INFORMATION RELEASE

October 1, 2004

## Former US Air Force Official Sentenced After Pleading Guilty to Conspiring to Violate Conflict of Interest Law

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on October 1, 2004, Darleen A. Druyun, a former member of the Senior Executive Services (SES) and a Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management, who was subsequently employed at the Boeing Company, was sentenced in United States District Court, Eastern District of Virginia (EDVA), Alexandria, VA, before Honorable T.S. Ellis, II, U.S. District Court Judge. Druyun was sentenced to a term of nine months confinement in the Federal Bureau of Prisons, three years supervised release, seven months of community confinement, 150 hours of community service, \$100 special assessment fee, and a fine of \$5,000.

Druyun previously pled guilty in U.S. District Court in April 2004 to a one count criminal information charging conspiracy to commit acts affecting a personal financial interest by negotiating employment, a violation of United States Code, Section 208(a), Conflict of Interest. A Supplemental Statement of Facts and a Supplemental Plea Agreement were subsequently filed. In the Supplemental Statement of Facts, Druyun acknowledged that she provided false, misleading, and untruthful information to government investigators during two interview sessions, conducted on December 2, 2003 and April 23, 2004. Druyun also subsequently acknowledged that she did favor the Boeing Company in certain negotiations as a result of her employment negotiations and other favors provided to her by Boeing.

The investigation was conducted jointly by the Defense Criminal Investigative Service (the criminal arm of the OIG, DoD), the Air Force Office of Special Investigations, and the Federal Bureau of Investigation. Assistant U. S. Attorney Robert Wiechering prosecuted this case. (See the attached U.S. Attorney's press release.) For further information, contact Joseph McMillan, Special Agent in Charge (SAC), Mid-Atlantic Field Office, Arlington, VA, at (703) 604-8411.

To report suspected fraud, waste and abuse within DoD programs, contact the Defense Hotline toll free at (800) 424-9098, email: <a href="mailto:hotline@dodig.osd.mil/or">hotline@dodig.osd.mil/or</a> visit them on the world wide <a href="mailto:www.osd.mil/hotline">web http://www.osd.mil/hotline</a>.



## U.S. Department of Justice

## United States Attorney's Office Eastern District of Virginia

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## **NEWS RELEASE**

FOR IMMEDIATE RELEASE ALEXANDRIA, VIRGINIA October 1, 2004 For Further Information Contact Sam Dibbley 703-842-4050

United States Attorney Paul J. McNulty announced that Darleen A. Druyun, age 56, the former Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management, was sentenced today by the Honorable T.S. Ellis, III, United States District Court Judge, to 9 months in prison to be followed by 7 months of community confinement. She was also ordered to serve 150 hours of community service and fined \$5,000.

In a Supplemental Plea Agreement and Supplemental Statement of Facts filed in court today, Druyun acknowledged she had not acted in the best interests of the United States during her negotiations with the Boeing Company while she was employed by the United States Air Force, and that she had provided false and misleading information to government investigators.

Mr. McNulty said, "Darleen Druyun owed her primary allegiance to the American taxpayer. Instead, she put her own personal interests ahead of the United States Air Force. Today's sentence is a fair punishment for such actions."

Druyun was the Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management from 1993 until her retirement in November 2002. In that position she supervised, directed and oversaw the management of Air Force acquisition programs. This included negotiations in 2002 with the Boeing Company to lease 100 KC 767A tanker aircraft for the Air Force. The total value of this contract was projected to be in the range of \$20 billion. From September 23, 2002, until November 5, 2002, Druyun participated personally and substantially as a government employee overseeing the negotiation of the lease from Boeing while she was at the same time negotiating prospective employment with a senior executive of the Boeing Company. As a result of those negotiations, she accepted a position in January 2003 as Vice-President and Deputy General Manager of the Missile Defense Systems, a business unit of Boeing Integrated Defense Systems.

Darleen Druyun entered a plea of guilty on April 20, 2004, to conspiring to violate Title 18, United States Code, Section 208(a) by negotiating employment with the Boeing Corporation while she was employed by the Air Force and participating personally and substantially in decision making, recommendations and rendering of advice in connection with the lease of 100

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Boeing KC 767A tanker aircraft. The defendant agreed as part of her plea agreement that she would provide full, complete and truthful cooperation to the government's investigators.

In July 2004 the defendant was confronted by government investigators as to the truthfulness of her prior cooperation. At that time she acknowledged she did favor the Boeing Company in certain negotiations as a result of her employment negotiations and other favors provided by Boeing to Druyun. This was contrary to her earlier claims that her relationship with Boeing did not influence her actions or harm the government.

Darleen Druyun now acknowledges agreeing to a higher price during the negotiations for the 100 Boeing KC 767A tanker aircraft than she believed was appropriate. Druyun did so, in her view as a "parting gift to Boeing" and because of her desire to ingratiate herself with her future employer.

She now acknowledges providing to Boeing during negotiations what at the time she considered to be proprietary pricing data supplied by another aircraft manufacturer.

Druyun now acknowledges negotiating a higher settlement with Boeing for the NATO AWACS program than she believed appropriate. She also acknowledges favoring Boeing in other negotiations in 2000 and 2001.

The investigation of this case is being conducted by the Defense Criminal Investigation Service of the Office of Inspector General, Department of Defense, the Air Force Office of Special Investigations and the Federal Bureau of Investigation. Prosecuting the case for the United States is Assistant United States Attorney Robert W. Wiechering.

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