; and the Orlando FSDO confirm that the activity prior to June 11, 1998, is speculative and not substantiated, though highly likely.”

We do not agree with FAA's limitation of the re-examinations to only those individuals receiving their certificates from SGA between June 11, 1998, and January 20, 1999. We found that FAA had information as early as May 1995, through a direct complaint to them by two separate applicants, that SGA was not conducting proper examinations.

Moreover, we do not agree with FAA's contention that a pass rate of 79 percent is sufficient to conclude that those A&P mechanics who received their certificates from SGA do not have a measurable impact on aviation safety. With a pass rate of 79 percent, 21 percent—or 27 mechanics—failed their re-examination. Arguably, when extrapolated, approximately 258 of the 1,228 mechanics to be re-examined

would fail. In our view, this does represent a measurable impact on aviation safety.

Accordingly, we are specifically recommending to FAA that it determine (a) the number of the remaining 1,228 mechanics who still possess SGA-issued A&P certificates; and (b) the number of those 1,228 mechanics who have since received A&P certificates from other sources. Once these steps are complete, we recommend that FAA ensure the re-examination of all remaining SGA-certificated A&P mechanics through either the program operated by Mr. Bruno, or through alternate means, such as the use of local DMEs.

Alleged mismanagement in meeting staffing needs

Mr. Bruno told our office that between August 31, 2000, and October 31, 2001, he continuously communicated with Southern Region Flight Standards Division Management attempting to acquire additional Inspectors for the Orlando FSDO that he could subsequently assign to the CMU for AirTran Airways. Mr. Bruno alleged that, despite his repeated requests he was not provided sufficient personnel to adequately staff the CMU for AirTran Airways. In addition to Mr. Bruno's assertions, Mr. Hagan alleged that he had also made numerous requests for additional staffing for the CMU. According to both Mr. Bruno and Mr. Hagan, Southern Region Flight Standards Division Managers refused to offer any assistance in the acquisition of proper staffing.

Our investigation did not find evidence to support the contentions of Mr. Bruno and Mr. Hagan. Specifically, we found that Southern Region Flight Standards Division Managers took significant measures, including multiple re-writes and submissions of special position requests, to assist Mr. Bruno in obtaining the staff necessary for the CMU.

Prior to the merger of AirTran Airway Inc. and ValuJet Airlines Inc., Mr. Hagan prepared a Staffing Plan, reviewed by the Flight Standards National Position Classification Panel (FSNPCP)⁷, calling for an increase from six to a total of 14 Inspectors. On December 29, 1999, Mr. Michael Sacrey, then-Manager, Southern Region Flight Standards Division, Atlanta, GA, reported the FSNPCP review did not find that there was sufficient justification for the positions requested by Mr. Bruno⁸. More specifically, the FSNPCP found that the position descriptions

⁷ The FSNPCP is a FAA National Panel made up of Flight Standards Personnel from FSDOs nationwide that are tasked with reviewing and determining staffing requirements for individual FSDOs.

⁸ FAA told us that their staffing numbers are based on a dynamic computerized staffing model that updates annually, overwriting the previous year's projections. Accordingly, FAA was unable to provide our office with written documentation of staffing goals during this period.

for these positions described duties already being performed by other inspection personnel.

However, the report recommended that Mr. Bruno submit a unique position request for temporary positions as the national resource Aircrew Program Manager (APM) for AirTran Operations and Maintenance in accordance with Section XII Paragraph A 5 and 6 of the ASI Position Classification Guide. Then, after two years AirTran Airways would either need to have a total of 100 aircraft to support a Partial Program Manager or the incumbents in these temporary positions would return to an approved position at their previous grade level⁹.

In December 2000, Nicholas Lacey, Director, Flight Standards Division, FAA Headquarters, directed an Independent Staffing Study of the CMU for AirTran Airways. In January 2001, the study was completed and demonstrated that the CMU for AirTran Airways was staffed on a par with other CMUs with similar responsibilities located in FSDOs across the country (Exhibit 1).

Certificate and Region	No. Aircraft	No. Types Aircrafts	No Supv. ASI	No. Non-Supv. ASI	No. Supt Positions	Total	Additional Identified Hiring Needs
Mesa (Masa) – SW	68	4	1	10	1	12	2 ASI, 1Support
American Trans (AMTA)-GL	60	4	1	8	1	10	1 ASI
Piedmont (HNAA)-EA	57	2	1	7	1	9	1 ASI
Air Midwest (AMWA)-CE	56	1	1	6	1	8	2 ASI
Chautauqua (CHQA)-GL	56	3	1	6	1	8	0
Horizon (QXEA)-NM	52	2	1	12	1	14	0
AirTran (ZZDA)-SO	51	3	1	7	2	10	5 ASI
Allegheny (PCAA)-EA	51	1	1	**	1	**	0
Air Wisconsin (A6WA)-GL	46	3	1	6	1	8	0
Great Lakes Aviation (GBLA)-CE	40	1	1	**	1	**	0

Exhibit 1: Chart depicting the results of the staffing study for the CMU for AirTran Airways.

The study recommended increases for half of the CMUs, including a minimum increase of five aviation safety inspectors for the CMU for AirTran Airways, four to be hired immediately, and a fifth to be added as resources became available.

⁹ The ASI (Aviation Safety Inspector) Position Classification Guide requires an operator to be operating 100 aircraft prior to the establishment of PPM organization in the office with certificate responsibilities. An NVIS—a FAA report listing the number of aircraft currently operating under an Air Carrier certificate—effective 10/20/1999, shows AirTran Airways operates 40-DC9s, 8-737s, and 2-B-717s, for a total of 50 aircraft.

Accordingly, Mr. Lacey directed the Southern Region Flight Standards Division to hire four aviation safety inspectors for the CMU for AirTran Airways by February 2001.

The Southern Region Flight Standards Division, in following Mr. Lacey's direction, attempted to hire the aviation safety inspectors. However, Mr. Bruno requested that, rather than aviation safety inspectors, he be provided with two assistant principal operations inspectors, one assistant principal maintenance inspector, and one contract maintenance inspector.

FAA told us that these are specialized positions and require specific justification for hiring. Prior to the February 2001, deadline imposed by Mr. Lacey, three of these aviation safety inspector positions were filled. However, Mr. Bruno and Mr. Hagan continued to push for a fourth specialized position despite repeated findings by FAA headquarters that the CMU for AirTran Airways did not rate such a position.

A series of messages between Mr. Bruno and Southern Region officials alternately praised and criticized Ms. Dittman's efforts. For example, one message stated, "...Marion Dittman had gone to 'battle' and convinced Mr. Lacey that we should be authorized to fill four positions for the AirTran certificate." A subsequent message then accused her of not taking action to address the needs of the CMU.

In a February 13, 2001, memorandum Ms. Dittman informed Mr. Bruno that, following two previous failed attempts to justify a position for a contract maintenance inspector based on the AirTran Airways contract maintenance requirements, he should submit a proposal for an additional temporary Assistant Principal Maintenance Inspector position. Ms. Dittman further wrote that she would review Mr. Bruno's submission to ensure that proper justification was provided and that FAA Flight Standards Headquarters would approve the position.

In a May 2001, memorandum Ms. Dawn Veatch¹⁰ wrote that she was supporting the Orlando FSDO's request for one additional Operations Inspector and one Aviation Safety Assistant position. Further, she assigned three additional inspectors, on a temporary basis, to assist Orlando FSDO in closing the findings of the March 2001 AFS-40 Certificate Audit Program (ACAP) and the November 2001 Regional Aviation Safety Inspection Program by June 30, 2002.

Ms. Dittman and Ms. Veatch told us that Mr. Bruno and Mr. Hagan were repeatedly asking for additional personnel for the CMU for AirTran Airways,

¹⁰ Ms. Dawn Veatch assumed her position as the Acting Manager for the Southern Region Flight Standards Division during May 2001.

however, they denied allegations that they refused to provide adequate staffing. They both asserted that Mr. Bruno had sufficient personnel to manage his area of responsibility, but instead of assigning personnel to the AirTran Certificate, Mr. Bruno elected to staff the SGA Re-examination Project, which his superiors considered to be an overcommitment of his resources.

According to Ms. Dittman and Ms. Veatch, of the 89 inspectors assigned to the Orlando FSDO in 2001, Mr. Bruno assigned a staff of seven inspectors to the CMU for AirTran Airways and diverted three FSDO personnel, slated for assignment to the CMU, to the SGA re-examination project.

During August 2001, Jack Moyer became the CMU for AirTran Airways Manager. According to Mr. Moyer he had ample staff to properly manage the certificate. The CMU for AirTran Airways was designated as a Certificate Management Office in December 2001, separate from the Orlando FSDO. According to Mr. Moyer, following his assignment to the certificate, the number of inspectors assigned to the certificate grew annually, in proportion to the expansion of AirTran's fleet, to the current number of 21 inspectors.

Alleged excessive inspections

Mr. Bruno also asserted that the CMU was subjected to seven different inspections between November 2000 and March 2001. However, when we interviewed Mr. Bruno, he was able to identify only three inspections: (1) the Certificate Audit Program, (2) the Regional Aviation Safety Inspection, and (3) the DoD Air Carrier Survey and Analysis. We did not find evidence to support Mr. Bruno's assertions that there were seven different inspections.

FAA records show that each of these inspections addressed separate areas of concern. Specifically, the AFS Certificate Audit Program concentrated on AirTran Airways' Safety Program, Internal Evaluation Program, Continuing Analysis and Surveillance System (CASS) Program, and their Reliability Program. The audit team also reviewed Maintenance Control, Operational Control/Dispatch and Crewmember Training and Qualification.

The RASIP Inspection focused on reviewing AirTran's airworthiness manual system, 12 months of flight logs, Service Difficulty Reports, Maintenance Interruption Summary, Mechanical Reliability Reports, maintenance facilities to determine their currency and compliance with applicable FARs.

The DOD Inspection was focused on AirTran's operations/maintenance manual revision program and their oversight of the monthly publication audit system required by AirTran's General Maintenance Manual.

Conclusion

In conclusion, we do not agree with FAA's termination of the re-examination program. As originally committed to by then-Associate Administrator McSweeney, each of the remaining subject 1,228 SGA-certificated mechanics needs to be re-examined (absent prior certificate suspension, revocation, or surrender). We believe that the possibility that 258 of those 1,228 mechanics would fail re-examination represents a measurable impact on aviation safety.

Accordingly, by copy of this letter report, we are recommending to FAA that it determine (a) the number of the remaining 1,228 mechanics who still possess SGA-issued A&P certificates; and (b) the number of those 1,228 mechanics who have since received A&P certificates from other sources. Once these steps are complete, we recommend that FAA ensure the re-examination of all remaining SGA-certificated A&P mechanics through either the program operated by Mr. Bruno, or through alternate means, such as the use of local DMEs. We are requesting that FAA inform our office of the disposition of this recommended action.

If I can answer any questions or be of further assistance, please feel free to contact me at (202) 366-1959 or my Deputy, Todd J. Zinser, at (202) 366-6767.

Sincerely,



Kenneth M. Mead
Inspector General



U.S. Department of
Transportation

Office of Inspector General
Washington, D.C. 20590

June 9, 2004

Ms. Catherine A. McMullen
Chief, Disclosure Unit
U.S. Office of Special Counsel
1730 M. Street, N.W.
Suite 300
Washington, DC 20036-4505

Dear Ms. McMullen:

Per our discussion with you on May 20, 2004, by this letter we are responding to comments made by Mr. Bruno and Mr. Hagen in regard to the findings of our investigation of FAA's alleged intentional failure to properly staff the Orlando FSDO, and more specifically, the AirTran Certificate Management Unit (CMU). Specifically, Mr. Bruno, and Mr. Hagen continue to maintain that FAA management intentionally failed to properly staff the Orlando FSDO and AirTran CMU. You asked our office to assemble documents and detail the information used by us to reach the conclusion stated in our January 16, 2004, letter to the Special Counsel that we did not substantiate "allegations that the Southern Region Flight Standards Division management failed to adequately staff the CMU for AirTran Airways."

More specifically, Mr. Bruno and Mr. Hagan alleged that FAA Southern Region management, namely, three consecutive division managers, Marion Dittman, Dawn Veatch, and Nicholas Sabitini, failed to adequately staff FAA's AirTran CMU¹ from 1998 to 2001. They asserted that such understaffing represents gross mismanagement resulting in a substantial and specific danger to public safety.

In addressing this allegation, our office reviewed documents provided by Mr. Bruno and Mr. Hagen, documents available at FAA's Southern Region, and the Orlando FSDO, FAA regulations, and interviewed relevant personnel. As discussed with you on May 20, 2004, we found, based on the enclosed documents that, 1) Mr. Bruno and Mr. Hagen were constantly asking for personnel

¹ FAA Order 8000.49B defines CMU as a Flight Standard office whose resources are dedicated to the administration and certificate management of one or more complex or large regional air carrier operating certificate(s), Exhibit 2.

assignments and positions that they did not rate based upon the size of the CMU; 2) Southern Region Management and the Southern Region Personnel Office attempted to assist Mr. Bruno in obtaining sufficient staff to manage the CMU; and 3) staffing levels within the Orlando FSDO and AirTran CMU were consistent with levels at like facilities within FAA.

More specifically, we found the following:

Requests for unrated positions:

Beginning in 1998, ValuJet and AirTran Airways began a merger procedure which was not concluded until March 1999.

Prior to initiation of the merger, in November 1997, Mr. Hagen prepared a staffing plan, which Mr. Bruno submitted to Ms. Dittman, requesting staffing support for the AirTran CMU based on the ATOS staffing model, **(Exhibit 1)**. FAA's ATOS program began with the 10 largest airlines which handle 95% of U.S. passengers and will ultimately include all U.S. airlines. The ATOS program is described as an innovative way of inspecting the nation's airlines, designed to identify trends in order to spot and correct problems at their root cause before an accident occurs. ATOS incorporates a holistic look at an airline to see how the many elements of its operation—from aircraft to pilots to maintenance facilities to flight dispatch to cabin safety—interact to meet federal standards. By collecting and analyzing data on the many airlines systems, FAA Inspectors are better able to target areas for improvement, **(Exhibit 2)**.

In a July 12, 2000, e-mail to Cathy Parrish, Administrative Officer, Orlando FSDO, Mr. Hagen asserts that AirTran Airways was scheduled to become the 11th ATOS air carrier, **(Exhibit 3)**. Mr. Hagen went on to assert that failure by the FAA to fill positions in a timely manner resulted in non-compliance with the staffing requirements of ATOS, and therefore, AirTran Airways was dropped from the program. However, despite an October 21, 1998, e-mail from Ms. Dittman to Mr. Bruno, authorizing the implementation of ATOS in Orlando **(Exhibit 4)**, the AirTran Certificate was never officially authorized to become an ATOS program. Nancy Aadland, FAA's ATOS Program Office Manager told us that after the identification of the original 10 airlines the ATOS program was shelved with no additional airlines assigned or intended². Then around 2002, a plan to identify and assign ATOS air carriers was prepared. Aadland, told OIG that the process is very formal and decisions are made solely at the headquarters level. According to this Manager, AirTran Airways has never been identified or scheduled to become an ATOS air carrier.

² An 11th air carrier, American Eagle, was subsequently added to the ATOS program. At present time there are only 11 air carriers under the ATOS program.

As noted in a March 1998 e-mail exchange between Mr. Hagen, and Dorothy Townsel, Program Analyst, Resource Management Section, Southern Region Flight Standards, via Mr. Bruno, Mr. Hagen noted that none of the ValuJet aircraft had been transferred to Orlando, and would not be transferred until the completion of the merger (**Exhibit 5**). Mr. Hagen stated "...we do not move a few aircraft at a time to the certificate. In essence, after all preparations and procedures must be reviewed and accepted by this office before anything moves anywhere." Mr. Hagen's e-mail requests the assignment of additional personnel to assist with the complexity of merger issues.

On March 9, 1998, Ms. Townsel—apparently in response to a request by Mr. Hagen for additional personnel to assist with merger issues—advised Mr. Hagen that Mr. Bruno had the ability to temporarily assigned Orlando FSDO personnel to the CMU to assist with those issues. Additionally, Ms. Townsel stated "From a classification standpoint, the proposed positions...cannot be released to Orlando for selections until certificate management responsibility for the aircraft currently assigned to ValuJet has moved to Orlando." Regardless, Ms. Townsel notes that, based on projected increases, Southern Region has authorized the classification process for additional billets to be started (**Exhibit 5**).

Around June 25, 1998, during a Regional Program Resource Committee (RPRC) teleconference pertaining to the assignment of 6 additional staffing positions within the Southern Region, Mr. Bruno became involved in a heated discussion with Liesa Johnson, Manager, Administrative Service Branch³, Southern Region Flight Standards. According to an e-mail by Joe Laird, then-FSDO Manager, Jackson, MS, reporting the minutes of that meeting, Mr. Bruno and Ms. Johnson were discussing 5 position vacancies resulting from personnel leaving the Orlando FSDO (or soon scheduled to depart) that Mr. Bruno had apparently agreed to not backfill. According to Ms. Johnson, the five positions being discussed were positions earmarked for the AirTran CMU that Mr. Bruno had failed to fill for over a year. Ms. Johnson told our office that Mr. Bruno was angry because the committee wanted to reassign those positions—based on his failure to fill them—to other FSDOs within the region (**Exhibit 6**).

According to Mr. Laird's e-mail message, the committee agreed to leave the 5 ASI positions in Orlando, earmarked for the AirTran CMU. This would increase the AirTran CMU staff to 8, (**Exhibit 6**). Laird notes that, following the discussion between Ms. Johnson and Mr. Bruno, Mr. Bruno subsequently refused to vote on other staffing proposals.

³ The RPRC is a committee comprised of regional managers who are tasked with making recommendations to Mr. Sacey concerning the distribution of staff vacancies within the various FAA Flight Standards Regions.

NOTE: In June 1999, the Orlando FSDO began efforts to re-examine mechanics that may have been fraudulently certified by St. George Aviation. Statements of both Ms. Dittman and Ms. Veatch, former-Manager/Acting Manager, Southern Region Flight Standards, reflect that Mr. Bruno began diverting FSDO staff—including staff earmarked for the AirTran CMU—to support this effort (**Exhibit 7 and 8**). There are no documents that support assertions that Mr. Bruno, nor Mr. Hagen continued to request personnel between June and September 1999; however, Mr. Bruno, Mr. Hagen, and both Managers assert that there were conversations—mostly telephonic—concerning staffing during this period.

On September 27, 1999, in an e-mail response to an apparent request by Mr. Bruno for a contract maintenance position at the AirTran CMU, Dorothy Townsel advised that there would be questions from the National Classification Panel⁴ pertaining to his request and the difference in work requirements from the PMI and two assistant PMIs already at the CMU. She asserts that there may be a concern by the National Classification Panel concerning the duplication of efforts (**Exhibit 9**).

On December 29, 1999, Ms. Dittman forwards to Mr. Bruno, the findings of the FSNPCP. The Panel denied the special positions requested by Mr. Bruno based on the lack of justification for each. More specifically, based on the information provided in the response, Mr. Bruno had requested: (1) a Maintenance Partial Program Manager (PPM); (2) a Operations PPM; and (3) a Contract Maintenance Inspector. The FSNPCP found that, based upon the size and workload of the AirTran CMU, they did not rate the requested positions (**Exhibit 10**).

This panel met again in May 2000, and addressed, among other things, a subsequent request from Mr. Bruno for the AirTran CMU. The Panel again finds that AirTran Airways does not have sufficient numbers of aircraft to warrant the formation of a PPM organization. The Panel goes on to recommend, based on the projections that AirTran Airways would be a launch point for the B-717, that the AirTran CMU consider submitting a request for a National Resource PPM (Maintenance) (**Exhibit 11**). (This position is subsequently requested and approved.)

On January 5, 2001, Diana Russell, Administrative Office, Southern Region completed a review of staffing for the AirTran Airways CMU, Orlando, FL (**Exhibit 12**). This staffing review reflected that the CMU, then staffed at a personnel level of 10, including 7 Aviation Safety Inspectors (ASI), should be

⁴ The Flight Standards National Position Classification Panel (FSNPCP) is a National Panel made up of Flight Standards Personnel from FSDOs nationwide tasked with reviewing and determining staffing requirements for individual FSDOs based upon workload.

increased by 5 ASIs. The review did not find justification for the Contract Maintenance Inspector positions repeatedly asked for by Mr. Bruno. On January 8, 2001, three days after completion of Russell's review, Leisa Johnson, advised Mr. Bruno that Marion (Dittman) had obtained hiring authority for 4 ASIs for Mr. Bruno's office (**Exhibit 13**). Instead of submitting a request for the 4 ASIs, Mr. Bruno subsequently submitted a request for 2 Assistant Principal Operations Inspector, 1 Assistant PMI, and 1 Contract Maintenance Inspector (**Exhibit 14**). As previously noted, Mr. Bruno had been repeatedly informed that, because of the number of aircraft operated by AirTran Airways, the AirTran CMU did not rate a Contract Maintenance Inspector. Then on February 5, 2001, after the Contract Maintenance Inspector position was again denied, Mr. Bruno, in a memorandum to Dawn Veatch, then-Acting Manager, Southern Region Flight Standards, wrote "...you have effectively denied the fourth position authorized by Headquarters for the management of the AirTran certificate," (**Exhibit 15**).

Staffing Assistance by Southern Region Managers

In order to provide assistance with the workload, between October 1999, and September 2000, Southern Region Managers provided geographical support to the AirTran Airways CMU (**Exhibit 16**).

AirTran CMU received increases of 6 personnel during 1999, 1 in 2000, 5 in 2001, 7 in 2002, and 2 in 2003 (**Exhibit 17**).

December 22, 2000, based on the recommendation of the FSNPCP, Southern Region supported Mr. Bruno's request for a National Resource Specialist (Maintenance) for the Boeing 717 aircraft being introduced by AirTran Airways (**Exhibit 18**).

On January 8, 2001, based on the results of the staffing study completed by Southern Region personnel office, as requested by Nick Lacey, then-Associate Administrator for Flight Standards, immediately sought and received hiring authority for the Orlando FSDO to fill the recommended positions (**Exhibit 19**).

On February 13, 2001, Ms. Dittman, then-Acting Manager, Southern Region Flight Standards, in response to repeated denials by the FSNPCP to authorize a Contract Maintenance Inspector position, instructs Mr. Bruno to submit a justification for a Assistant Principle Maintenance Inspector. In her memorandum, Ms. Dittman states that she will review the submission to ensure the sufficiency of the justification and will also personally speak with Mr. Lacey to enlist support for the request (**Exhibit 20**).

On May 10, 2001, Dawn Veatch, then-Acting Manager, Southern Region Flight Standards, sent correspondence to Mr. Bruno, advising that she was supporting his request for an additional Operations Inspector and an aviation safety assistance position. She also identified three individuals to be available to Mr. Bruno for geographical assistance (**Exhibit 21**).

According to Ms. Veatch and Ms. Dittman, Mr. Bruno and Mr. Hagen repeatedly refused to accept geographical support for the Orlando FSDO (**Exhibit 7 and 8**). Both Ms. Veatch and Ms. Dittman claimed that Mr. Bruno demanded that anyone assigned to the Orlando FSDO be assigned permanently to his staff because “he only wanted his people working on his certificates.” Both Ms. Veatch and Ms. Dittman also maintain that there were sufficient numbers of individuals within the Orlando FSDO to provide proper oversight of the AirTran Certificate; however, Mr. Bruno consistently diverted individuals to assist in examinations relating to St. George Aviation.

Staffing Levels Consistent with Like Facilities

Based on documents provided to OIG, including a review of personnel files of individuals assigned to the AirTran CMU reflecting assignment dates of personnel to the AirTran CMU we concluded that staffing levels at the CMU were consistent with the levels of other facilities with similar responsibilities. More specifically, a staffing study conducted by the Southern Region personnel office disclosed that, while there was a need for an increase in staff for the AirTran Airways CMU, that CMU had a similar number of personnel assigned as other CMUs within similar responsibilities. Additionally, a review of personnel files revealed that there individuals were being assigned to the CMU throughout the period.

Conclusions

We did not find evidence that Southern Region Flight Standards Division managers intentionally failed to adequately staff the AirTran CMU from 1998 to 2001. We found that the staffing levels at the Orlando FSDO were comparable to other FSDOs with similar responsibilities.

Further, we found that Mr. Bruno and Mr. Hagen consistently asked for authority to hire personnel at levels and for positions that they did not rate. Specifically, Mr. Bruno and Mr. Hagen were consistently asking for authority to hire unique positions for, among other things, a Contract Maintenance Inspector.

We found that a National Panel, not directly associated with either Ms. Veatch or Ms. Dittman, twice refused to authorize the position based on lack of justification. Yet, Mr. Bruno accused Ms. Dittman of a lack of support when he was

subsequently unable to hire a Contract Maintenance Inspector. In a February 5, 2001, Memorandum to Ms. Dittman, Mr. Bruno accused her of denying him a fourth position "...authorized by Headquarters for the management of the AirTran certificate." A thorough review of the staffing study and associated documents showed that FAA Headquarters authorized the hiring of 4 Aviation Safety Inspectors. Regardless of the inflammatory language contained in his Memorandum, Ms. Dittman wrote Mr. Bruno on February 13, 2001, offering her personal support to push through an alternative unique position. FAA documents show that this unique position was subsequently authorized and hired by the Orlando FSDO.

Moreover, Ms. Dittman's February 13, 2001, correspondence to Mr. Bruno specifically states "As I have previously advised you the positions authorized by headquarters are to be on the AirTran certificate." Ms. Dittman told our office that Mr. Bruno was diverting personnel hired for the AirTran certificate to work on the St. George Aviation retesting project.

Retesting

On June 9, 2004, James Ballough, Director, Flight Standards Service, FAA, wrote to our office concerning FAA's response to OIG recommendations that they re-examine all of the mechanics certified by St. George Aviation dating back to May 1995. Ballough's correspondence demonstrates that FAA has concurred with our recommendation and is taking appropriate steps to conduct those re-examinations.

More specifically, in accordance with our recommendation, the effected mechanics will be receiving letters from the FAA directing them to submit to a re-examination conducted by a Designated Maintenance Examiner. Those mechanics who fail the re-test, or those who fail to submit to such a retest will lose their certifications.

If I can answer any questions or be of further assistance, please feel free to contact me at (202) 366-0677, or Investigator Gilbert Salazar at (202) 528-9058.

Sincerely,



James L. Muhlenkamp
Acting Director
Integrity Investigation Section



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

sci. Bester
Michael
send to orig.

Subject: **INFORMATION:** Investigation, Re: St. George
Aviation Re-examination Program; JI-1 memo
dated 1/22/04

Date: JUN 9 2004

From: Director, Flight Standards Service, AFS-1

Reply to
Attn. of:

To: Charles H. Lee, Jr., Assistant Inspector General for
Investigations, JI-1

Thank you for your memorandum of January 22 to Nicholas A. Sabatini, Associate Administrator for Regulation and Certification, which transmitted a letter from the Office of Special Counsel (OSC) detailing the results of your investigation concerning St. George Aviation (SGA). Mr. Sabatini has asked me to respond.

Since your memo, Flight Standards has been reviewing the results of the investigation and revalidating the testing records. Also, we have continued to retest individuals who had received their airframe and powerplant (A&P) mechanics licenses from SGA. Upon receiving your memo, AFS began revalidating SGA testing results back to May 1995.

On June 15, we will have a strategy meeting to finalize our approach to complete the testing of those examined at SGA. We will use designated mechanic examiners to support the extended testing activity and initiate letters to all those candidates for A&P licenses who were tested during the affected period.

Flight Standards has discussed this approach with OSC and assured it that we will continue our testing efforts.

We will keep you informed about our progress.

James J. Ballough
James J. Ballough