



U.S. Department  
of Transportation

Office of the Secretary  
of Transportation

GENERAL COUNSEL

1200 New Jersey Avenue, SE  
Washington, DC 20590

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October 21, 2010

Karen P. Gorman, Esq.  
Deputy Chief, Disclosure Unit  
U.S. Office of Special Counsel  
1730 M Street, NW, Suite 300  
Washington, DC 20036-4505

Re: OSC File No. DI-08-2854

Dear Ms. Gorman:

This is to follow up on your recent request for supplemental information in the above-referenced matter. Attached please find an October 18, 2010 memorandum from the Office of Inspector General, to whom the Secretary delegated the investigation. Please treat this memorandum as our supplemental report.

Please do not hesitate to contact Debra Rosen or me if you have any questions.

Sincerely,

Judith S. Kaleta  
Assistant General Counsel for General Law

Enclosure



U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation  
Office of Inspector General

# Memorandum

Subject: **INFORMATION:** OIG Investigation  
#I09A000057SINV, Re: Failure of FAA  
Certificate Management Office to Effectively  
Oversee American Airlines' Inspection and  
Maintenance Program (DI-08-2854)

Date: October 18, 2010

From: Robert A. Westbrooks   
Acting Assistant Inspector General  
for Special Investigations and Analysis, JI-3

Reply to  
Attn. of: X6-1415

To: Judith S. Kaleta  
Assistant General Counsel for General Law  
Office of General Counsel

This memorandum/supplemental report is provided in response to a U.S. Office of Special Counsel (OSC) email dated September 17, 2010, requesting additional information from the Office of Inspector General's (OIG) investigation into aviation safety concerns at the Federal Aviation Administration's (FAA) American Airlines Certificate Management Office (CMO) in Ft. Worth, TX. We respectfully request that you forward this information to OSC.

**1. OSC Request:** We note that the report failed to identify any individual employee at the CMO level or higher, specifically, FAA Principal Inspectors, responsible for the CMO failures. We request clarification as to whether any individual at FAA or DOT has been held accountable for the failures, and if so, who and how; and if not, why not.

**OIG Response:** We attribute the primary cause of the CMO's oversight failures to past FAA policies which viewed and treated airlines as FAA's "customer" and encouraged inspectors to work collaboratively with the airlines to resolve deficiencies. Our review found that both Principal Inspectors were aware of the issues identified in our report. However, to address these issues, the Principal Inspectors were trying to work collaboratively with the airline to attempt to resolve the identified issues as FAA policy encouraged.

FAA did not hold any one person or persons accountable for the failures identified in this particular OIG report, but indicated that actions have been taken to improve procedures and policies, personnel actions were taken to remove/reassign FAA managers based on other investigations, and American Airlines replaced several senior level personnel which should improve cooperation. Specifically:

- FAA indicated that Principal Inspectors followed established guidance, on a case by case basis, when determining enforcement actions to take in areas of non-compliance identified in the OIG report. FAA has revised its Compliance and Enforcement Program guidance to provide more flexibility for program offices and developed a new eight-step electronic enforcement decision process. These changes have been incorporated into training for new inspectors. Training for all American Airlines CMO inspectors is being developed by the Southwest Regional Counsel's office and is expected to be completed by March 2011.
- Prior to the completion of the OIG investigation and audit, the manager of the CMO was reassigned to a non-supervisory position in the Office of the Regional Counsel.
- At the time of the events described in the OIG report, there were other allegations involving oversight of another air carrier, also under the purview of the FAA's Southwest Region Division. As a result of those allegations, the Division Manager and Assistant Division Manager were placed on administrative leave in May 2008, pending the results of investigations conducted by the OIG. The Division Manager subsequently retired and the Assistant Division manager was reassigned to a non-supervisory position. That individual has appealed that action. In addition, the Manager of the Planning and Program Branch was reassigned and subsequently retired.
- A temporary management team was assigned to the Southwest Region Division during May-June 2008. That team created the Safety Analysis and Evaluation Branch (ASW-290) to perform independent internal audits and evaluations.
- Since 2008, seven senior level American Airlines personnel were replaced, improving the communications with the airline. These replacements included: the Senior Vice President of Maintenance and Engineering (January 2010); Vice President for Safety, Security, and Environmental (December 2009); Director of Maintenance (September 2010); Vice President of Base Maintenance (October 2010); Vice President of Engineering and Quality Assurance (August 2008); Vice President of Flight (August 2010); and Managing Director of Flight Operations (August 2010).

**2. OSC Request:** We note that the corrective actions contemplate that the CMO, itself found to be responsible for the failures, is charged with completing the corrective actions. We request clarification regarding whether any other FAA office or individual

outside the CMO level has been charged with oversight in connection with the proposed corrective actions. Is there any plan for any audit or oversight of the CMO in connection with the corrective actions?

**OIG Response:** FAA indicated that it plans to have an outside office provide oversight of the CMO to ensure corrective actions are taken. Specifically:

- By March 2011, inspectors from outside the region will conduct an independent audit to assess the effectiveness of the corrective actions required and taken by both the operator and the CMO. The independent audit is being coordinated (not conducted) by the Southwest Region Safety Analysis and Evaluation Branch (ASW-290).
- In July 2011, the AFS Quality Assurance Division (AFS-40) will conduct an independent Flight Standards Evaluation Program (FSEP) evaluation of the CMO. The national-level FSEP conducts independent reviews of AFS programs in order to identify and report on internal best practices, and identifies systemic weaknesses for corrective action