

west Airlines is not qualified to have a designee program; therefore, not eligible to have a Memorandum of Understanding for training of FAA Aircrew Program Managers.

Despite their lack of qualifications, Southwest Airlines has been approved by the Regional Manager's Office for many years to have a Memorandum of Understanding which does not limit the training to an Aircrew Program Manager as specified in the Order I mentioned earlier. But this approval allows all FAA Operation Inspectors, including FAA management, to receive all required training and to obtain a type rating at the carrier's expense. I believe that this improper approval was a blatant abuse of authority by higher management, leading to conflict of interest and unethical practices and, in addition, endangering the public safety. This is well detailed in my written statement.

In conclusion, we need to make sure that the job is done in a manner consistent with FAA policy guidance and directives. I believe that abuse of authority and regulatory partnership programs should never be allowed because this will lead to serious consequences. Thank you very much.

Mr. OBERSTAR. Thank you, Mr. Naccache. Certainly, against your extraordinary professional background, that is very compelling testimony. Thank you.

Mr. NACCACHE. Thank you.

Mr. OBERSTAR. Mr. Lambert.

Mr. LAMBERT. Thank you, Mr. Chairman. My name is Terry Lambert. I have been a Federal employee for 37 years. I have been an Aviation Safety Inspector with the FAA since February 1998. Those years, I had six years in management. I have been assigned as a Manager of the Safety Analysis and Evaluation Branch, ASW-290, Southwest region since April 1st, 2007. During the last year, I have spent almost 100 percent of my time investigating the issues within the Southwest Certificate Management Office.

As you have heard, there is no way I could present all these findings in a mere five minutes; therefore, I will summarize a few of the most serious.

In April 2007, the Southwest Region Division Management Team assigned ASW-290 to investigate into the Southwest Certificate Office based on the following: a technical evaluation conduct in April 2007; Workplace Evaluation Assessment Team report from 2005; a review of letters of concern by Bufford Eatmon in December 2005; AD 2004-18-06 overflight review conducted in April 2007 by Kermit Teppen and Skip Whitrock; and a memo from Bobby Boutris dated April 30th, 2007, sent to the Office Manager, Mr. Mills. Here are some of the results:

The technical evaluation team discovered 42 issues in the office. The office file system was almost non-existent or not current. The office did not maintain the proper documentation of approvals or rejections. The office relied on documents that Southwest Airlines maintained in their online system as historical documents. Southwest Airlines called Mr. Gawadzinski, the SPMI, Supervisory Principal Maintenance Inspector, on March 15th, 2007, and informed him of AD issues on 100 aircraft. Gawadzinski encouraged Southwest to self-disclose the issue. Southwest filed a Voluntary Disclosure on March 19th, 2007.

The initial report stated it would take until March 21st, 2007, to complete the inspections; it actually took until March 23rd. The report did not state which aircraft were affected. Southwest Airlines stated the non-compliance issue had ceased. A review of log sheets by ASW-290 indicated that Southwest continued to operate the aircraft in passenger operation between March 15th and March 23rd, 2007, and flew 1,241 flights during that time with passengers onboard. Southwest's comprehensive fix did not include any changes to the AD management system. Mr. Gawadzinski was the only inspector to address the disclosure and accepted Southwest's actions. The Teppen-Whitrock report had similar issues with the AD, but only two aircraft were reviewed.

A review of 29 letters of concern issued by Gawadzinski indicated at least five of the letters should have been letters of investigation. Mr. McGarry, from the Southwest Region, instructed Gawadzinski to stop sending letters of concern and send letters of investigation, as required. Mr. Gawadzinski continued to send letters of concern. The Southwest Office appeared to be divided between those that supported Mr. Gawadzinski and those that support the Office Manager, Mr. Mills.

Mr. Boutris wrote a memo to Mr. Mills on September 16th, 2005 with some of the same concerns as his April 2007 memo. Mr. Boutris stated that Gawadzinski removed the letterhead from a letter of investigation so he could personally go to Southwest to resolve the violation. Mr. Gawadzinski instructed Don Back to change his paperwork so that Southwest could voluntarily disclose an issue that Mr. Back had found. Mr. Gawadzinski allowed Southwest to make changes to approved manuals without FAA review. The review substantiated Mr. Boutris' concerns addressed in his memo.

Safety Attribute Inspection 1.3.6 AD Management had not been accomplished since 1999. In 1999, there were a multitude of no responses. Mr. Boutris was assigned the inspection and had approximately 20 no responses when he was put on desk duty as a result of an anonymous complaint received by Southwest Airlines. The inspection was assigned to John Bassler and Larry Collamore. They did not use any of Mr. Boutris' information. When completed, Mr. Bassler had seven no responses and Mr. Collamore had zero. The inspection was reassigned to a regional team.

Southwest Airlines overflew a rudder PCU check inspection in March 2007. Southwest voluntarily disclosed the issue to Mr. Gawadzinski; however, they continued to operate 70 aircraft while the inspections were being accomplished. All this information was contained in Executive Summary submitted to the Division Management Team in May 2007.

In June 2007, ASW-290 was assigned by Mr. Ron McGarry to assist Security with conducting an investigation to a hot line complaint against Mr. Gawadzinski. Mr. McGarry requested that ASW-290 provide technical assistance to the security inspector, take notes, and provide a summary. The following was discovered during the interviews.

Mr. Gawadzinski stated that he should have grounded the aircraft, but he chose not to. Mr. Comeau stated that Gawadzinski did not tell him to ground the aircraft. Mr. Gawadzinski insisted he as-

signed the Voluntary Disclosure to Mr. Larry Collamore. In his first two interviews, Mr. Collamore claimed Mr. Gawadzinski never told him anything about the self-disclosure.

Mr. Collamore changed his statement in his third interview, indicating that Mr. Gawadzinski had told him as soon as Southwest had called. Mr. Collamore said he did nothing because Mr. Gawadzinski did not assign him any tasks. Mr. Gawadzinski showed favoritism to Matt Crabtree, an inspector in the office, when he paid out of his pocket for Mr. Crabtree to attend training.

Office management has not effectively dealt with the issues in the office. A summary of these events was given to the Division Management Team in June 2007. It was also noted that Mr. Gawadzinski continually suppressed the work efforts of Mr. Boutris and his ability to do surveillance.

These are a few of the issues that have been and are being worked at the Southwest Regional Office. Mr. Gawadzinski's actions, his relationships with Southwest employees, and the actions of other inspectors that have supported Mr. Gawadzinski is outside the guidance and authority entrusted to FAA employees. This has affected the oversight of the Southwest Airline Certificate.

Thank you, Mr. Chairman and Committee Members.

Mr. OBERSTAR. Thank you, Mr. Lambert.

I would note for the record that Mr. Lambert, as a member of management at FAA, is in effect here testifying against his boss, and that takes enormous courage to do that.

I thank all of the panel, all members, for the courage you have shown in coming forward, I will say it once again, for your public-spirited defense of aviation safety.

The FAA would have us believe that what took place was an isolated incident and has been contained. In fact, the testimony we have heard substantiates that, clearly, this is not an isolated aberration attributed or attributable to a rogue individual, but, rather, a systematic breakdown of the safety oversight role of the FAA. It is misfeasance, malfeasance, bordering on corruption. If this were a grand jury proceeding, I think it would result in an indictment.

The FAA has incorporated into its oversight system, for a variety of reasons, what is called the ATOS, Air Transportation Safety Oversight System. That is supposed to be a rating, supposed to be a structure, a system for tracking safety and, through record-keeping, identify shortcomings. I think the result of ATOS is that inspectors are spending more times looking at databases than doing hands-on inspection. This is not new. This goes back to the mid-1980s, when FAA inspectors were telling me they were spending more time inspecting paperwork than engine work; more time processing papers than spending time on the floor of the maintenance shops and observing the work being done.

So I have a question for Mr. Boutris and Mr. Peters. What has happened here? Has the ATOS broken down? And let's look at the chronology. March 6th, after revelation of our Committee inquiry and your representations and documentation to the Committee, FAA imposes a \$10.2 million fine on Southwest; March 10, a special FAA team is sent to investigate Southwest; March 11, Southwest puts three employees on administrative leave; March 12, Southwest grounds 41 aircraft for inspection; March 13, FAA issues