



U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
National Policy

ORDER  
8900.1

Effective Date:  
09/13/2007

**SUBJ:** Flight Standards Information Management System (FSIMS)

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**1. Purpose of This Order.** This order establishes the Flight Standards Information Management System (FSIMS) as the repository of all Flight Standards policy and guidance concerning aviation safety inspector job tasks. Technically speaking, FSIMS is a Flight Standards directive, which aviation safety inspectors use as the system of record for all Flight Standards policy and guidance.

**2. Audience.** The primary audience for this order is Flight Standards aviation safety inspectors, their managers and supervisors, and other operational and administrative employees. The aviation industry uses this order as a reference only, and the general public may find it of interest.

**3. Where You Can Find This Order.** Flight Standards personnel can find this order at <<http://fsims.avr.faa.gov>>. Operators and the public can find this order at <<http://fsims.faa.gov>>.

**4. Cancellation.** This order cancels the following Federal Aviation Administration (FAA) orders and incorporates their entire content into this directive (See Appendix A.):

- FAA Order 8300.10, Airworthiness Inspector's Handbook, and all numbered changes
- FAA Order 8400.10, Air Carrier Operations Inspector's Handbook, and all numbered changes
- FAA Order 8700.1, General Aviation Operations Inspector's Handbook, and all numbered changes

**5. Explanation of Changes.**

**a. Sole Source for Policy and Guidance.** FSIMS is now more than a data repository of Flight Standards policy documents. The Director, Flight Standards Service, intends for FSIMS to be the sole source of policy and guidance for aviation safety inspectors.

(1) The establishment of FSIMS as an agency directive does not mean we have removed the contents of the cancelled directives. We have included the contents of the cancelled orders in this directive.

(2) The functional capabilities of FSIMS, e.g., searches conducted according to inspector specialty, etc., have not changed. Rather, to simplify coordination, to eliminate confusion between electronic and printed versions of various orders, and to confirm FSIMS as the single Flight Standards policy document, we have made FSIMS a stand-alone, electronic directive.

(3) Flight Standards will continually review its other directives, both technical and administrative, and incorporate them into this directive when they are due for revision.

**b. Electronic Handbook.**

(1) We will publish this directive, i.e., FSIMS, and any subsequent changes to it, solely in an electronic form. Flight Standards will not produce or distribute printed copies of this directive.

(2) Inspectors or the public and industry may print the contents of FSIMS in whole or in part; however, the printed copy will bear a disclaimer in the footer indicating FAA cannot guarantee the printed document's currency and validity. This is because Flight Standards policy divisions could change the content of FSIMS on a daily basis.

(3) Inspectors should not print the contents of FSIMS in its entirety; it amounts to nearly 8,000 pages.

(4) Inspectors should use the MyFSIMS function to create a customized library of content pertinent to their job functions.

(5) With an electronic directive, inspectors will not need to remove and insert printed pages. MyFSIMS alerts inspectors to any changes to FSIMS when they log onto their computer network.

**6. Policy Division Responsibilities.**

**a. Development of Policy and Guidance.** Policy divisions—as defined in *FS Order 1100.1, Flight Standards Organizational Handbook*—will continue to develop policy and guidance for aviation safety inspectors. Flight Standards will publish these changes in FSIMS. For example, the Aircraft Maintenance Division, AFS-300, will continue to develop FSIMS policy and guidance previously contained in FAA Order 8300.10, *Airworthiness Inspector's Handbook*, and pertinent to aircraft maintenance.

**b. Quality System.** Policy divisions must follow the Flight Standards Quality Management System (QMS) Process AFS-100-001, Directives and Advisory Circular Production, and associated work instructions in the production of policy and guidance for inspectors included in FSIMS.

**7. Technical Publishing Responsibilities.** The Technical Information and Communications Programs Branch, AFS-140, is responsible for formatting, coordinating, and publishing in FSIMS any policy or guidance changes developed by the policy divisions according to QMS Process AFS-100-001. (Per Office of Management and Budget (OMB) requirements, agencies must coordinate policy with affected parties using a specific administrative process.) AFS-140 also has the responsibility to maintain the legal case file for FSIMS.

**8. Service Director Responsibilities.** Per OMB requirements, the Flight Standards Service Director, the Deputy Service Director, the Assistant Deputy Service Director, or any individual acting for the Service Director, approves all policy and guidance changes to FSIMS.

**a. Delegation of Authority.** The Service Director may re-delegate this authority in writing to policy divisions for changes to policy which affect only that division.

**b. Office of Primary Responsibility.** For administrative purposes only, the Office of the Director, Flight Standards Service, AFS-1, is designated as the office of primary responsibility for this order.

**9. Aviation Safety Inspector Responsibilities.** Inspectors have the following responsibilities concerning the use of FSIMS:

- To use FSIMS as their sole source of policy and guidance.
- To comment on coordination copies of draft policy and guidance.
- To take all training provided for FSIMS so they can use its capabilities to the fullest.
- To provide customer satisfaction information with FSIMS' content or operation through the "E-mail the Librarian" function within FSIMS.

#### **10. Making Changes to FSIMS.**

**a. Policy Divisions.** Policy divisions issue changes or updates to their policy and guidance subject areas by developing a change to this order in accordance with FAA Order 1320.1, Directives Management System, and AFS QMS Process AFS-100-001.

(1) Policy divisions no longer need to "clump" numerous chapters together in a handbook change. Divisions can create a change of any size—a single page, a single paragraph, or large sections of its subject matter policy.

(2) Policy divisions issue changes to their subject matter policy on a when-needed basis, i.e., they will not "save" material for quarterly changes. The flexibility offered by an electronic order means that divisions may make needed changes at any time as long as the divisions follow QMS Process AFS-100-001.

(3) AFS-140 will develop any associated ISO work instructions for policy divisions' use in developing a change.

**b. Bulletins.** Flight Standards policy divisions will no longer issue bulletins; instead, the division develops a change to FSIMS. We will incorporate existing bulletins, as appropriate, into appropriate portions of FSIMS as per AFS-100-001.

**c. Notices.** Flight Standards will issue notices for the purpose of distributing temporary or life-limited information to inspectors. Flight Standards will accomplish changes or updates to permanent policy and guidance through changes to FSIMS. However, divisions may use notices to distribute information in a timely manner while working on a permanent change to FSIMS. Flight Standards will also issue notices to address emergency or national security situations.

**Note:** Flight Standards will incorporate its current series of notices (8000, 8300, 8400, 8700, and 8900) into FSIMS as a change at a later date. Those notices remain in effect until their established expiration dates, and this order does not cancel them.

**d. No Supplements.** Regional Flight Standards divisions may *not* issue any form of regional supplement, policy memo, etc., to FSIMS.

**e. User Feedback.** Regional divisions, office managers, and inspectors must use the “FSIMS Librarian” function in FSIMS to forward corrections, suggestions, or questions about policy to AFS-140. AFS-140 will then assign the correction, suggestion, or question to the appropriate policy division for resolution. (Users can find policy-owner information in FSIMS by clicking on the “Pub Data” button within a document.)

**f. Inspector Versus Operator Information.** Flight Standards will only publish policy and guidance pertinent to inspector job functions in FSIMS. We will issue information for operators either as an advisory circular; as an addition to FAA Order 8000.87, Safety Alerts for Operators, located within FSIMS; or as an addition to FAA Order 8000.91, Information for Operators, also located within FSIMS.

## **11. Contact Information.**

**a. Administrative Questions.** Direct questions about the administrative aspects of this order to AFS-140 using the “E-mail the Librarian” function described in paragraph 10e above.

**b. Technical Questions.** For questions about the technical content of this order, i.e., FSIMS, see paragraph 10e above.

ORIGINAL SIGNED by

James J. Ballough  
Director, Flight Standards Service

**Appendix A. Current Content of FSIMS**

For aviation safety inspectors: <http://fsims.avr.faa.gov>

For the public and operators: <http://fsims.faa.gov>



# Advisory Circular

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**Subject:** Voluntary Disclosure Reporting Program

**Date:** 9/8/06

**AC No:** 00-58A

**Initiated by:** AFS-230

## 1. PURPOSE.

a. This advisory circular (AC) provides information and guidance material that may be used by a certificate holder, qualified fractional ownership programs (as defined in paragraph 5e of this AC), or a Production Approval Holder (PAH) operating under Title 14 of the Code of Federal Regulations (14 CFR) when voluntarily disclosing to the Federal Aviation Administration (FAA) apparent violations of those FAA regulations listed in paragraph 3. The procedures and practices outlined in this AC can be applied to the maintenance, flight operations, anti-drug and alcohol misuse prevention programs, and to the manufacturing functions of the PAH's organization. The procedures and practices outlined in this AC cannot be applied to those persons who are required to report failures, malfunctions, and defects under 14 CFR part 21, section 21.3 and who do not make those reports in the timeframe required by the regulations.

b. Certificate holders, qualified fractional ownership programs, and PAHs are encouraged, but not required, to develop internal evaluation programs that continually monitor company policies and procedures and ensure that the highest level of safety and security compliance is maintained. They may voluntarily disclose apparent violations of 14 CFR covered by this program in accordance with the procedures in this AC even though an internal evaluation program has not been established. Guidance on internal evaluation programs is contained in the current edition of AC 120-59, Air Carrier Internal Evaluation Programs.

**2. CANCELLATION.** AC 00-58, Voluntary Disclosure Reporting Program, dated May 4, 1998, is canceled.

**3. RELATED REGULATIONS.** Title 14 CFR parts 21, 119, 121, 125, 129, 133, 135, 137, 141, 142, 145, 147 and, for qualified fractional ownership programs operating under part 91, subpart K, those portions of part 91 pertaining directly to the duties and responsibilities of the program manager, as defined in part 91, subpart K or management specifications (MSpecs).

a. Voluntary disclosure of violations of Title 49 of the Code of Federal Regulations (49 CFR) part 175 (HAZMAT) should be accomplished in accordance with AC 121-37, Voluntary Disclosure Reporting Program—Hazardous Materials.

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b. Except as specified in paragraph 14 of this AC, the Voluntary Disclosure Reporting Program does not apply to violations by individual airmen.

**4. BACKGROUND.** Civil penalties, under the FAA's enforcement program, have always been considered a means to promote compliance with the FAA's regulations, not an end in themselves. In addition to the deterrence achieved by the appropriate use of civil penalties, the public interest is also served by positive incentives to promote and achieve compliance. Indeed, the FAA believes that aviation safety is well served by incentives for certificate holders, qualified fractional ownership programs, and PAHs to identify and correct their own instances of noncompliance and to invest more resources in efforts to preclude their recurrence. The FAA's policy of forgoing civil penalty actions when one of these entities detects violations, promptly discloses the violations to the FAA, and takes prompt corrective action to ensure that the same or similar violations do not recur is designed to encourage compliance with the FAA's regulations, foster safe operating practices, and promote the development of internal evaluation programs.

**5. KEY TERMS.** The following key terms and phrases are defined to ensure a standard interpretation and understanding of the FAA's voluntary disclosure policy.

a. **Evidence.** For the purpose of voluntary disclosure, evidence generally should be in the form of written documentation or reports that support a certificate holder's, qualified fractional ownership program's, or PAH's analysis of the disclosed apparent violation and the resulting elements of the proposed comprehensive fix. Evidence generally comes from the following four elements:

- (1) Documents or manuals reviewed.
- (2) Equipment examined.
- (3) Activities observed.
- (4) Interview data.

**b. Comprehensive Fix.**

(1) A comprehensive fix is an action, or actions, proposed by the certificate holder, qualified fractional ownership program, or PAH and accepted by the principal inspector (PI) (see definition in paragraph 5d) to preclude recurrence of the apparent violation that has been voluntarily disclosed under this program.

(2) A schedule of the dates and events encompassed by the comprehensive fix must be established and included in a letter of correction.

c. **Satisfactory Fix.** A satisfactory fix is a comprehensive fix, in which all corrective measures have been completed on schedule and are satisfactory to the FAA.

d. **PI.** Under the Voluntary Disclosure Reporting Program (VDRP), PI refers to the appropriate maintenance, avionics, operations inspector, or other designated FAA official of the program office responsible for oversight of the area of noncompliance involved in the disclosure.

**NOTE: The designated FAA official for voluntary disclosure concerning anti-drug and alcohol misuse prevention program violations is the Branch Manager, Compliance and Enforcement Branch, Drug Abatement Division, FAA Headquarters.**

**e. Qualified Fractional Ownership Programs.** Fractional ownership programs are defined in part 91, subpart K and associated MSspecs. Participation in the VDRP by a fractional ownership program is limited by the following:

(1) Only program managers authorized in accordance with part 91, subpart K and MSspecs, may participate in the VDRP.

(2) Voluntary disclosures of apparent violations by a fractional ownership program may only be submitted by the program manager, or an authorized representative.

(3) Voluntary disclosures by fractional ownership programs are limited to apparent violations pertaining directly to the duties and responsibilities of the program manager, as defined in part 91, subpart K and MSspecs.

**6. VOLUNTARY DISCLOSURE POLICY.** The FAA believes that the open sharing of apparent violations and a cooperative as well as an advisory approach to solving problems will enhance and promote aviation safety. Certificate holders, qualified fractional ownership programs, and PAHs will receive a letter of correction in lieu of civil penalty action for covered instances of noncompliance that are voluntarily disclosed to the FAA in accordance with the procedures set forth in this AC. Once the letter of correction is issued, the case will be considered closed unless the agreed-upon comprehensive fix is not satisfactorily completed by the appropriate entity.

**a.** In evaluating whether an apparent violation is covered by this policy, the FAA will ensure that the following five conditions are met:

(1) The certificate holder, qualified fractional ownership program, or PAH has notified the FAA of the apparent violation immediately after detecting it and before the Agency has learned of it by other means.

(2) The apparent violation was inadvertent.

(3) The apparent violation does not indicate a lack, or reasonable question, of qualification of the certificate holder, qualified fractional ownership program, or PAH.

(4) Immediate action, satisfactory to the FAA, was taken upon discovery to terminate the conduct that resulted in the apparent violation.

(5) The certificate holder, qualified fractional ownership program, or PAH has developed or is developing a comprehensive fix and schedule of implementation satisfactory to the FAA. The comprehensive fix includes a followup self-audit to ensure that the action taken corrects the noncompliance. This self-audit is in addition to any audits conducted by the FAA.



b. Except as specified in paragraph 7c below, the FAA ordinarily will not forgo legal enforcement action if the certificate holder, qualified fractional ownership program, or PAH informs the FAA of the apparent violation during, or in anticipation of, an FAA investigation/inspection or in association with an accident or incident.

c. The procedures to be followed when applying the voluntary disclosure policy are further described in the following paragraphs.

**7. PHASE I: NOTIFICATION TO THE FAA OF AN APPARENT VIOLATION.** Except as specified below, the voluntary disclosure policy applies only when notification of an apparent violation is made to the FAA by the certificate holder, qualified fractional ownership program, or PAH immediately after the apparent violation has been discovered by that regulated entity, and before the FAA learns of the apparent violation by some other means.

**a. Use of the Web-Based VDRP for Notification of an Apparent Violation.** For authorized users of the Web-based VDRP, notification will normally be made via this Web tool (see Appendix 1).

(1) For regulated entities authorized use of the Web-based VDRP, submission of a voluntary disclosure via the Web-based VDRP system will result in automated notification of the PIs assigned to that certificate.

(2) The Web-based VDRP system contains provisions for indicating that the notification process was begun via another media. When acceptable to the PI, initial notice by an authorized user of the Web-based VDRP may be submitted orally, via a written hardcopy, or by electronic copy; provided, the regulated entity enters the initial notification data via the Web-based VDRP system within 72 hours of the original notification. However, compliance with the 10- (or 30-) day limit for submission of the written report will be based on the date of the original notification, regardless of the submission means or media.

**NOTE: For regulated entities not yet authorized use of the Web-based VDRP, the notification of an apparent violation will be submitted orally, via a written hardcopy, or by electronic copy. The format for written voluntary disclosures by regulated entities not authorized use of the Web-based VDRP is provided in Appendix 2.**

**b. Notification by the Certificate Holder, Fractional Ownership Program, or the PAH of an Apparent Violation.** When a certificate holder, fractional ownership program, or PAH notifies the FAA of an apparent violation, contact must be made with, or directed to, the appropriate PI. It is FAA policy that initial notification should be accomplished on a timely basis, ordinarily within 24 hours of the discovery of the apparent violation. However, an inspector may accept disclosures that exceed the 24 hour policy when the inspector determines that a later submission is justified based on the specific circumstances, and in view of those circumstances, the submission is still considered timely. For example, a voluntary disclosure based on a company violation revealed in an Aviation Safety Action Program (ASAP) report may require more than 24 hours from the submission of that ASAP report in order for the responsible company entity to become aware of the information in the report and to initiate a voluntary disclosure. The FAA retains sole discretion in determining whether a voluntary

disclosure received later than 24 hours after discovery of the violation is timely. The certificate holder, fractional ownership program, or PAH should therefore not delay notification for any reason, and should address, to the maximum extent possible, the following items with the PI:

- (1) A brief description of the apparent violation, including an estimate of the duration of time that it remained undetected, as well as how and when it was discovered.
- (2) Verification that noncompliance ceased after it was identified.
- (3) A brief description of the immediate action taken after the apparent violation was identified, the immediate action taken to terminate the conduct that resulted in the apparent violation, and the person responsible for taking the immediate action.
- (4) Verification that an evaluation is underway to determine if there are any systemic problems and a description of the corrective steps necessary to prevent the apparent violation from recurring.
- (5) Identification of the person responsible for preparing the comprehensive fix.
- (6) Acknowledgment that a detailed written report will be provided to the PI within 10 working days.

**NOTE: In the case of voluntary disclosures submitted via the Web-based VDRP, notification of the PI is accomplished by the program upon submission of the voluntary disclosure by the regulated entity. No further notification is required of the regulated entity.**

**c. Exceptions.** If the FAA has learned of an apparent violation by a certificate holder, fractional ownership program, or PAH from an ASAP report as described in the current edition of AC 120-66, Aviation Safety Action Program, a voluntary disclosure can still be accepted by the FAA, even though the FAA has already learned of the violation from the ASAP. Similarly, if a regulated entity voluntarily agrees to conduct a joint audit (inspection) with the FAA during which an apparent violation is discovered either by the company or FAA members of the audit (inspection) team, the FAA may accept a voluntary disclosure submitted by the company, even though the FAA has already learned of the apparent violation during the course of the joint audit (inspection).

**8. PHASE II: FAA RESPONSE TO CERTIFICATE HOLDER, FRACTIONAL OWNERSHIP PROGRAM, OR PAH NOTIFICATION.** The PI responds with a written or electronic acknowledgment of the entity's initial notification. This acknowledgment includes the request for a written report and is sent in lieu of a letter of investigation; provided, the written report is completed in accordance with the voluntary disclosure reporting procedures set forth in this AC and Appendixes 1 and 2. The PI will open an Enforcement Investigative Report (EIR) that will be closed out with a letter of correction, following satisfactory development of a comprehensive fix and schedule of implementation agreed upon by the FAA and the entity.

**NOTE: When the regulated entity has submitted the voluntary disclosure via the Web-based VDRP, action on the voluntary disclosure by the PI results in an**

**automated electronic reply to the regulated entity and an automated opening of the Enforcement Investigative Report (EIR).**

**9. PHASE III: WRITTEN REPORT OF CERTIFICATE HOLDER, FRACTIONAL OWNERSHIP PROGRAM, OR PAH'S APPARENT VIOLATION.** The written report should be provided to the PI, by the regulated entity, within 10 working days after the initial notification was made. A sample format for this report is provided as Appendix 2. In summary, the written report should include the following information:

- a. A list of the specific FAA regulations that may have been violated.
- b. A description of the apparent violation, including the duration of time it remained undetected, as well as how and when it was detected.
- c. A description of the immediate action taken to terminate the conduct that resulted in the apparent violation, including when it was taken, and who was responsible for taking the action.
- d. An explanation that shows the apparent violation was inadvertent.
- e. Evidence that demonstrates the seriousness of the apparent violation and the regulated entity's analysis of that evidence.
- f. A detailed description of the proposed comprehensive fix, outlining the planned corrective steps, the responsibilities for implementing those corrective steps, and a time schedule for completion of the fix. If a proposed comprehensive fix is not fully developed within 10 working days, the pertinent regulated entity should provide at least an overview of its comprehensive fix plans in a written report submitted within 10 working days after the initial notification was made. In any event, a detailed description of the comprehensive fix should be submitted within 30 calendar days after initial notification.
- g. Identification of the company official responsible for monitoring the implementation and completion of the comprehensive fix.

**10. PHASE IV: WRITTEN REPORT REVIEW BY THE FAA.** The FAA works with the certificate holder, fractional ownership program, or PAH to ensure that the regulated entity has identified any root causes and systemic issues which led to the apparent violation. This collaboration helps to ensure that the corrective actions contained in the comprehensive fix are acceptable to the FAA.

**11. PHASE V: IMPLEMENTATION OF A COMPREHENSIVE FIX AND FAA SURVEILLANCE.**

a. During the implementation period, the FAA and the pertinent regulated entity should continue to work together. The FAA may advise and assist the entity in correcting any identified systemic problems. Changes will be made to the proposed comprehensive fix when the need is identified. Upon determining that the initial implementation of the comprehensive fix is satisfactory, the PI will issue a letter of correction. Should a change to the comprehensive fix be identified after issuance of the letter of correction, the PI will issue an amendment to the letter of correction that reflects this change.

b. The FAA monitors the implementation of the corrective steps. Throughout the implementation period, the FAA assesses the pertinent regulated entity's corrective efforts and top management's awareness of these efforts. If, during this period, the FAA determines that the steps taken by the entity are not those documented in the comprehensive fix, the letter of correction may be rescinded, the investigative report may be reopened, and appropriate legal enforcement action may be initiated.

**12. PHASE VI: INSPECTOR SIGNOFF.** At the conclusion of the implementation period, the PI makes a final assessment. If all elements of the comprehensive fix have been adequately accomplished, the PI finds the fix satisfactory and closes the case. The case remains subject to reopening in the event that the agreed-upon actions, outlined in the comprehensive fix, are not completed to the satisfaction of the FAA. A statement of follow-up investigation, confirming that the comprehensive fix was satisfactorily implemented and completed, is prepared to complete the FAA's investigative package.

a. The PI has the authority to close the case. Consultation with regional specialists, legal counsel, or other FAA personnel may be accomplished when deemed appropriate by the PI.

b. Following completion of the agreed-upon corrective action(s), the certificate holder, fractional ownership program, or PAH conducts a self-audit to ensure that the action taken remedies the problem that gave rise to the apparent violation.

c. If, following FAA closure of the investigative package resulting from a voluntary disclosure, the same or similar violations are discovered to have occurred prior to submission of the associated voluntary disclosure, the FAA does not reopen the case unless it determines that the pertinent regulated entity failed to comply with all the elements of the comprehensive fix agreed upon by the FAA and the entity.

**13. DISPUTE RESOLUTION.** When disputes occur regarding the acceptance of a proposed comprehensive fix, or a modification thereto before the fix is considered satisfactory, the PI and the pertinent regulated entity may request that the issue be resolved at the next level of management within the FAA. This procedure will provide for an independent assessment of the areas in disagreement.

**14. SEPARATE ACTIONS AGAINST AIRMEN OR OTHER INDIVIDUAL AGENTS.**

a. The voluntary disclosure policy applies to individual airmen or other agents of an employing certificate holder, fractional ownership program, or PAH when the following occurs:

(1) The apparent violation involves a deficiency of the employing entity's practices or procedures that causes the employing certificate holder, fractional ownership program, or PAH to be in violation of a covered violation of an FAA regulation.

(2) The airman or other agent of the employing entity, while acting on behalf of the employing entity, inadvertently violates the FAA's regulations as a direct result of a deficiency of the employing entity that causes the employing entity to be in violation of the regulations. (The voluntary disclosure policy does not apply to the airman or other agent when his/her apparent violation is the result of actions unrelated to the employing entity's deficiency).

(3) The airman or other agent immediately makes the report of his/her apparent violation to the employing entity.

(4) The employing certificate holder, fractional ownership program, or PAH immediately notifies the FAA of both the airman or other agent's apparent violation and the apparent deficiency in its practice or procedures.

b. When all the above conditions are met, a separate EIR is opened for the individual and closed with no more than administrative action in accordance with the current edition of Order 2150.3, Compliance and Enforcement Program.

c. If all the above conditions are not met, the PI will review all facts associated with the case and determine what action is appropriate for individual airmen or other agents of the employing entity.

d. This provision does not apply to matters concerning qualifications to hold an airman certificate.

e. Special provisions exist for apparent violations by certificate holders, fractional ownership programs, or a PAH, when a voluntary disclosure is made based on information in an ASAP report. In such cases, the FAA may, at its sole discretion, accept the corrective action recommended by an ASAP Event Review Committee (ERC) for an accepted ASAP report as the comprehensive fix for the voluntary disclosure. This is acceptable when the following conditions all apply (even when an apparent employee qualification or competency issue is involved):

(1) The FAA determines that the violation is due entirely to the actions of the employee(s) and not to a systematic or procedural deficiency of the company; and

(2) The employee completes the corrective action recommended by the ASAP ERC to the satisfaction of the FAA.

**15. APPLICABILITY OF THE FREEDOM OF INFORMATION ACT (FOIA) TO SELF-DISCLOSURE RECORDS.** Records submitted to the FAA for review pursuant to this voluntary self-disclosure program, including information submitted using the Web-based VDRP tool (Appendix 1), are protected from release to the public in accordance with the provisions of part 193 and FAA Order 8000.89, Designation of Voluntary Disclosure Reporting Program (VDRP) Information as Protected from Public Disclosure under 14 CFR Part 193.

**16. REPEATED VIOLATIONS.** If a repeated violation occurs, notwithstanding the fact that a comprehensive fix was satisfactorily completed and followed, the procedures outlined in this AC may apply to the disclosure of the repeated violation. Upon consideration of the facts and circumstances surrounding the repeated violation, the FAA will determine on a case-by-case basis whether a repeated violation will be covered under this policy. Regulated entities and PIs are encouraged to evaluate the systemic issues and circumstances surrounding each apparent violation. This is particularly important when citing a common regulation. Depending upon the specific circumstances associated with the event, citations of a common regulation may not necessarily be indicative of a common systemic failure.

**17. CONCLUSION.** Development of internal evaluation programs should help to ensure that any apparent violations are promptly identified, corrected, and reported to the FAA. While not required, the FAA strongly encourages certificate holders, fractional ownership programs, and PAHs, to make internal evaluation programs an integral part of their everyday management process so that the full benefits of voluntary disclosure can be realized. Aviation safety is served by programs that allow certificate holders, fractional ownership programs, and PAH's to identify and correct their own instances of noncompliance and invest more resources in efforts to preclude their recurrence.

ORIGINAL SIGNED BY  
James J. Ballough  
Director, Flight Standards Service

## APPENDIX 1. USE OF THE WEB-BASED VDRP TOOL FOR SUBMISSIONS OF VOLUNTARY DISCLOSURES

**Authorized Users:** Use of the Web-based Voluntary Disclosure Reporting Program (VDRP) tool will initially be limited to certificated air carriers. Subsequent revisions to the Web tool will provide access to other authorized users. Announcements relating to expansion of access to other users are available at <http://av-info.faa.gov/vdrp>.

Effective December 8, 2006, voluntary disclosures by air carriers must be processed utilizing the above referenced Internet application, even if initial notification to the Federal Aviation Administration (FAA) is accomplished by other means. This Web-based application offers an automated interface for regulated entities and FAA inspectors to accomplish the voluntary disclosure process virtually paper-free. In addition, the Web-based VDRP provides enhanced capabilities for tracking and managing voluntary disclosures, while protecting all submissions in accordance with the provisions of Title 14 of the Code of Federal Regulations (14 CFR) part 193 and Order 8000.89, Designation of Voluntary Disclosure Reporting Program (VDRP) Information as Protected from Public Disclosure under 14 CFR Part 193.

**VDRP Web Address (URL):** <http://av-info.faa.gov/vdrp>

### 1. GENERAL INFORMATION.

a. The Web-based VDRP is accessible anywhere with an Internet connection, on a 24-hour, 7-day-a-week basis, subject to access privileges granted in accordance with paragraph 3(b) below.

b. Internal tracking and email alerts simplify management of voluntary self-disclosures.

c. Online data entry provides a streamlined and automated VDRP process.

(1) No software to download or install.

(2) Secure: Only authenticated users can access VDRP system. All transactions are encrypted using 128 bit Secure Socket Layer (SSL) technology.

### 2. USER RESPONSIBILITIES.

a. **Regulated Entities.** A regulated entity is responsible for submitting the voluntary disclosure, completing the written report, and implementing corrective actions satisfactory to the principal inspector (PI).

b. **FAA Inspectors.** A PI, or his/her designee, is assigned to a voluntary disclosure. The assigned inspector is responsible for reviewing and accepting (or declining) submissions from the regulated entity (i.e., initial notification, written report and any revisions to the written report/corrective actions). In addition, the PI will issue a Letter of Correction (or other administrative action, as appropriate), while confirming implementation of the corrective actions agreed upon with the regulated entity. The PI will close the VDRP file upon satisfactory implementation of the corrective action(s), or open an enforcement investigation if the regulated entity should fail to implement the corrective action as detailed in the Letter of Correction.

### 3. USER LOGIN.

- a. **FAA Inspector.** Login information will be provided via internal channels.
- b. **Regulated Entity.** Contact your FAA certificate-holding office to obtain access information.

### 4. USER SUPPORT.

- a. **VDRP Online Help.** Provides context sensitive help for every Web form of the application. Online help is available within the Web-based application.
- b. **VDRP Users Guide.** Contains detailed explanation of the VDRP web application, descriptions of VDRP terms, functions and features of VDRP. This is available at the VDRP Web site.
- c. **AVS Central Support.** Provides answers to VDRP related questions and support to solve any VDRP related problems. Call AVS support central for trained personnel to aid users of the Web-based VDRP system.
  - (1) Hours of operation: 6:00 a.m. – 5:00 p.m. CST Monday through Friday.
  - (2) Telephone number: Toll-free at (866) 285-4942 or at 405-954-7272.
  - (3) E-mail address: 9-AMC-AVS-Support-Central@faa.gov.



**APPENDIX 2. SAMPLE WRITTEN REPORT FORMAT TO BE FOLLOWED BY  
REGULATED ENTITIES NOT AUTHORIZED USE OF THE WEB-BASED VDRP**

The following sample is only a suggested format to be followed when preparing the written report that will be submitted to the Federal Aviation Administration (FAA). While a certificate holder, qualified fractional ownership program (as defined in paragraph 5e of this AC), or Production Approval Holder (PAH) should include at least all the elements specified below, the structure of the written report can be modified by the regulated entity to fit its particular needs.

**1. GENERAL.**

- a. Date.
- b. Certificate type or equivalent.
- c. Pertinent regulated entity number or equivalent.
- d. Company name.
- e. Company address.
- f. Company official filing report.
  - (1) Name.
  - (2) Position.
  - (3) Telephone number.
  - (4) E-mail address.

**2. DESCRIPTION OF APPARENT VIOLATION.**

- a. Applicable part of Title 14 of the Code of Federal Regulations.
- b. Date apparent violation was discovered.
- c. Location of discovery.
- d. Company official who discovered the apparent violation.
  - (1) Name.
  - (2) Position.
  - (3) Telephone number.
  - (4) E-mail address.
- e. Date and time of initial notification to the FAA.

f. Name of FAA official notified (principal inspector (PI)).

g. Company official responsible for immediate action.

(1) Name.

(2) Position.

(3) Telephone number.

(4) E-mail address.

h. Duration of time apparent violation remained undetected—hours, cycles, or days.

**3. SUMMARY OF APPARENT VIOLATION.** The summary should be a brief statement that describes the nature of the apparent violation and identifies the specific aircraft, engines, appliances, facilities, checkpoint, gate, cargo, and/or individuals associated with the apparent violation.

#### **4. IMMEDIATE ACTION.**

a. When immediate action was taken.

b. Description of immediate action. This description should outline the immediate steps that were taken to cease the violative action.

c. Company official responsible for immediate action.

(1) Name.

(2) Position.

(3) Telephone number.

(4) E-mail address.

#### **5. ANALYSIS.**

a. Summary of evidence. This summary should describe the scope of the apparent violation and explain how it was detected. In addition, conclusions reached regarding possible or probable systemic deficiencies (i.e., who, what, when, why, and how the noncompliance occurred) should be described.

b. Reasons why the apparent violation was inadvertent.

c. Supporting documentation. The evidence associated with the apparent violation should be attached. This evidence should include a statement regarding how the certificate holder, qualified fractional ownership program, or PAH determined the extent of the apparent violation.

**6. COMPREHENSIVE FIX PROPOSAL.** The proposed long-term corrective steps to be taken by the certificate holder, qualified fractional ownership program, or PAH to preclude

recurrence of the apparent violation should be listed in this section. Each corrective step should identify the individual or department responsible for implementing and completing the corrective step as well as the time allotted for completion of each corrective step. Examples of types of questions or issues that a comprehensive fix proposal should address are as follows:

- a. Whether the apparent violation involves equipment, facilities, or individuals beyond those addressed in the initial notification and for which immediate action was taken.
- b. Whether procedural or organizational changes are necessary.
- c. How it will be determined whether any procedural or organizational changes are effective.
- d. What procedures will be developed to ensure that the affected area is periodically reviewed in the future so that concerns can be identified before a violation occurs.
- e. Who will be responsible for performing periodic reviews.
- f. To whom in the certificate holder's, qualified fractional ownership program's, or PAH's organization the results of those periodic reviews will be reported, and how they will be documented?

#### **7. RESPONSIBILITY FOR MONITORING THE IMPLEMENTATION OF THE COMPREHENSIVE FIX.**

- a. Name.
- b. Position.
- c. Telephone number.
- d. E-mail address.

#### **8. FAA ACCEPTANCE (TO BE COMPLETED BY THE FAA).**

- a. Name.
- b. Position (PI).
- c. Date.
- d. Office.



# NOTICE

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

N 8900.39

National Policy

Effective Date:  
5/1/2008

Cancellation Date:  
5/1/2009

**SUBJ:** Requiring Appropriate 14 CFR Part 119 Corporate Officer and FAA Office Manager Signatures for Voluntary Disclosure Reporting Program (VDRP)

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- 1. Purpose of This Notice.** This notice updates current handbook guidance relating to the Voluntary Disclosure Reporting Program (VDRP).
- 2. Audience.** The primary audience for this are regional division managers, office managers, and principal inspectors (PI) who have oversight responsibility for operators certificated under Title 14 Code of Federal Regulations (14 CFR) part 119 for operations under part 121 or part 135. The secondary audience includes Flight Standards branches and divisions in the regions and headquarters.
- 3. Where You Can Find this Notice.** Inspectors can access this notice through the Flight Standards Information Management System (FSIMS) at <http://fsims.avs.faa.gov>. Operators and the public can find this notice at <http://fsims.faa.gov>.
- 4. Background.**
  - a.** In conjunction with recent high profile events involving air carrier voluntary disclosures, we have noted that senior airline executives may not always be fully aware of the details of such submissions and associated airline obligations. Similarly, FAA office managers may not always be fully informed as to voluntary disclosures which principal inspectors have determined as acceptable under the VDRP.
  - b.** This notice changes VDRP policy and guidance provided in the following documents:
    - Advisory Circular (AC) 00-58A, Voluntary Disclosure Reporting Program (to be revised), and
    - FAA Order 8900.1, Flight Standards Information Management System, volume 11, chapter 1.
  - c.** This notice adds a requirement for additional sign-offs:
    - (1) By an appropriate corporate official upon initial notification to the FAA of a voluntary disclosure, and
    - (2) By the responsible FAA office manager:

- Indicating the initial submission of voluntary disclosure does or does not meet FAA criteria for acceptance, and
- Upon completion of the implementation of the comprehensive fix, that the operator has satisfactorily accomplished the fix in accordance with the FAA's voluntary disclosure policy as specified in FAA guidance.

**5. Changes to Operator Actions.** Flight Standards will issue an Information for Operators (InFO) in parallel with this notice to facilitate communication of these new policies to affected operators. In order to better assure that corporate executives are fully aware of the content of their company's voluntary disclosures to the FAA, one of the management officials specified in 14 CFR §§ 119.65 or 119.69, as appropriate, must notify the FAA of an apparent violation, as described in the current issue of AC 00-58A. (For a part 121 operator these management officials include the director of safety, director of operations, chief pilot, director of maintenance, chief inspector, or alternative positions per § 119.65(b). For a part 135 operator these positions include the director of operations, chief pilot, and director of maintenance or alternative positions per § 119.69(b).) The management official uses one of the procedures specified below.

**a.** The management official specified 14 CFR § 119.65 or § 119.69 may notify the FAA by personally submitting it through the Web-based VDRP system as specified for Phase I (Notification to the FAA of an Apparent Violation) in AC 00-58, Appendix 1;

**Note:** In order for 14 CFR § 119.65 or § 119.69 management officials to directly accomplish the Phase I Initial FAA notification using the VDRP system, PIs must manually create a "new user" in the system for each such management official and provide read and edit system user rights. Identify each such management official by both name and official title. If not already accomplished, PIs must complete this action immediately upon receipt of this notice.

**b.** If an airline employee is authorized by the airline to accomplish initial notification through the Web-based VDRP system, a letter signed by one of the management officials specified in 14 CFR § 119.65 or § 119.69, as appropriate, must accompany the notification. The letter must stipulate that:

- (1) The corporate official is aware of the disclosure;
- (2) The company took immediate action to cease the violation; and,
- (3) The company will develop a proposed comprehensive fix for FAA consideration to prevent future reoccurrences of the violation.

**Note:** The operator should scan the letter as a pdf and upload it as part of the Phase I FAA notification process through the Web-based VDRP system. Companies that lack the capability to scan the letter for uploading must either fax or hand-deliver the signed letter to their certificate holding district office within the timeframe of their Phase I Notification to the FAA. The PI should scan and upload faxed or hand-delivered letters submitted to the FAA to the VDRP system as part of the FAA's action in Phase II (FAA Response to the Certificate Holder). We will include instructions regarding these

requirements, as well as information on any future modifications to the VDRP system, at <http://av-info.faa.gov/vdrp> when they become available.

c. Directors of operations or chief pilots will accomplish the actions in paragraph 5a or 5b involving operations self-disclosures. Directors of maintenance or chief inspectors will accomplish the actions in paragraph 5a or 5b involving maintenance self-disclosures. Directors of safety can accomplish these actions for either operations or maintenance in the absence of those appropriate management officials.

**6. Action—CHDO and Regional Division Managers.** As part of the FAA's action in Phase II of the VDRP process, FAA Response to the Certificate Holder (see FAA Order 8900.1, Volume 11, Chapter 1 for guidance on the VDRP process), both the PI handling the disclosure and the office manager must determine whether, based on the information available to the FAA at the time, the initial submission of the disclosure does or does not meet the criteria for acceptance under the FAA's voluntary disclosure policy. In addition, upon completion of the implementation of the comprehensive fix, both the PI and the office manager must determine in Phase VI of the VDRP process whether the airline has satisfactorily accomplished all elements of the comprehensive fix. The case remains subject to reopening in the event that the company does not complete the agreed-upon actions, outlined in the comprehensive fix, to the satisfaction of the FAA.

a. Pending completion of modifications that will enable office managers to directly accomplish these tasks using the Web-based VDRP system in Phase II and Phase VI of the VDRP process, the office manager shall:

(1) Prepare and sign a letter stipulating concurrence or nonconcurrence with the PI's determination concerning the acceptability of the disclosure upon its initial receipt by the FAA. The PI or office manager should scan and upload this letter as a Portable Document Format (pdf) document to the VDRP system as part of the VDRP Phase II process (FAA Response to the Certificate Holder); and

(2) At the time the office manager accomplishes the final sign-off function in Phase VI of the VDRP system, the PI or office manager uploads a scanned pdf copy of a letter signed by the office manager stipulating concurrence with satisfactory completion of the comprehensive fix to the VDRP system, together with the signed letter of correction.

**Note:** In order to enable office managers to upload these letters, PIs must manually create a "new user" in the system for that manager and provide the manager with read and edit system user rights. Identify each such FAA office manager by both name and official title, and, if not already accomplished, PIs must complete this action immediately upon receipt of this notice. We will announce implementation of a modification to the VDRP system that will enable office managers to accomplish their concurrence/nonconcurrence functions directly within the VDRP system at <http://av-info.faa.gov/vdrp> when it becomes available.

b. CHDO managers shall assure that air carriers under their jurisdiction certificated under part 119 for operations under part 121 or part 135 receive notification of the new policies specified in this notice. Direct them to the InFO issued in conjunction with this notice.

c. In addition to the above requirements, regional flight standards division managers must assure the conduct of regional division level reviews of the voluntary disclosures submitted through the VDRP system from air carriers under their jurisdiction. Accomplish these reviews on a quarterly basis in order to verify compliance with the voluntary disclosure policies specified in this notice and in Order 8900.1.

**7. Program Tracking Reporting Subsystems (PTRS) Input.** In order to verify notification of affected operators concerning the information in this notice, the inspector should enter the code VDRP in the National Use block of the PTRS Data Sheet (PTRS Tracking Form 8000-36). It is also important to complete the Designator Block with the appropriate designator code for the operator.

**8. Disposition.** We will incorporate this notice into FAA Order 8900.1. Direct any questions regarding this notice to Mr. Scott Crosier at 703-661-0278 or Dr. Thomas Longridge at 703-661-0275, Voluntary Safety Programs Branch, AFS-230.

ORIGINAL SIGNED BY

James J. Ballough  
Director, Flight Standards Service





16. <b>Restrictions on Operators Employing Former Flight Standards Service Aviation Safety Inspectors</b>	Yellow
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**Popular Title:** Post Employment Restrictions

**RIN 2120-AJ36**

**Stage:** NPRM

**Previous Stage:**None

**Abstract:** This rulemaking would prohibit a certificate holder from employing or contracting with a former Aviation Safety Inspector (ASI) or other person with certificate holder oversight responsibilities to act as an agent or to represent that certificate holder in any matter before the FAA. This restriction would apply if the person, in the proceeding two year period, has (a) served as, or was responsible for oversight of, a Flight Standards Service ASI; and (b) had the responsibility to inspect, or oversee the inspection of, the operations of the certificate holder. The rulemaking would enhance the FAA’s ability to properly perform its safety mission and to ensure that every passenger can have complete confidence in the integrity of the programs and operations administered by the FAA.

**Effects:**

None

**Prompting action:** None

**Legal Deadline:** None

**Rulemaking Project Initiated:** 06/16/2008

**Docket Number:**

**Dates for NPRM:**

Milestone	Originally Scheduled Date	New Projected Date	Actual Date
To OST	03/17/2009	04/01/2009	
To OMB	04/17/2009	05/04/2009	
OMB Clearance	07/17/2009	08/04/2009	
Publication Date	07/31/2009	08/17/2009	
End of Comment Period	08/31/2009	09/17/2009	

**Explanation for any delay:** N/A

**Federal Register Citation for NPRM:** None



## SPAS ATOS Activities Record List - 51 Record(s)

Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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1.1. (Performance Measures) Did the certificate holder's records indicate that the aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)? Yes



31.	2000855-2008855	SWAA	ConDOR	DCC			ASW229JM		03/24/2008	03/27/2008	1	0
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Questions

1.3.6 AD Management

1.1. (Performance Measures) Did the certificate holder's records indicate that the aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)? Yes

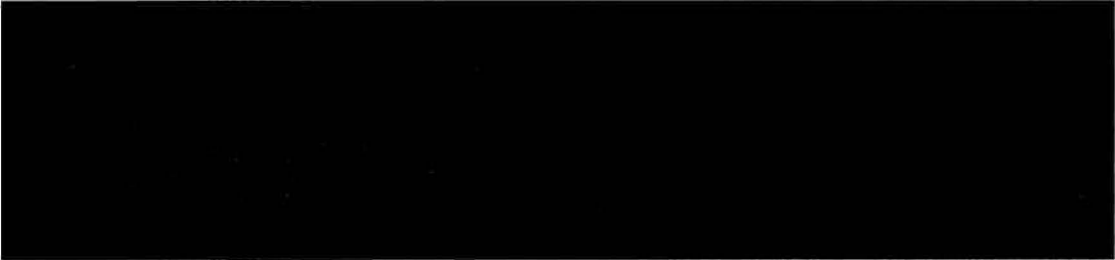


32.	2000864-2008913	SWAA	ConDOR	DCC			AFS923TP		03/17/2008	03/27/2008	17	41
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Questions

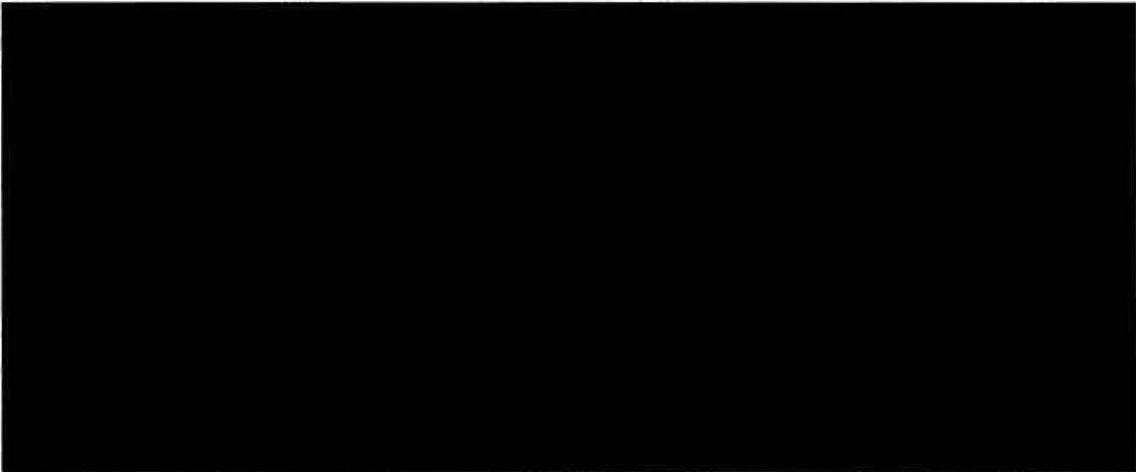
1.3.6 AD Management

1.1.1 The date and methods of compliance for each applicable airworthiness directive? No



SPAS ATOS Activities Record List - 51 Record(s)

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1.2.1 Only use the certificate holder's alternate method of compliance when that proposed alternative has been approved by the manager of the office identified in the airworthiness directive? No

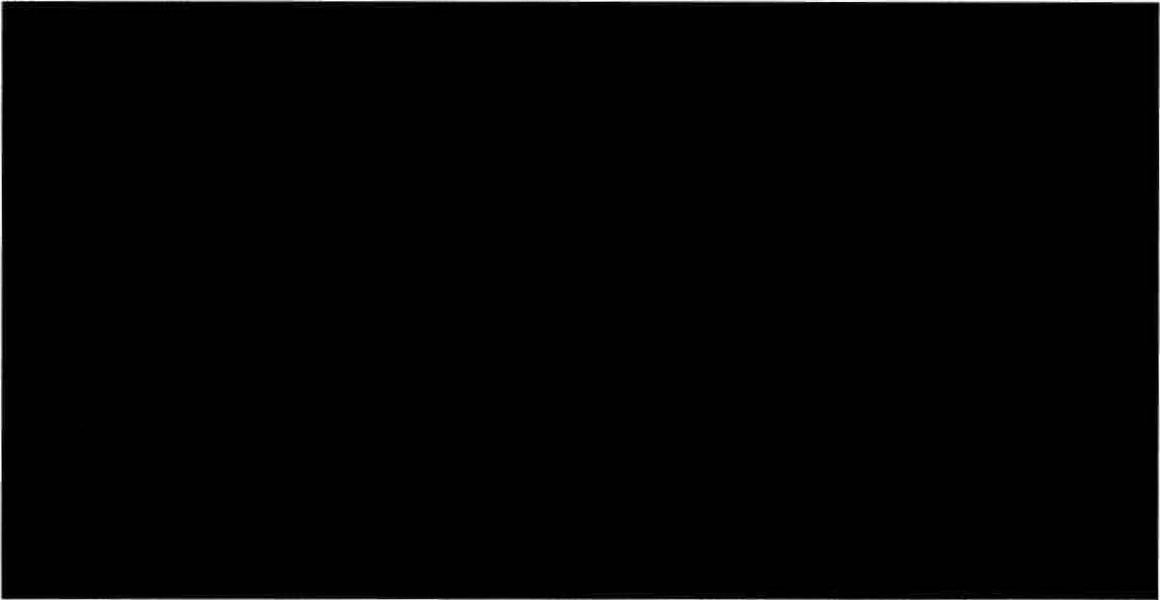


1.2.2 Follow the requirements of the airworthiness directive in cases where an airworthiness directive incorporates by reference a manufacturer's service document, and the airworthiness directive directions have modified the requirements of that service document? Yes

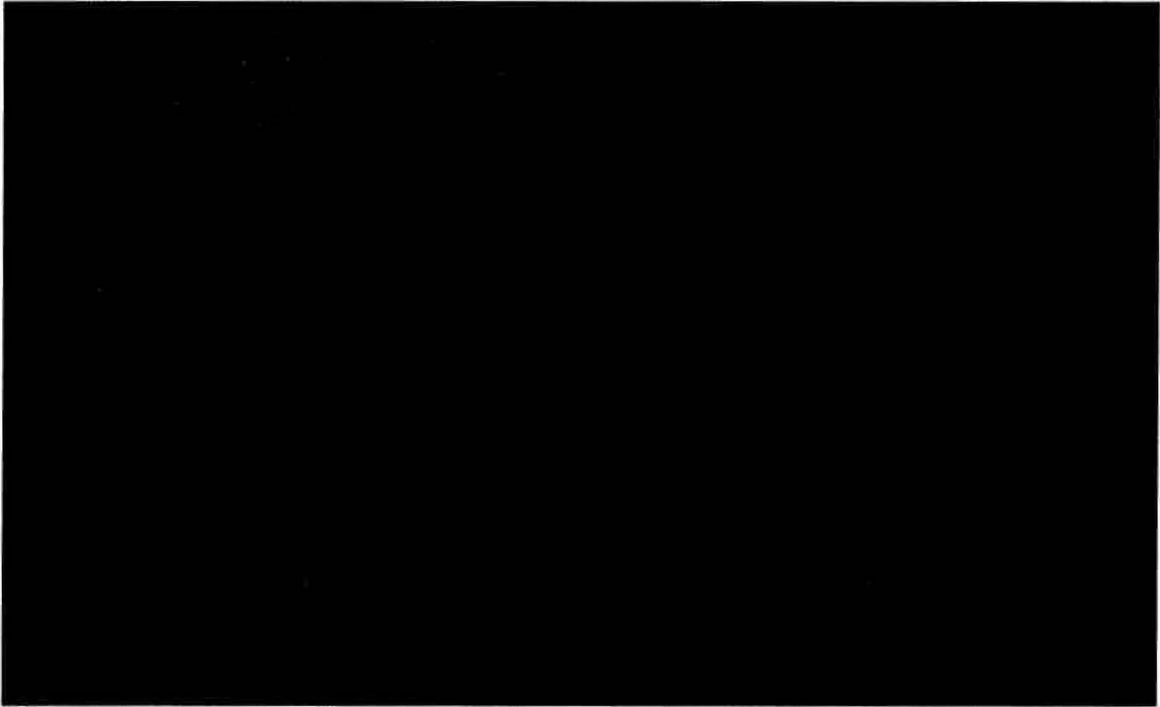


## SPAS ATOS Activities Record List - 51 Record(s)

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1.2.3 Request FAA approval of an alternative method of compliance for the actions required by an airworthiness directive if, a change in a product affects the certificate holder's ability to accomplish the actions required by an airworthiness directive in any way? Yes



1.2.4 Include in a proposed alternative method of compliance or change in compliance time the specific actions that the certificate holder proposes to address the unsafe condition? Yes

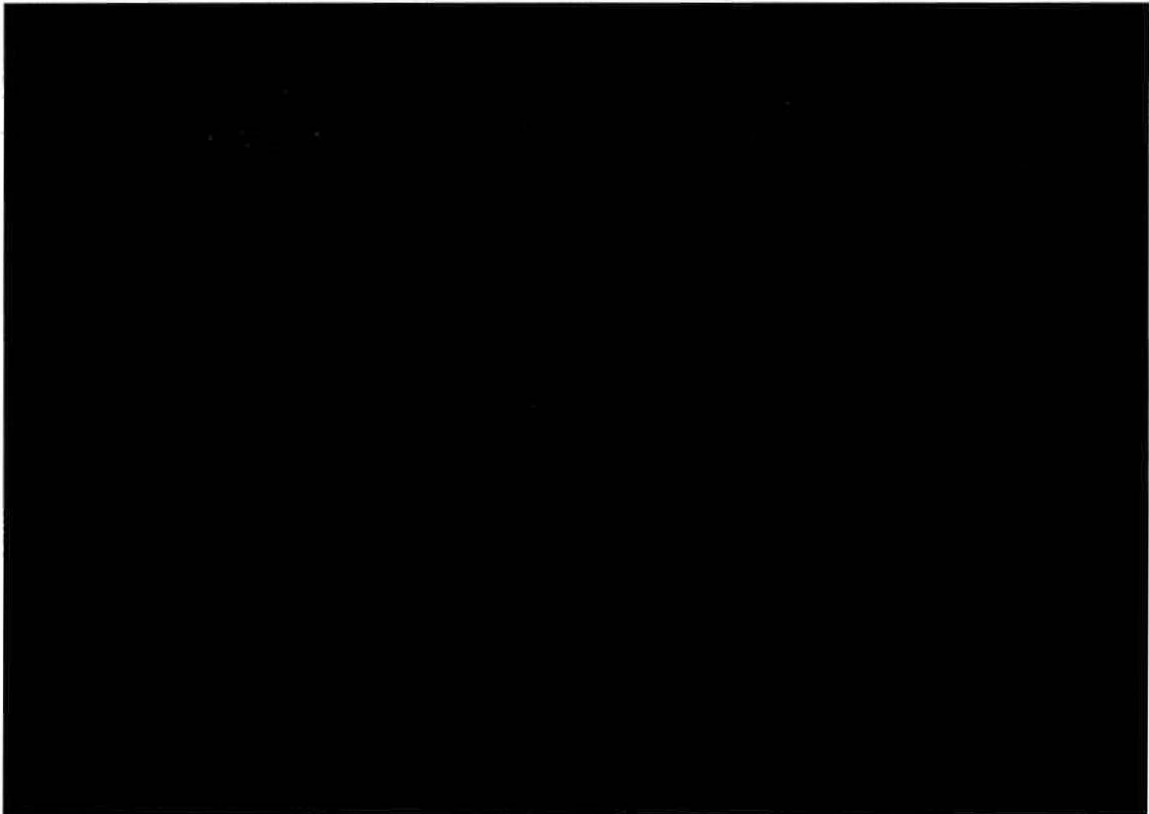


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1.2.5 Submit the proposed alternative method of compliance to the principal inspector, and at the same time, a copy may be sent to the manager of the office identified in the airworthiness directive? Yes

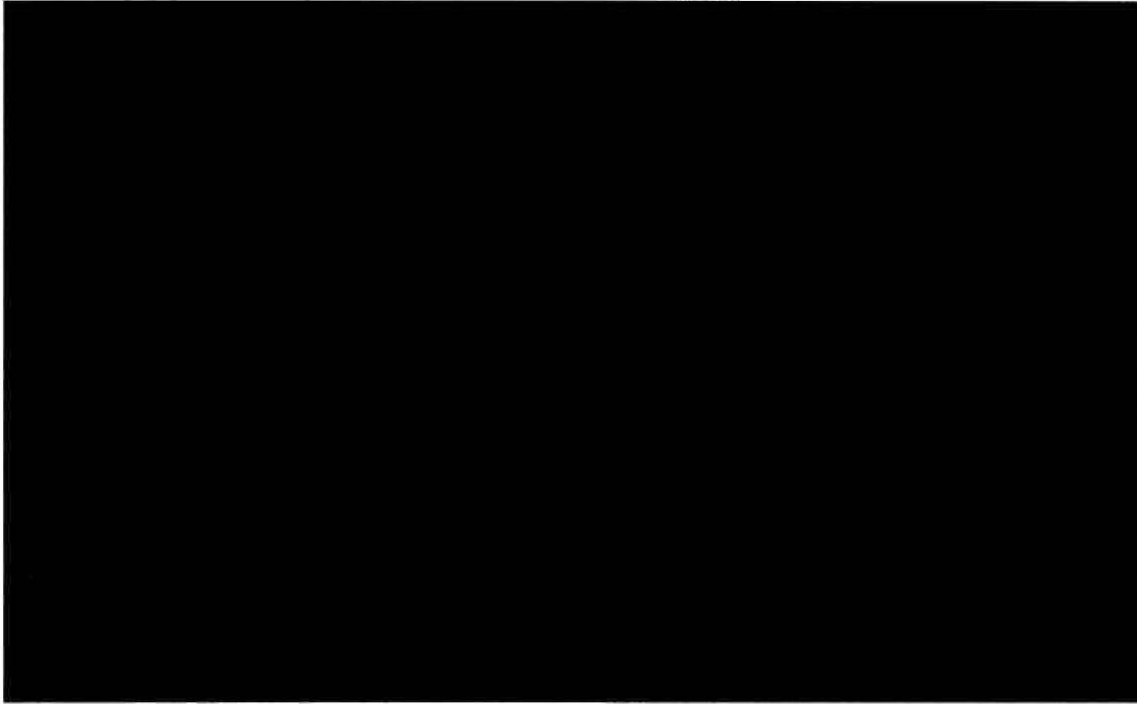


1.3.1 Maintaining the currency of Operations Specification, paragraph A447? Yes

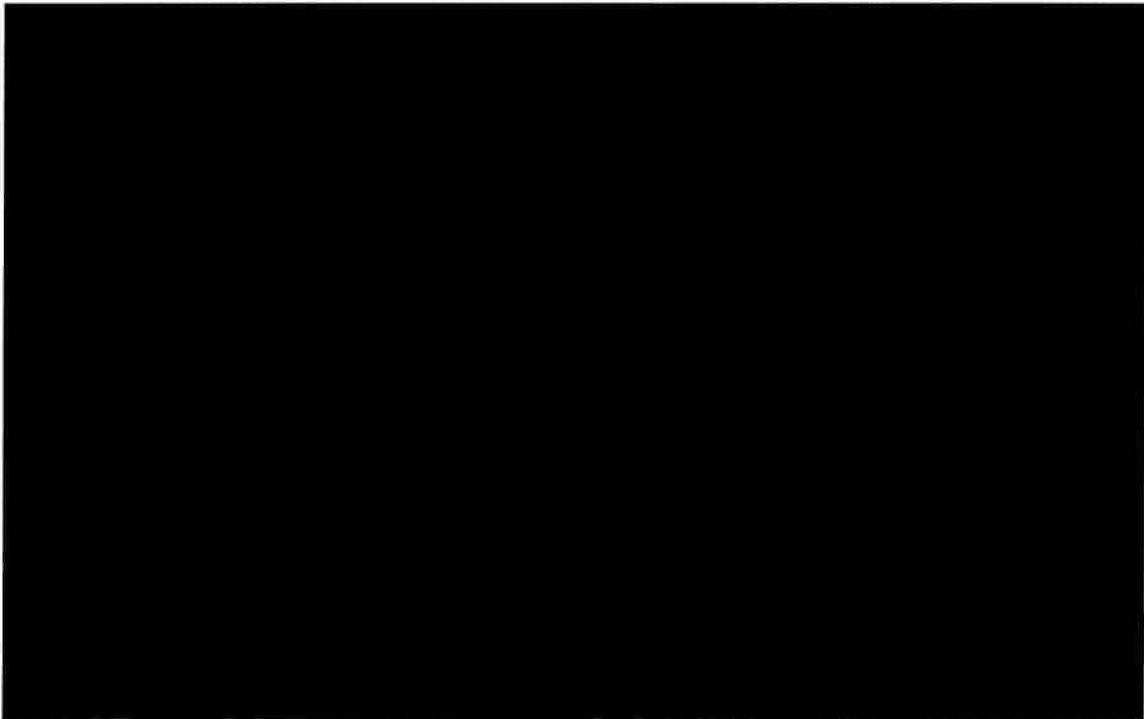


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1.3.2 Applying for an amendment to Operation Specification, paragraph A447 if any of the information contained in table b(1) or b(2), of that paragraph, changes? No



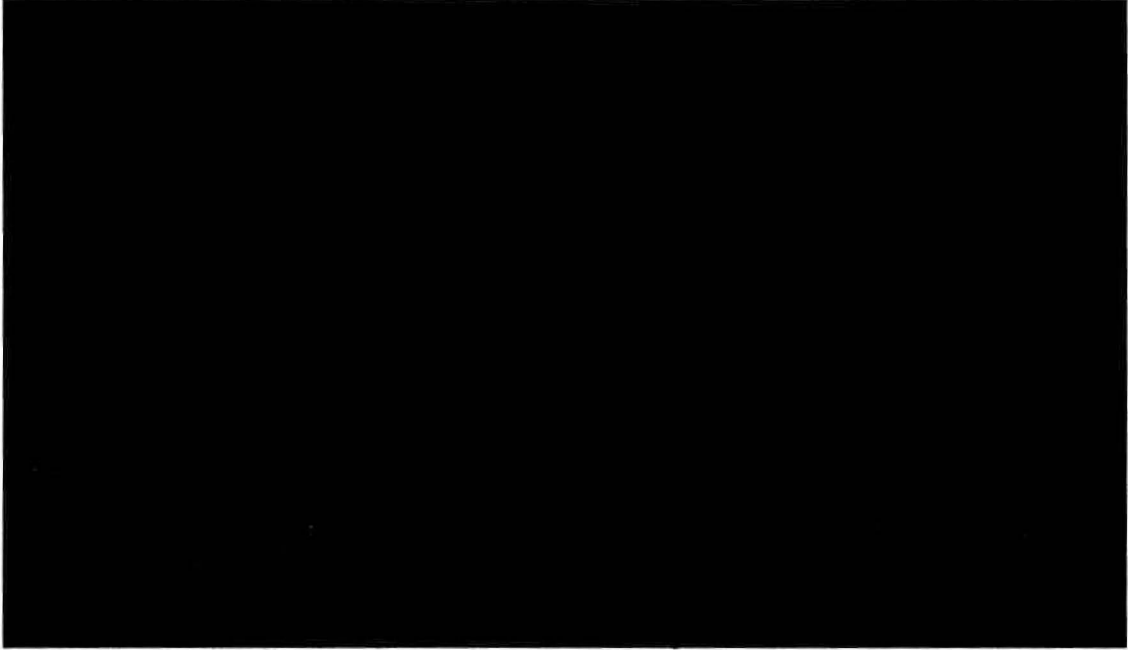


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1.3.3. Immediately, confirming receipt of an Emergency Airworthiness Directive (EAD) by signing the fax cover page and faxing it to the Delegation and Airworthiness Programs Branch (AIR-140) or fax the confirmation receipt to the Directorate issuing the EAD? No



1.4.1 The name of the operator?  
Yes

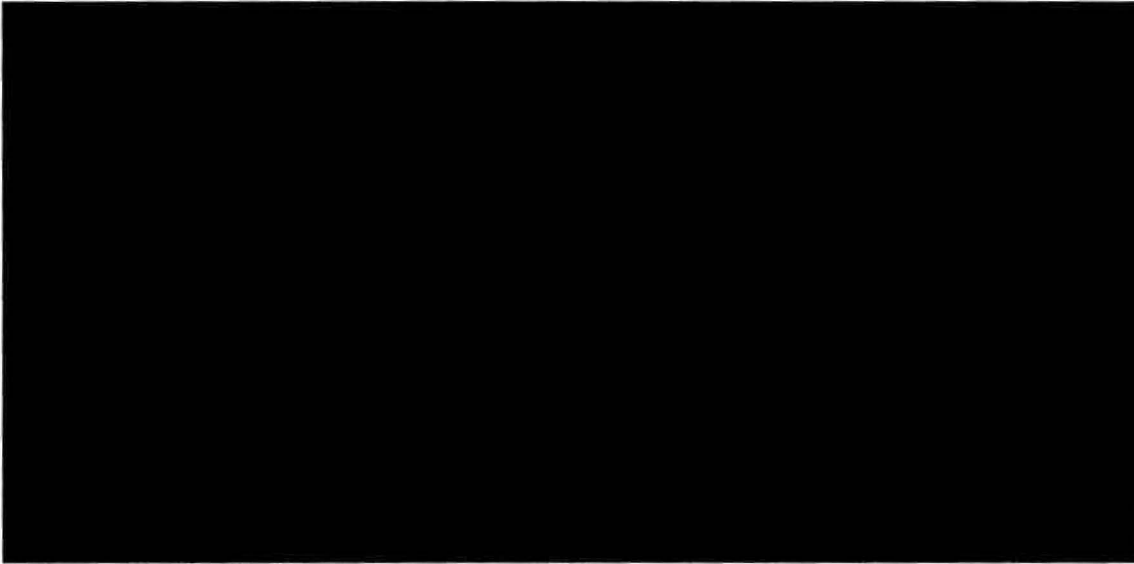


1.4.2 The name of person sending the reply? Yes

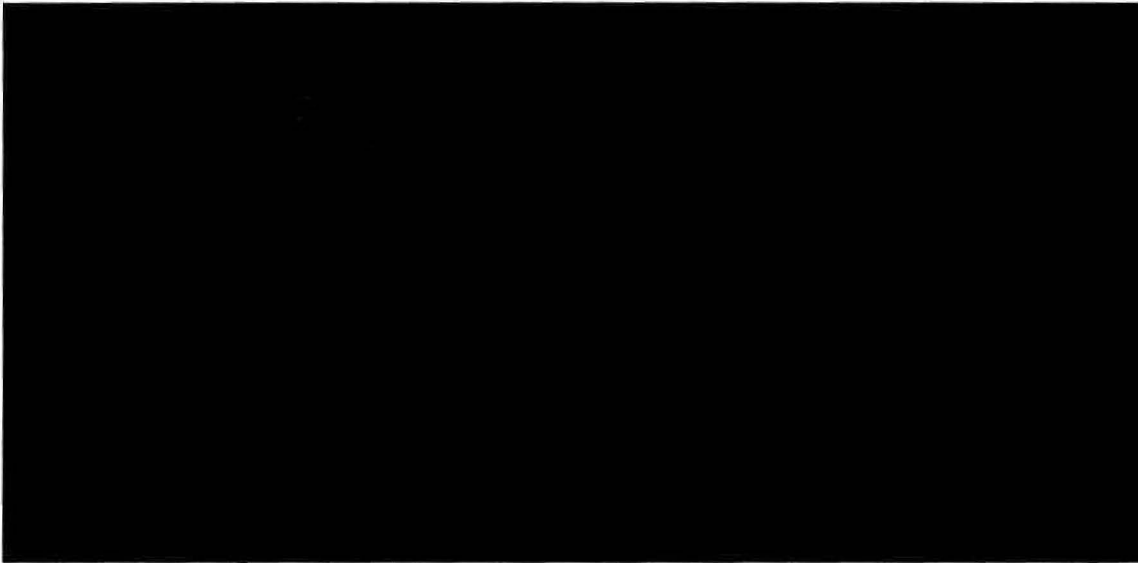


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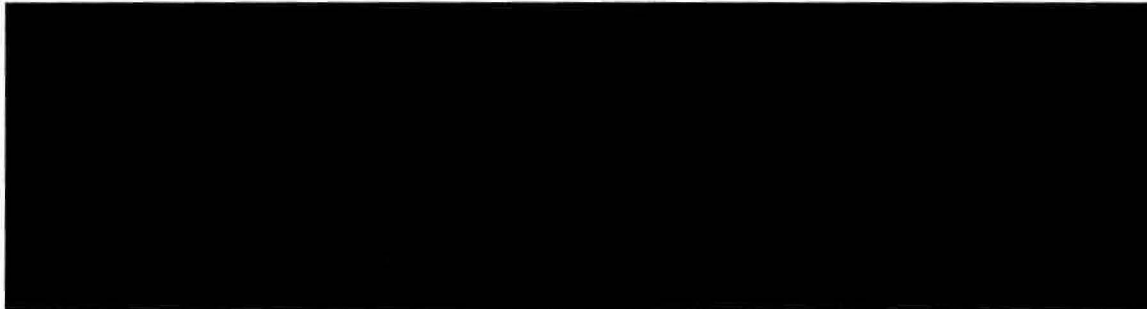
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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1.4.3 The operator's four-letter designator? Yes



1.4.4 The airworthiness directive number? Yes



## SPAS ATOS Activities Record List - 51 Record(s)

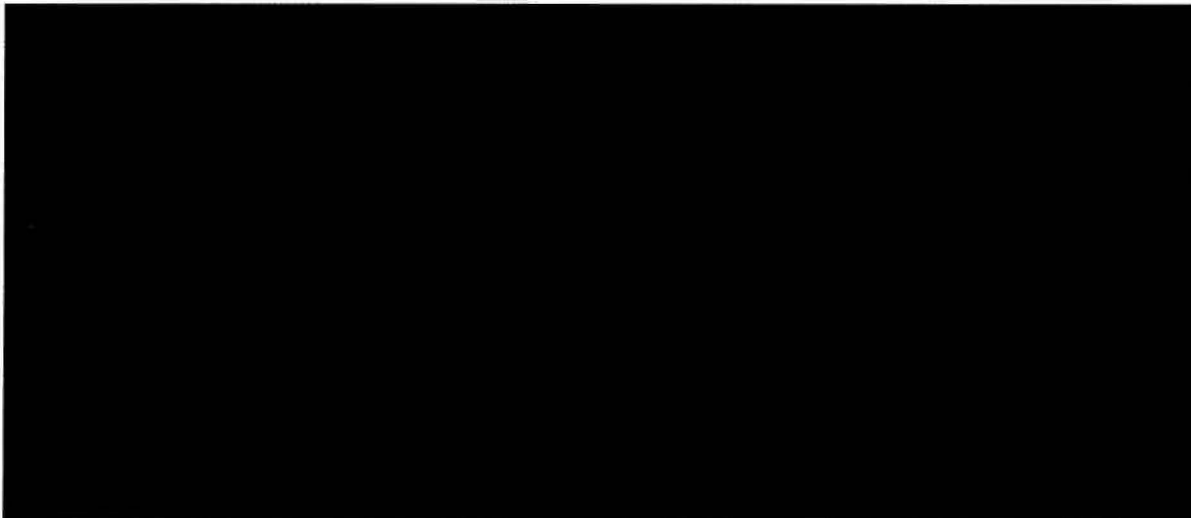
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1.4.5 The following statement? "This message is to confirm receipt of the Emergency Airworthiness Directive referenced above." Yes



1.5. Does the certificate holder's manual contain the required references to, or excerpts from, the operations specifications listed in the Supplemental Information section of this safety attribute inspection (SAI)? Yes



## SPAS ATOS Activities Record List - 51 Record(s)

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1.6. If the certificate holder's manual includes excerpts from its operations specifications, are the excerpts clearly identified as part of the operations specifications? N/A

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1.7. Does the certificate holder's manual require compliance with operations specifications, paragraph A447? Yes

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1.8. Does the certificate holder's AD Management process contain a method for keeping all persons engaged in its operations informed of the provisions of operations specifications, paragraph A447? Yes

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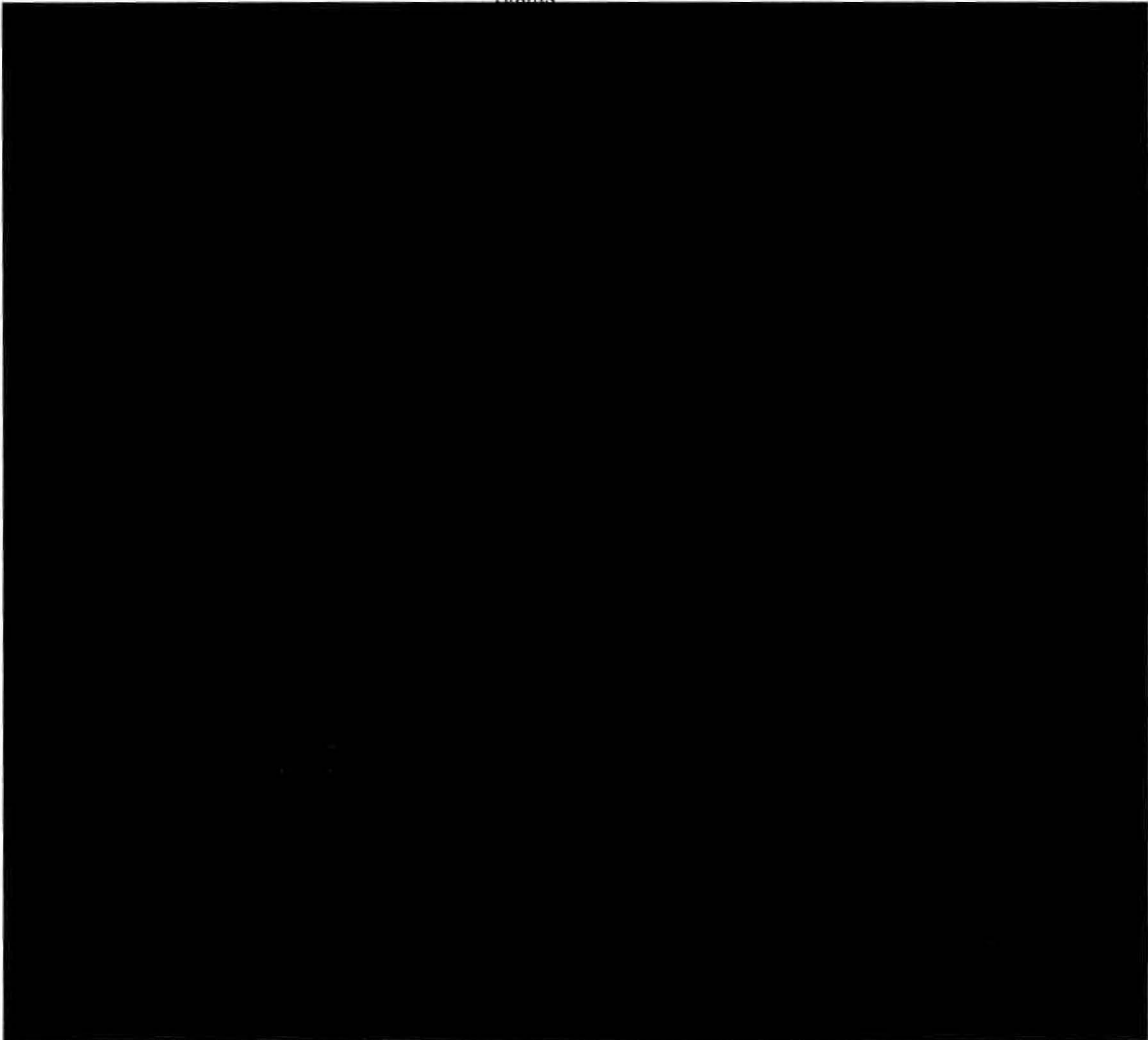
1.9. Does the certificate holder's AD Management process comply with the guidance contained in FAA Order 8900.1? No

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SPAS ATOS Activities Record List - 51 Record(s)

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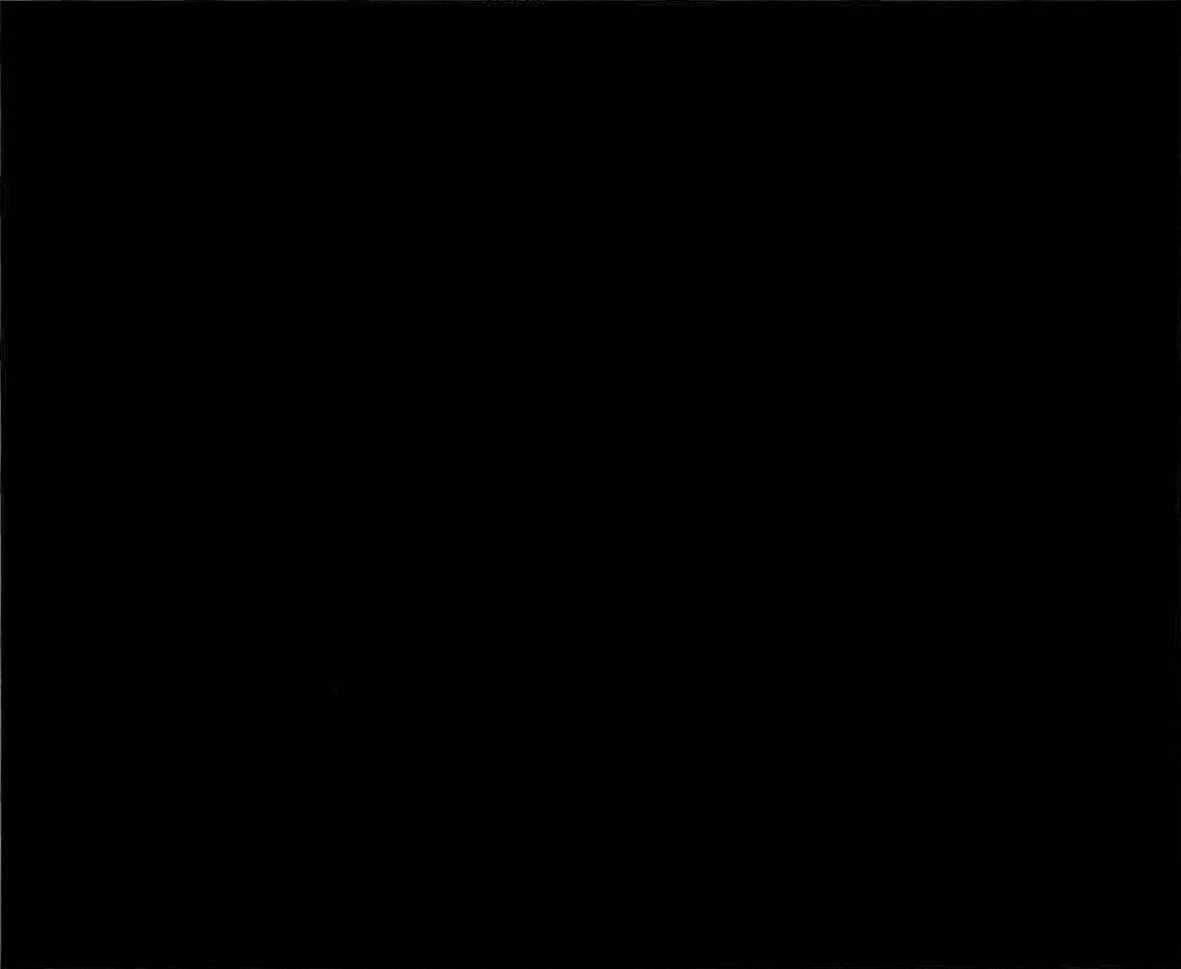


2. Does the certificate holder's manual contain general policies for the AD Management process that comply with the SRRs? No



## SPAS ATOS Activities Record List - 51 Record(s)

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3. Does the certificate holder's manual reference the appropriate Federal Aviation Regulations listed in the Supplemental Information section of this safety attribute inspection (SAI)? No

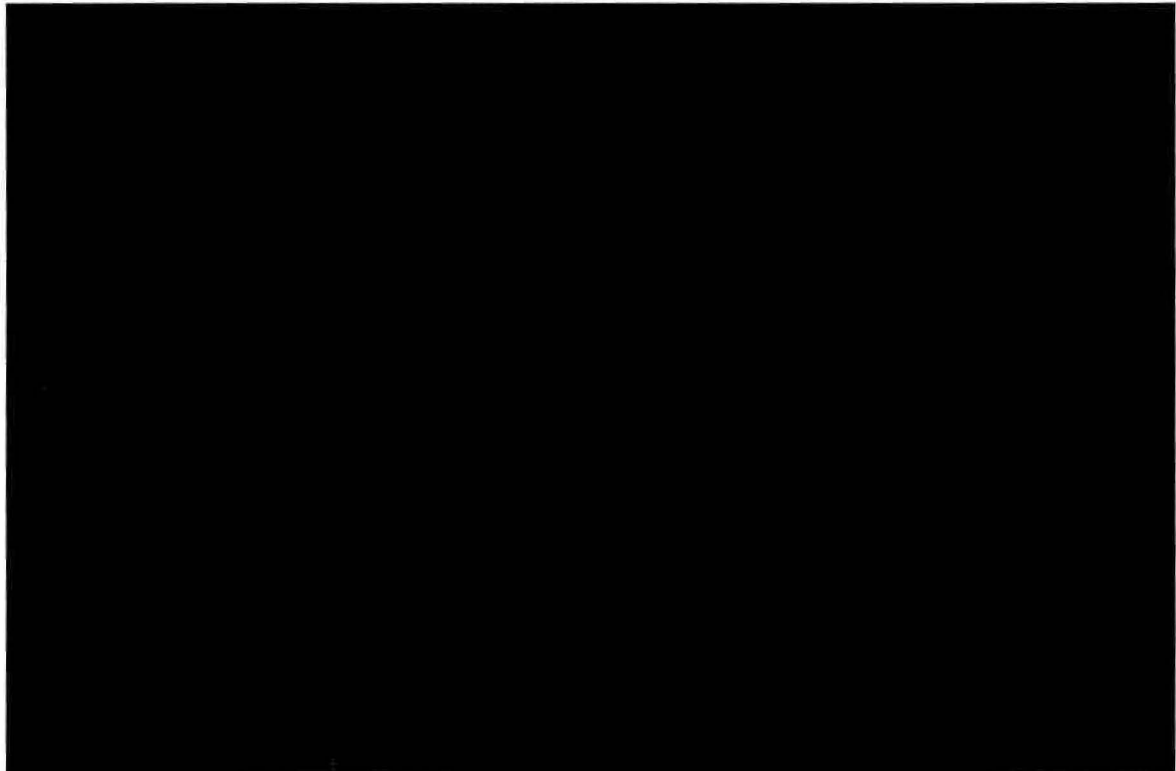


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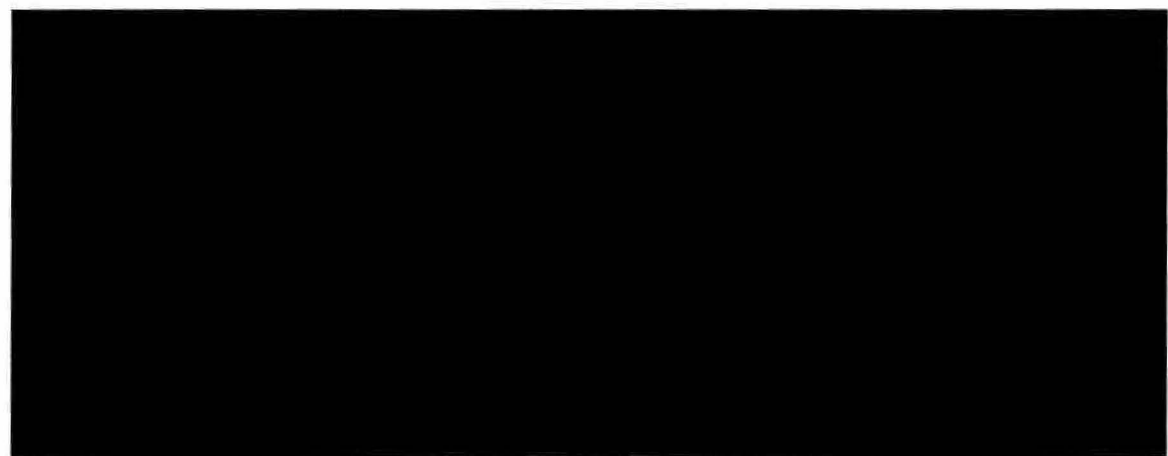
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4. Does the certificate holder's manual contain the duties and responsibilities for personnel who will accomplish the AD Management process? No

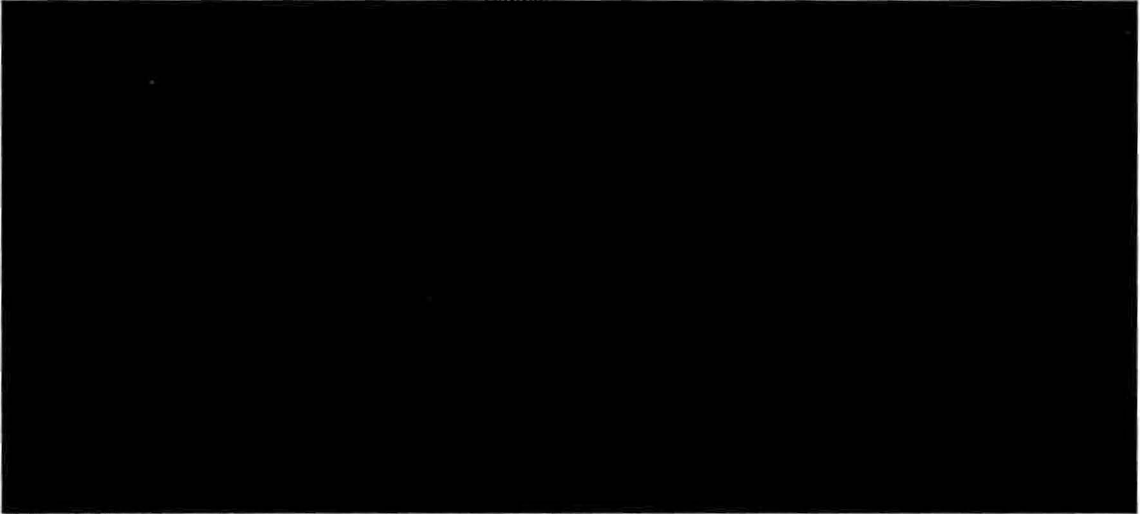


5. Does the certificate holder's manual include instructions and information for personnel to meet the requirements of the AD Management process? No



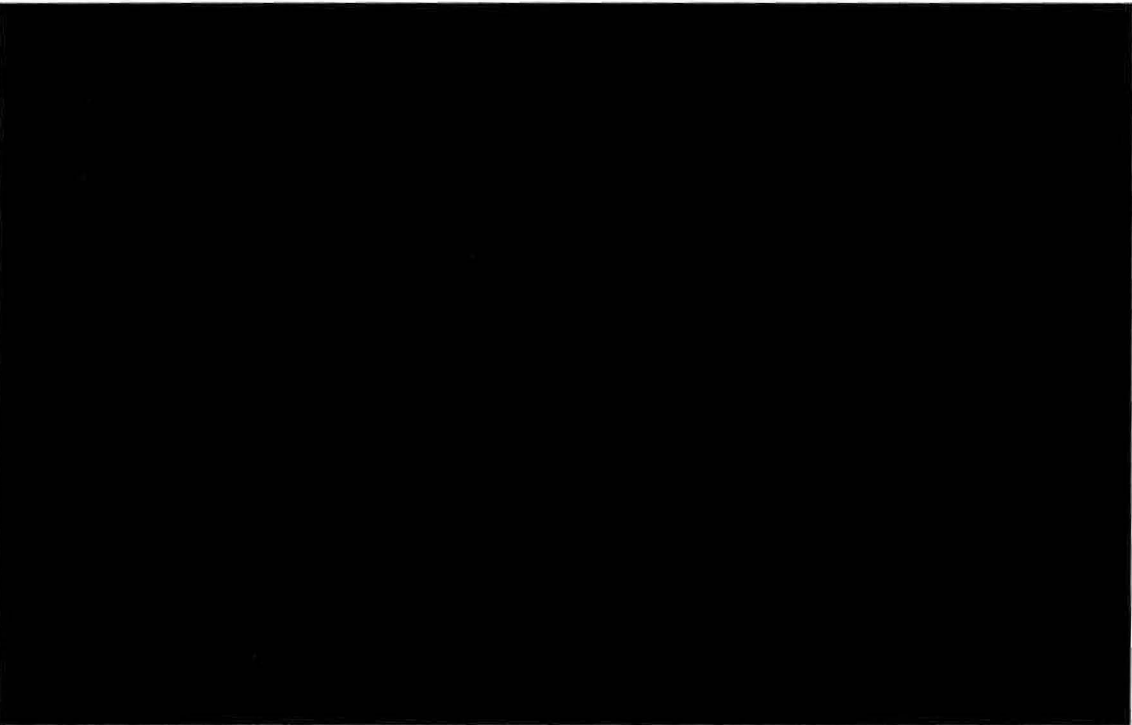
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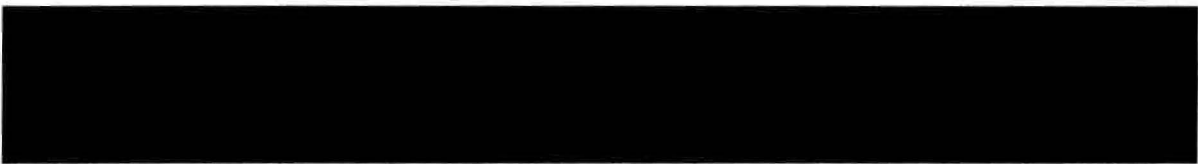


### 1.3.6 AD Management

1.1. Is there a control or controls in place to ensure that the certificate holder's records indicate that the aircraft, aircraft engines, propeller, and/or appliances are in compliance with applicable Airworthiness Directives (AD)? No



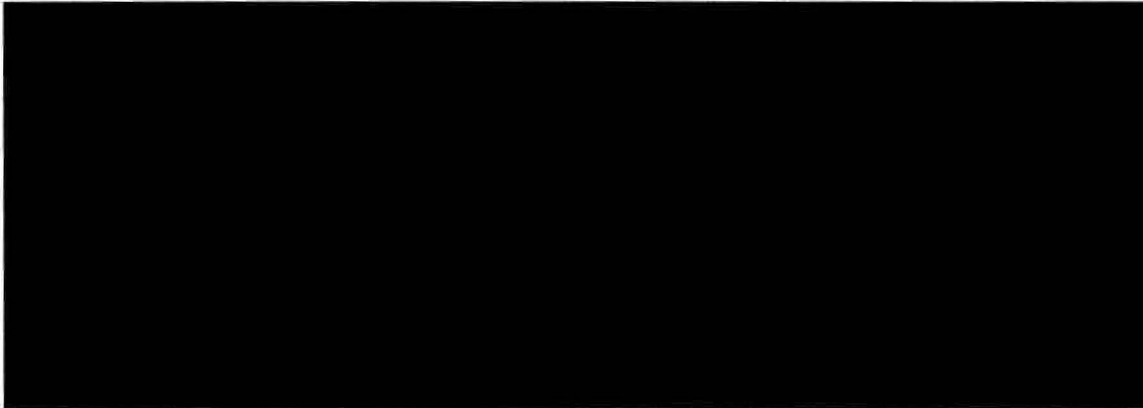
1.2. Is there a control or controls to ensure that a visual inspection was conducted to verify the observed aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)? No



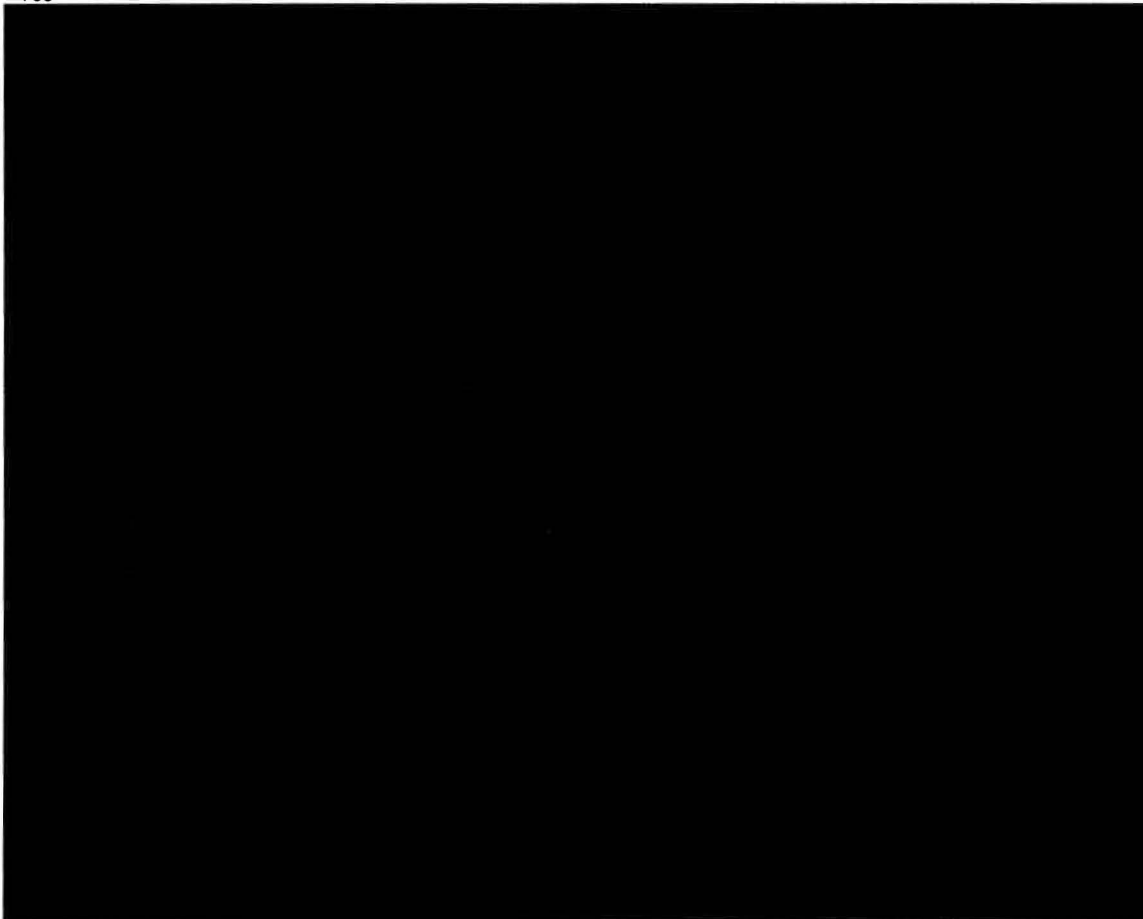


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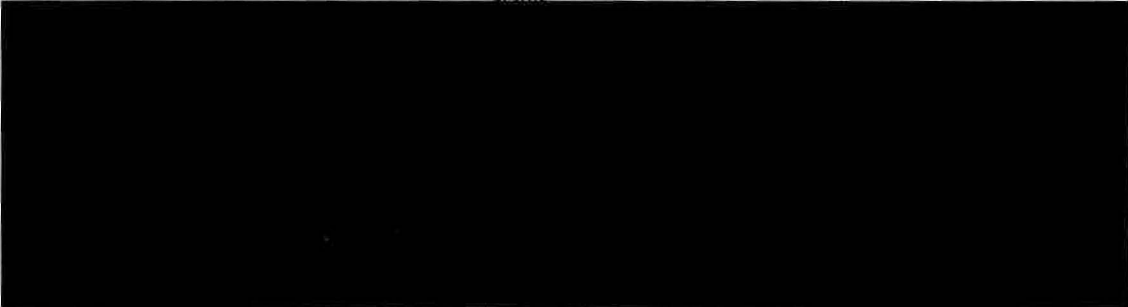


1.3. Is there a control or controls in place to ensure that actions are performed as specified in the Airworthiness Directive?  
Yes



SPAS ATOS Activities Record List - 51 Record(s)

Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Response s	Total No Response s
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1.4. Is there a control or controls in place to ensure that the certificate holder obtains an approved alternate method of compliance when an aircraft, aircraft engine, propeller, and/or appliance has been changed in a way that affects the ability of the certificate holder to accomplish the actions required by an AD? No

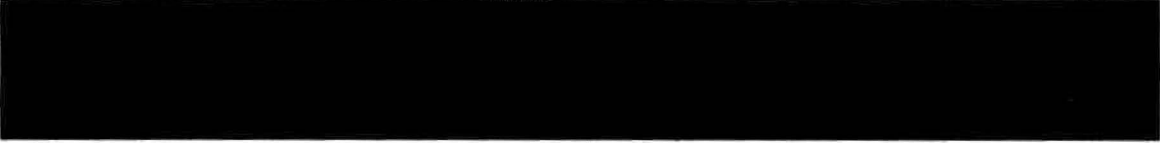


1.5. Is there a control or controls in place to ensure that any proposed alternate methods of compliance for airworthiness directives are done with the principal inspector's full knowledge? No

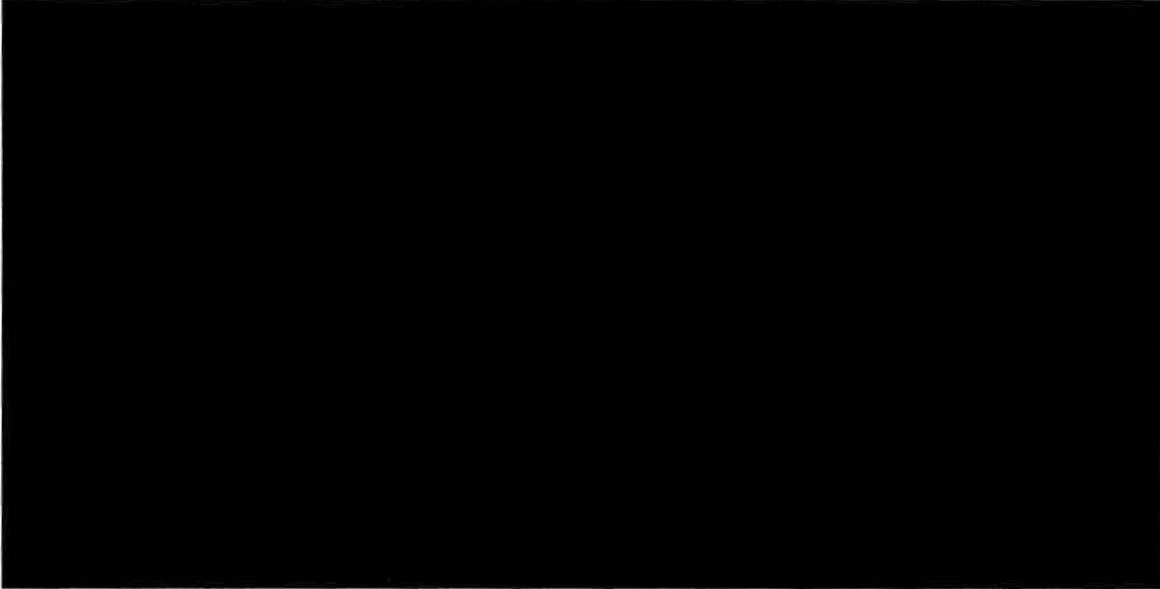


## SPAS ATOS Activities Record List - 51 Record(s)

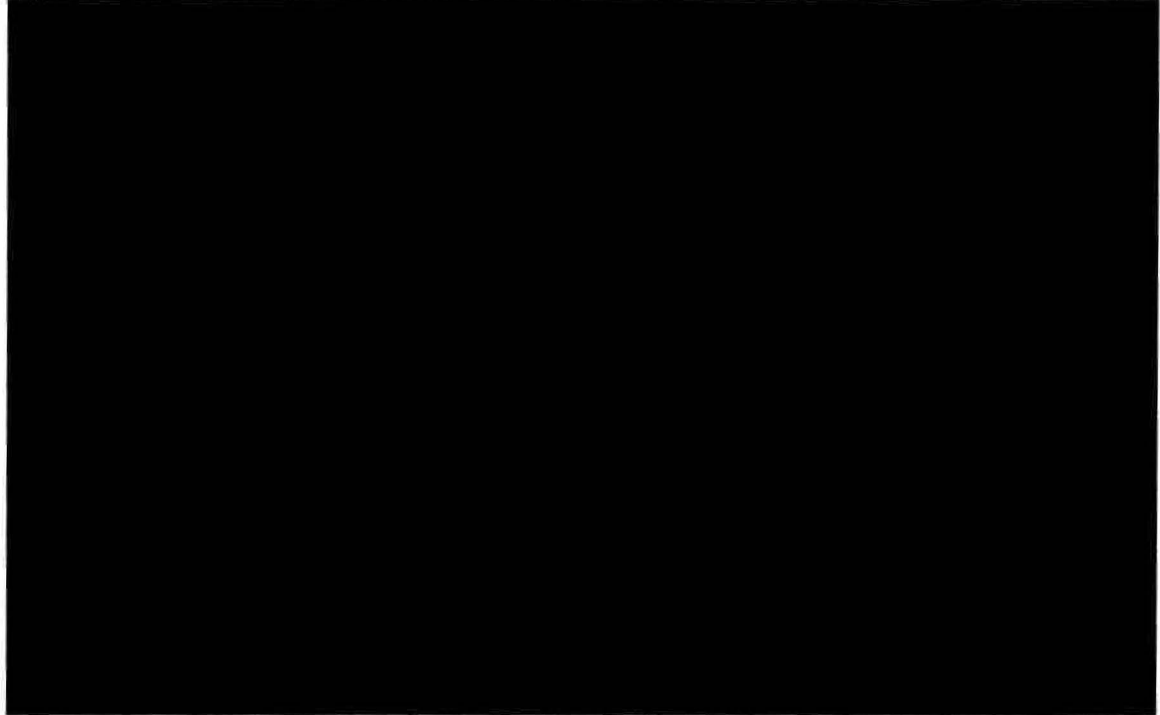
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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1.6. Is there a control or controls in place to ensure that the certificate holder obtains ACO approval for a change in compliance time, if the aircraft is to be operated differently than AD limitation requirements? No

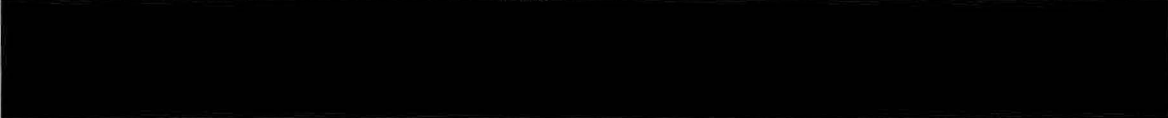


1.7. Is there a control or controls in place to ensure that the certificate holder's AD accomplishment records are accurate? Yes

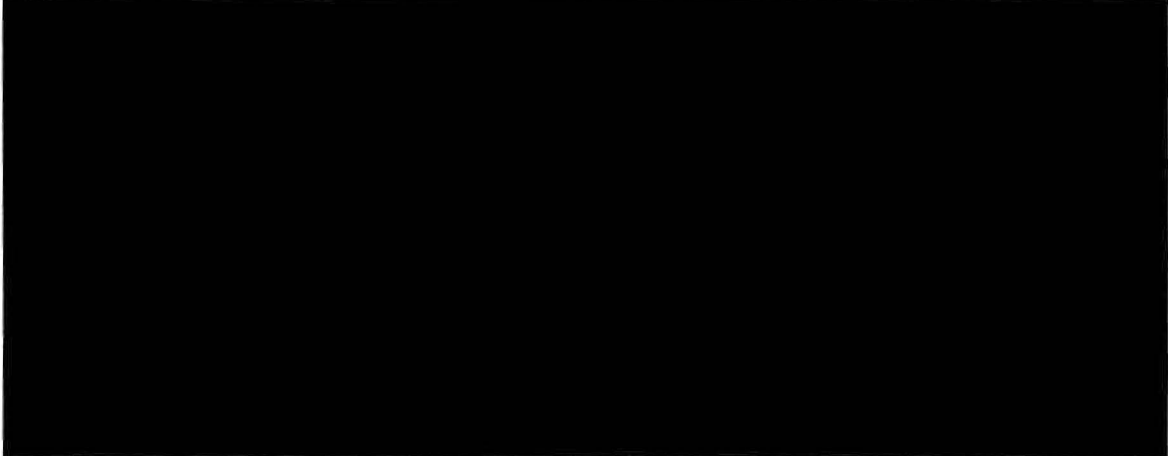


SPAS ATOS Activities Record List - 51 Record(s)

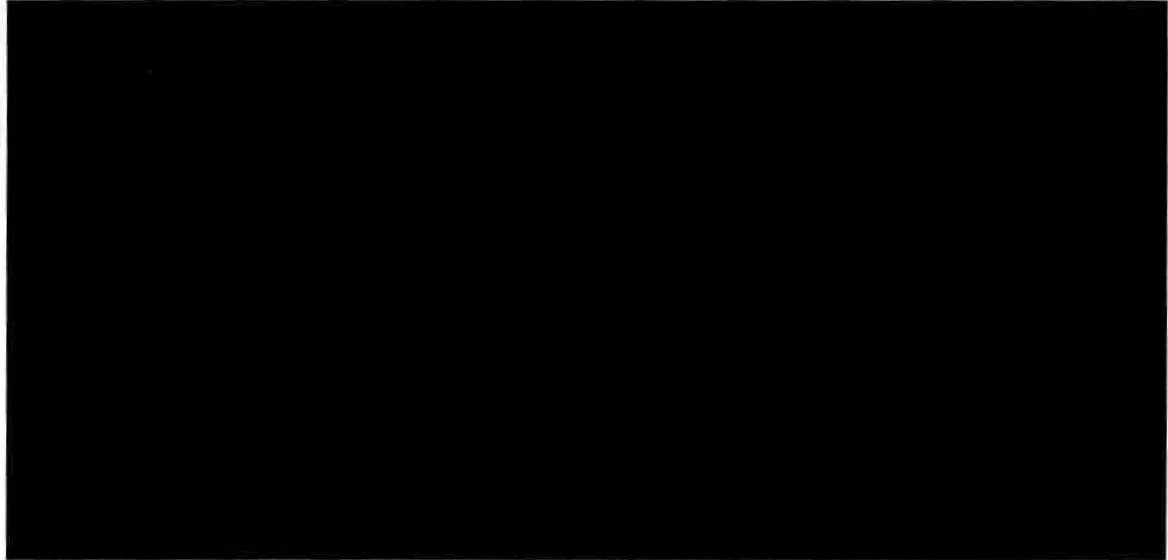
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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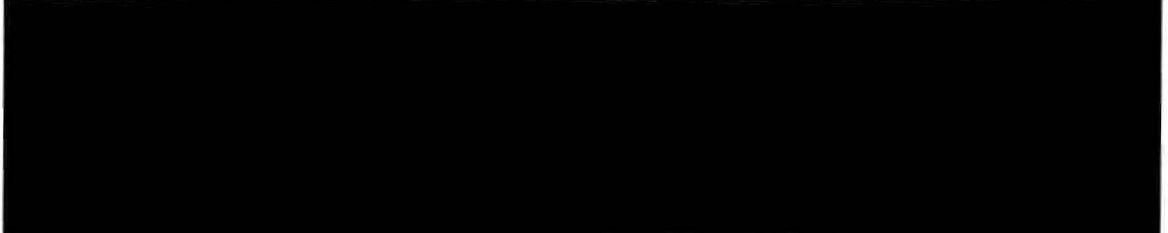
1.8. Is there a control or controls in place to ensure that the certificate holder receives Emergency AD's that affect an aircraft type in its fleet? Yes



1.9. Is there a control or controls in place to ensure that AD requirements, performed by a contractor, are properly accomplished? No



2. Does the certificate holder have a documented method for assessing the impact of any changes made to the controls in the AD Management process? No



## SPAS ATOS Activities Record List - 51 Record(s)

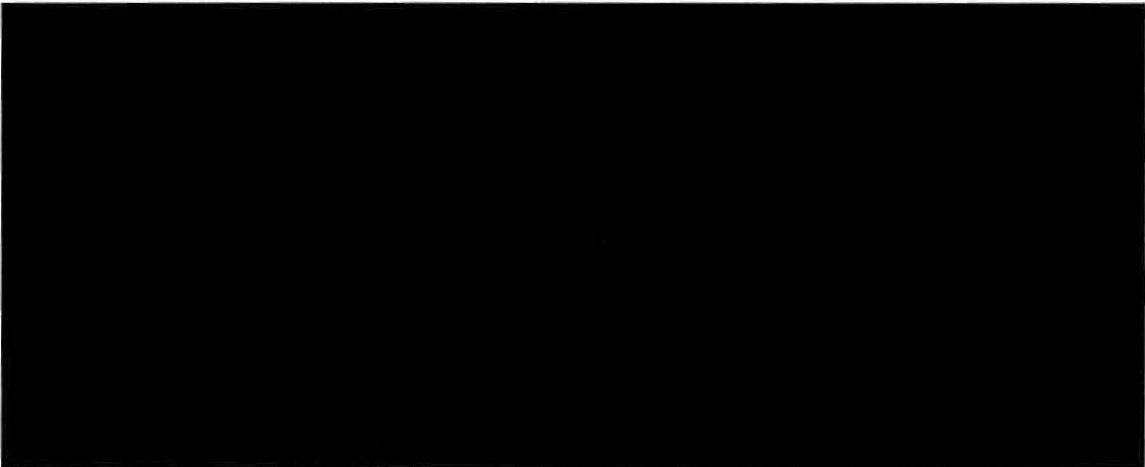
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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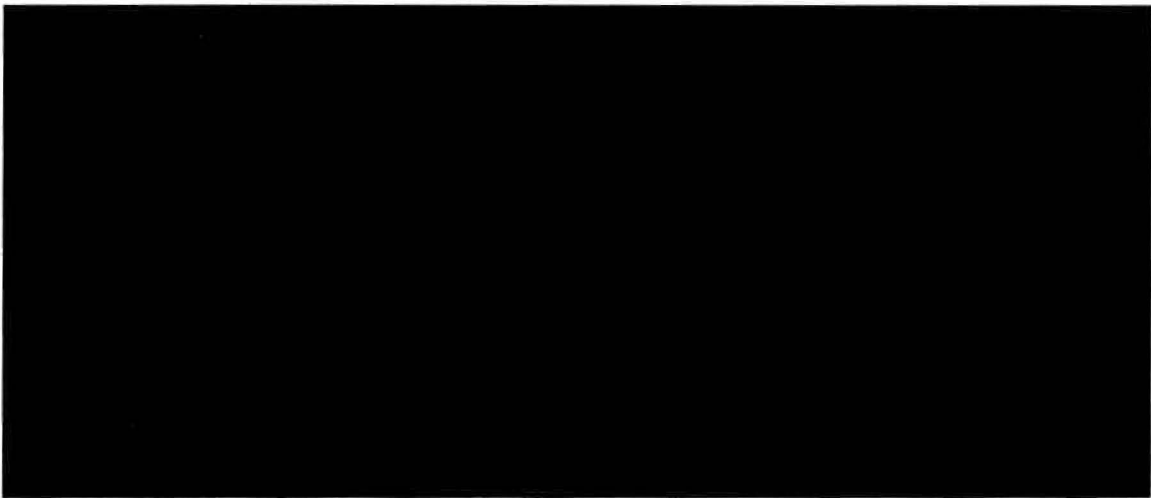
1.3.6 AD Management

1.2. Is there a process measurement or process measurements to ensure that a visual inspection was conducted to verify the observed aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)?

No

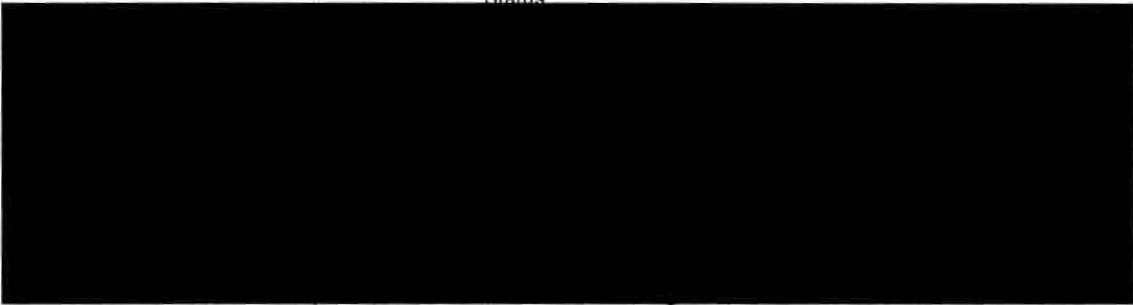


1.3. Is there a process measurement or process measurements that would identify if the observed actions were not performed as specified in the Airworthiness Directive? No

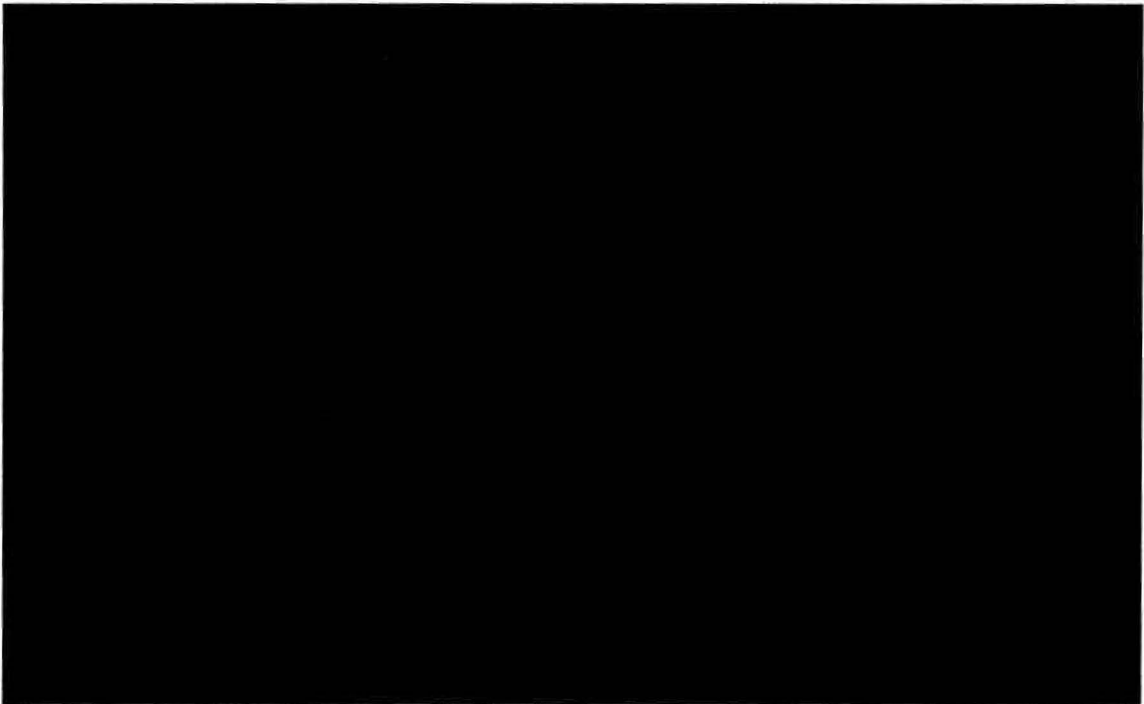


SPAS ATOS Activities Record List - 51 Record(s)

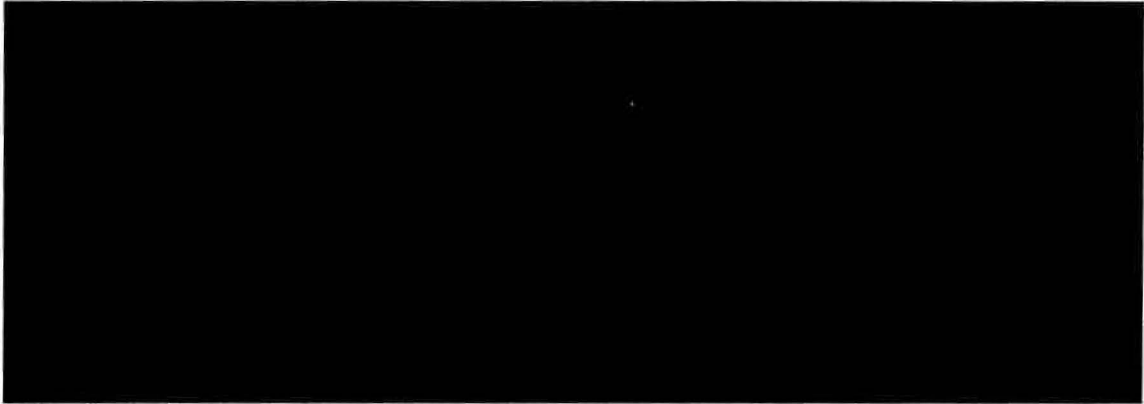
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Response s	Total No Response s
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1.4. Is there a process measurement or process measurements that would identify if the certificate holder failed to obtain an approved alternate method of compliance for an aircraft, aircraft engine, propeller, and/or appliance that has been changed, in a way that affected the certificate holder's ability to accomplish the actions required by an AD? No

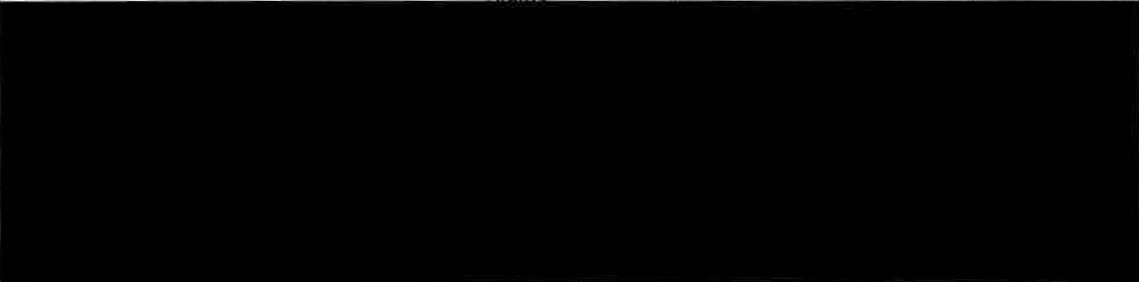


1.5. Does the certificate holder have process measurements that would reveal if the alternate methods of compliance were granted without the Principal Inspector's knowledge? No

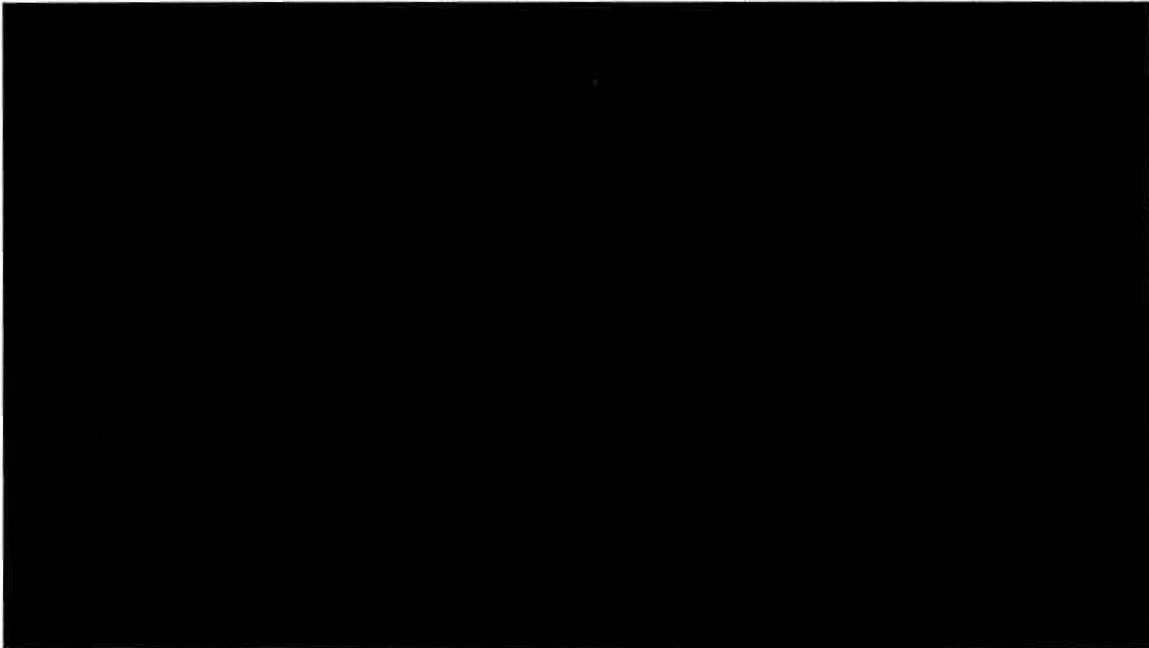


## SPAS ATOS Activities Record List - 51 Record(s)

Rec. No.	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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1.6. Is there a process measurement or process measurements that would identify if the certificate holder failed to obtain ACO approval for a change in compliance time, if the aircraft is operated differently than AD limitation requirements? No



1.7. Is there a process measurement or process measurements that would identify if the certificate holder's AD accomplishment records were not accurate? No



## SPAS ATOS Activities Record List - 51 Record(s)

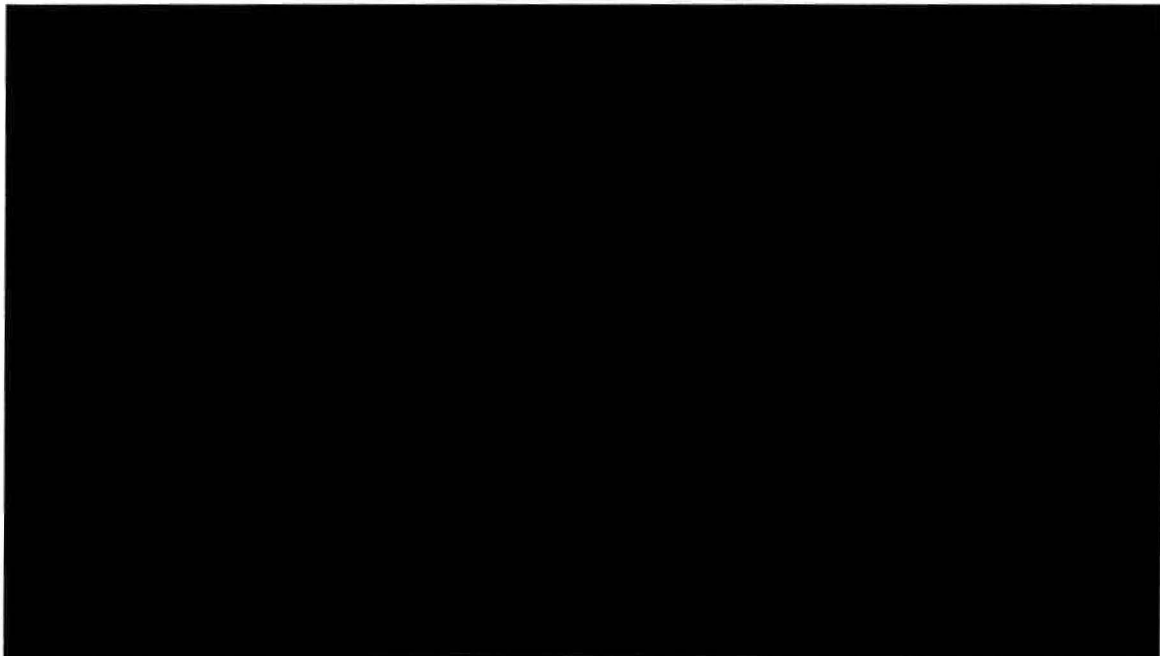
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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1.8. Is there a process measurement or process measurements that would identify if the certificate holder failed to receive Emergency/Telegraphic AD's that affect an aircraft type in its fleet? No



1.9. Is there a process measurement or process measurements that would identify if AD requirements, performed by a contractor, were not properly accomplished? No

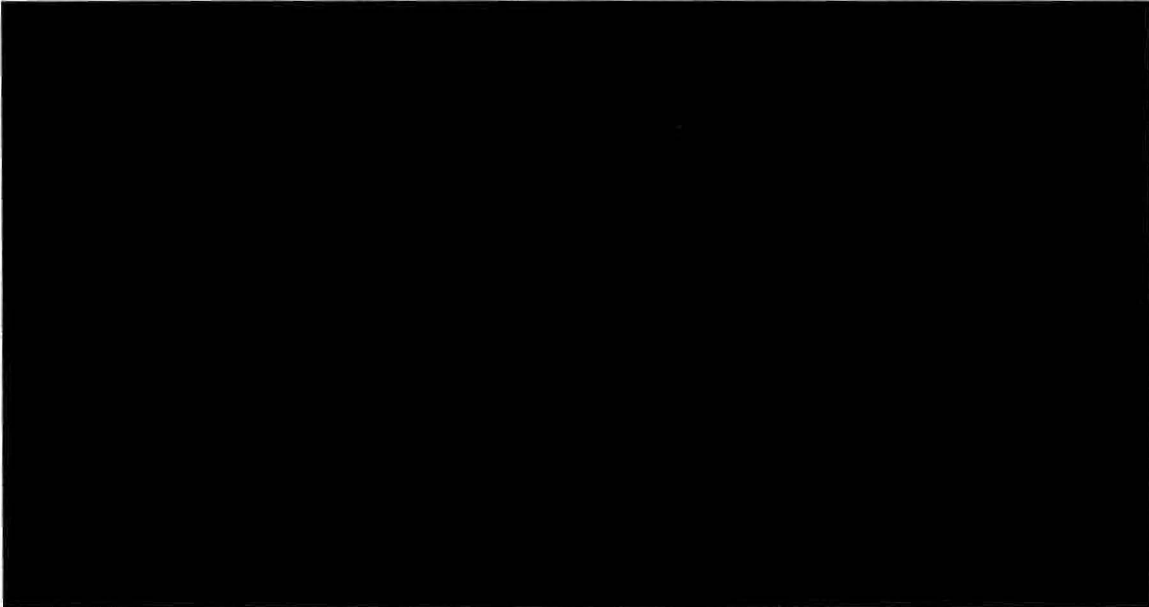




## SPAS ATOS Activities Record List - 51 Record(s)

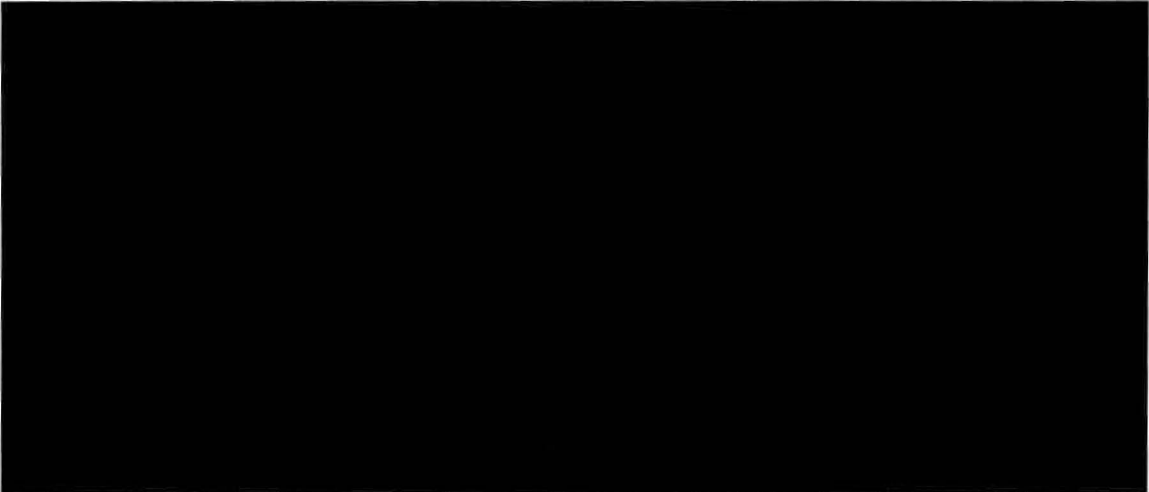
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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2. Is there a process measurement or process measurements that would reveal if the certificate holder's policy, procedures, instructions, and information were not followed? No

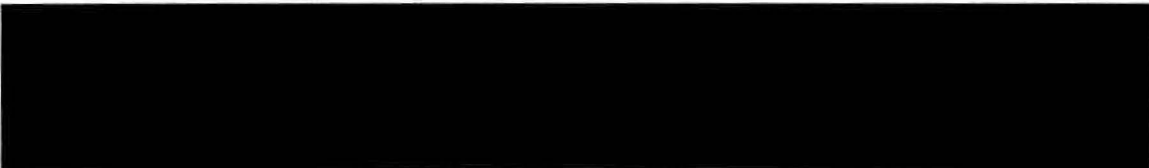


1.3.6 AD Management

1. Does the certificate holder's system properly address the interfaces that are identified along with the questions in section 1, Procedures of this DCT? No



2. Does the certificate holder document a method for assessing the impact of any changes to the associated interfaces within the AD Management process? No



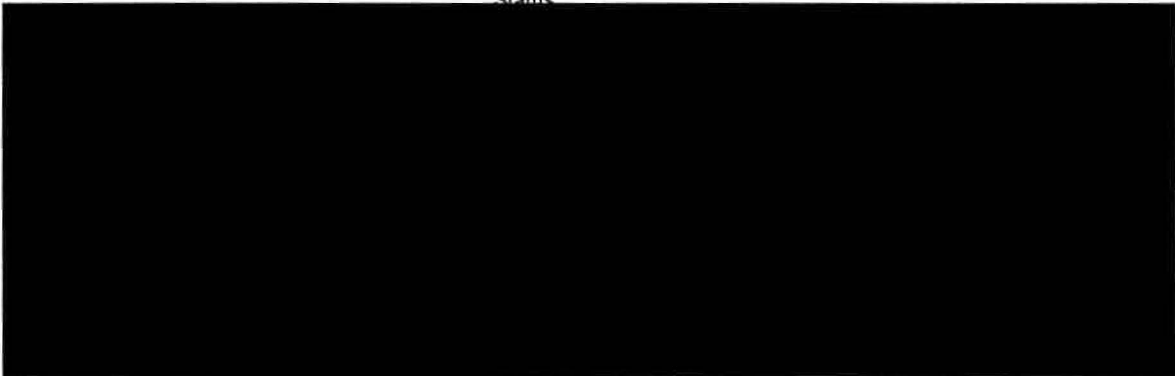
1.3.6 AD Management

1. Does the certificate holder clearly identify who is responsible for the quality of the AD Management process? No

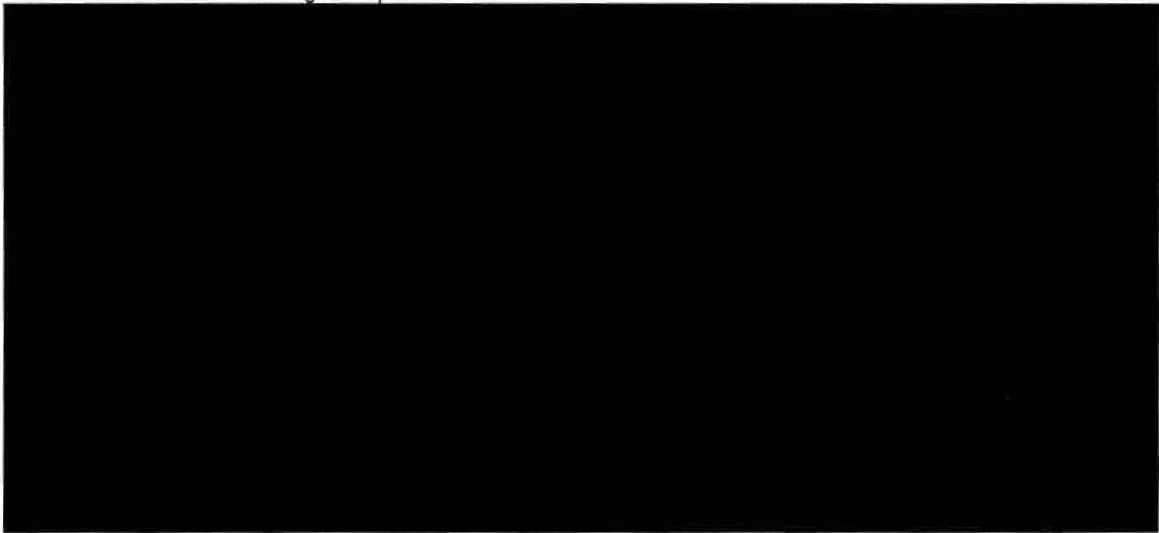


SPAS ATOS Activities Record List - 51 Record(s)

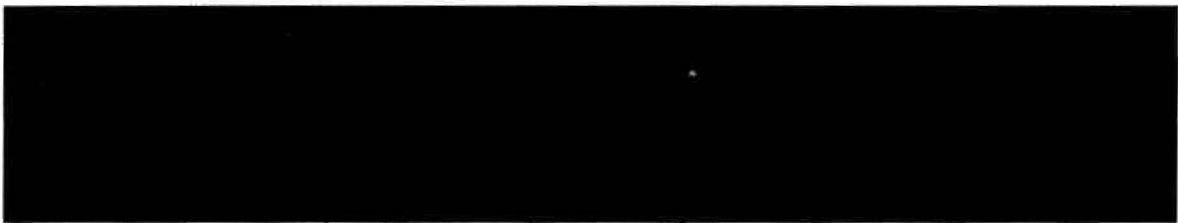
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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2. Does the certificate holder clearly identify who has authority to establish and modify the policies, procedures, instructions, and information for the AD Management process? No



4. Does the certificate holder's manual include instructions and information for those who manage the work required by the AD Management process? No

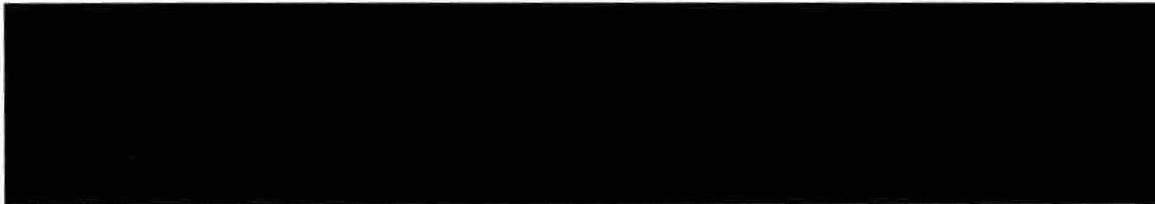


5. Does the certificate holder clearly and completely document the authority for this position? No

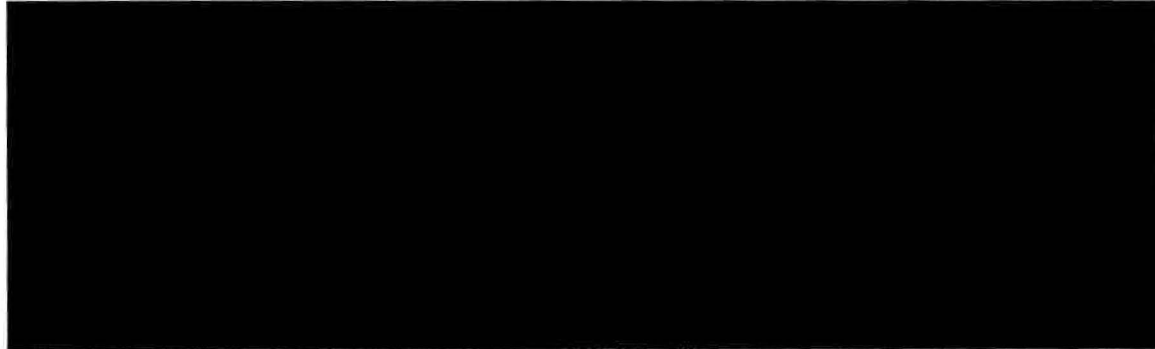


## SPAS ATOS Activities Record List - 51 Record(s)

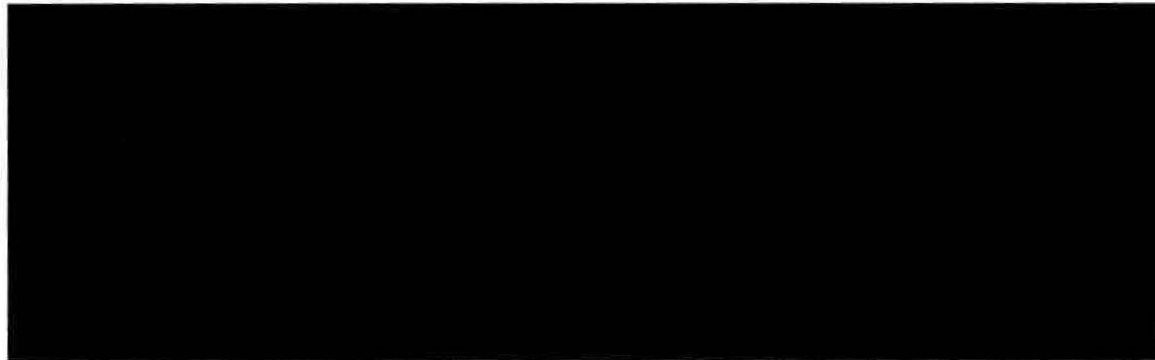
Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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6. Does the certificate holder clearly and completely document the responsibility for this position? No



7. Does the certificate holder clearly and completely document their qualification standards for the person having responsibility for the AD Management process? No



8. Does the certificate holder clearly and completely document their qualification standards for the person having authority to establish and modify the certificate holder's policies, procedures, instructions, and information for the AD Management process? No



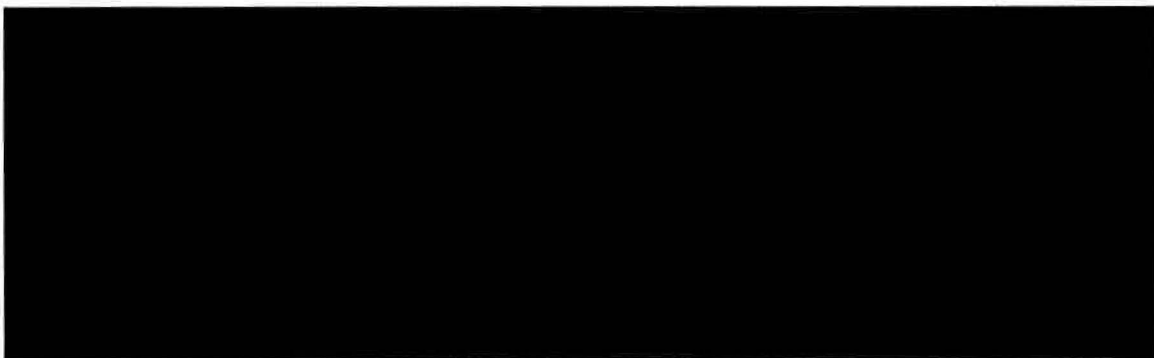
9. Does the certificate holder clearly and completely document the procedures for delegation of authority for the AD



## SPAS ATOS Activities Record List - 51 Record(s)

Rec. No	ATOS Activity ID	Designator	Activity Type	Record Status	EPI/SAI Activity Status	Specialty	Inspector ID	Element	Activity Start Date	Activity End Date	Total Yes Responses	Total No Responses
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Management process? No



33.	2002337-2013104	SWAA	ConDOR	DCC			ASW227DV		03/24/2008	03/27/2008	1	0
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Questions [REDACTED]

1.3.6 AD Management

1.1. (Performance Measures) Did the certificate holder's records indicate that the aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)? Yes



34.	2000855-2008856	SWAA	ConDOR	DCC			ASW229BB		03/24/2008	03/28/2008	1	0
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Questions [REDACTED]

1.3.6 AD Management

1.1. (Performance Measures) Did the certificate holder's records indicate that the aircraft, aircraft engines, propeller, and/or appliances were in compliance with applicable Airworthiness Directives (AD)? Yes

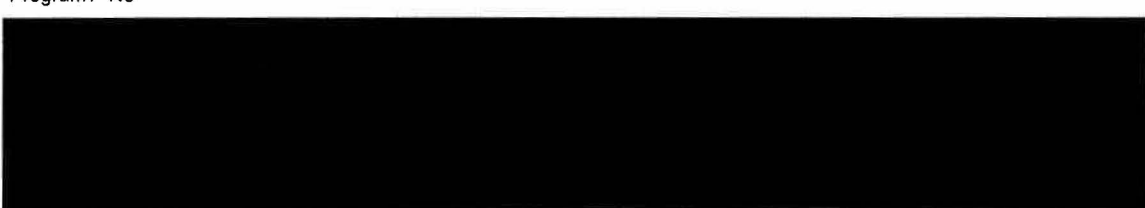


35.	2000855-2008857	SWAA	ConDOR	DCC			ASW229BB		03/24/2008	03/28/2008	1	0
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Questions [REDACTED]

1.3.2 Inspection Program

1.1. (Performance Measures) Were the inspections performed by the certificate holder, or by other persons during maintenance, preventive maintenance, or alterations performed in accordance with the certificate holder's Inspection Program? No



2. (Procedures) Were the certificate holder's policies, procedures, instructions, and information for the Inspection Program followed? No







U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

# ORDER

DOT 8000.1C

7-20-89

Subject: OFFICE OF INSPECTOR GENERAL AUDIT AND INVESTIGATION  
REPORT FINDINGS, RECOMMENDATIONS, AND FOLLOWUP ACTION

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1. PURPOSE. This Order describes the policy and procedures concerning the determination of management decisions on Inspector General audit findings and recommendations and the requirement for reporting of final action on management decisions to take corrective action. It also describes the policy for handling reports of investigation.
2. CANCELLATION. DOT 8000.1B, Office of Inspector General Audit and Investigation Report Findings, Recommendations, and Followup Action, dated October 30, 1984.
3. REFERENCES.
  - a. Inspector General Act of 1978 (Public Law 96-452).
  - b. Inspector General Act Amendments of 1988 (Public Law 100-504).
  - c. Program Fraud Civil Remedies Act of 1986.
  - d. Office of Management and Budget Circular A-50 (Revised), Audit Followup, dated September 29, 1982.
  - e. Title 49, Code of Federal Regulations, Part 31, Program Fraud Civil Remedies.
  - f. DOT 2700.14A, Credit Management and Debt Collection, dated August 19, 1986.
4. SCOPE. These policies and procedures are applicable throughout the Department. Department of Transportation (DOT) Operating Administrations or Secretarial Offices should implement this Order within 90 days and provide a copy of the implementing instructions to the Office of Inspector General. If DOT Operating Administrations or Secretarial Offices choose to supplement this Order or issue additional procedures not in conflict with this Order, they may do so. Copies of such additional procedures should be sent to the Assistant Inspector General for Policy, Planning, and Resources (JP-1) and the Office of Management Planning (M-20).

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DISTRIBUTION: All Secretarial Offices  
All Operating Administrations

OPI: Office of  
Inspector General

CHAPTER I

AUDITS

1. APPLICABILITY. This chapter applies to all audit findings and recommendations contained in draft and final audit reports issued by or processed through the Office of Inspector General (OIG). Audits include external audits of contracts or grants and internal audits of Department of Transportation (DOT) programs.
2. AUTHORITY. This Order implements the provisions contained in the Inspector General Act of 1978 (Public Law (P.L.) 96-452), the Inspector General Act Amendments of 1988 (P.L. 100-504), and Office of Management and Budget Circular A-50, Revised.
3. DEFINITIONS CONTAINED IN P.L. 100-504.
  - a. Questioned Cost. A cost that is questioned by the OIG because of:
    - (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
    - (2) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable; or
    - (3) a finding that, at the time of the audit, such cost is not supported by adequate documentation. These are called unsupported costs.
  - b. Disallowed Cost. A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
  - c. Recommendation That Funds be Put to Better Use. A recommendation by the OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation, including:
    - (1) reductions in outlays;
    - (2) deobligation of funds from programs or operations;
    - (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
    - (4) costs not incurred by implementing recommended improvements related to the operations of the agency, a contractor, or grantee;

- (5) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or
    - (6) any other savings which are specifically identified.
  - d. Management Decision. The evaluation by management officials of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.
  - e. Final Action.
    - (1) The completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report.
    - (2) In the event that management concludes no action is necessary, final action occurs when a management decision has been made. (See paragraphs 5. and 8.b. below.)
4. POLICY. To improve the effectiveness and efficiency of Departmental operations, each DOT Operating Administration or Secretarial Office shall establish a system to assure prompt responses to audit reports and implementation of audit recommendations. These systems shall provide for a complete record of actions taken on audit recommendations and must be capable of reporting in a timely and uniform manner in order to meet information and reporting requirements. In DOT, a final decision should be rendered within six months after the final report issuance date. Corrective actions in regard to management decisions must be completed and a report rendered on the completed action as quickly as possible.
5. PROCESSING MANAGEMENT DECISIONS. The processing of management decisions involves reaching agreement between management and the OIG on audit recommendations. If an initial management decision at the auditee level fails to satisfactorily accept and implement an OIG recommendation, the matter may be referred by the OIG to higher levels of management, the Assistant Secretary for Administration as the Departmental Followup Official (DFO), or the Secretary, as appropriate. The Secretary, Deputy Secretary, and the DFO (see paragraph 8.a. below) are the only persons in the Department who are authorized to make final management decisions for the Department in accordance with P.L. 100-504 in cases where there is disagreement between management and the OIG.
6. RESPONSIBILITIES OF THE OFFICE OF INSPECTOR GENERAL.
- a. Issuance of Draft Reports. The OIG shall formally issue a draft report for each internal audit containing findings and recommendations. The draft report is used to confirm the facts presented, foster understanding of the findings and recommendations, and alert management to material weaknesses in underlying systems of internal control. The draft report provides management with an opportunity to comment on the



OIG recommendations contained in the report and outline a plan for implementing corrective actions on the recommendations. The OIG shall ensure that sufficient supporting criteria is included in the audit report to permit management an opportunity to evaluate whether identifiable monetary benefits associated with the audit recommendations are, in fact, realizable. The response to the draft report is required within 60 days and shall be included in the final report. The management response to a draft audit report will be reviewed by the OIG and will be considered when preparing the final report. If a response is not received in a timely manner, the final report may be issued by the OIG with a statement that a response to the draft was requested but not received.

- b. Issuance of Final Reports. The OIG shall indicate in the final report for each audit, or in the report transmittal memorandum of audits performed by other than OIG auditors, which recommendations still require a management decision. For those recommendations where a management decision has been made, the final report will contain the agreed-upon action and timeframe for implementation. If management has not made a decision to accept the recommendations or a more detailed response is needed, a formal response shall be requested in the report and will be due within 60 days of issuance of the final report. Reports not responded to within 60 days shall be referred to the DFO for appropriate action. The OIG will notify the DOT Operating Administration or Secretarial Office of any decision not to issue a final report when a draft has been previously issued.
- c. Reviewing Responses to Final Reports. The OIG shall review management's responses to recommendations on final reports and will work with management at the report addressee or agency head level to resolve any differences or nonconcurrences. The OIG should complete action on management's response during a 30-day period following receipt of the response. Any remaining disagreements shall be referred to the DFO for resolution.
- d. Maintaining Audit Followup Data. The OIG shall maintain a data base of recommendations on all audit reports until final action has been taken. The data base will:
  - (1) List each recommendation.
  - (2) Track each recommendation until final action is completed.
  - (3) Record both the target completion date, in accordance with the management decision, and the actual completion date of corrective actions.

- (4) The amount of costs questioned or estimated dollar benefits associated with each recommendation and the amount agreed to in the management decision. Actual recoveries of costs or funds be put to better use will be recorded based on information contained in final action reports.
- e. Sharing Audit Followup Data. For control purposes, the OIG will provide the DFO and modal followup officials a monthly status report. The report shall list all audit reports with recommendations requiring management decision and/or final action.
- f. Semiannual Reporting of Audit Results. Pursuant to P.L. 100-504, the OIG shall, on a semiannual basis, report to the Secretary and Congress the results of audit activity during the period, including the decision status of audit reports issued, a listing by subject matter of each audit report issued during the period including dollars questioned or funds be put to better use, and a summary of significant reports. The semiannual report will include:
- (1) Statistical tables showing the total number of audit reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for audit reports:
- (a) for which no management decision had been made by the commencement of the reporting period;
  - (b) which were issued during the reporting period;
  - (c) for which a management decision was made during the reporting period, including:
    - 1 the dollar value of disallowed costs, and
    - 2 the dollar value of costs not disallowed; and
  - (d) for which no management decision has been made by the end of the reporting period.
- (2) Statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management, for audit reports:
- (a) for which no management decision had been made by the commencement of the reporting period;
  - (b) which were issued during the reporting period;
  - (c) for which a management decision was made during the reporting period, including:
    - 1 the dollar value of recommendations that were agreed to by management, and

2 the dollar value of recommendations that were not agreed to by management; and

- (d) for which no management decision has been made by the end of the reporting period.
  - (3) A summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;
  - (4) A description and explanation of the reasons for any significant revised management decision made during the reporting period; and
  - (5) Information concerning any significant management decision with which the Inspector General is in disagreement.
- g. OIG Review of Final Action Reports. The OIG will promptly review final action reports submitted by management. If the final action is considered consistent with the management decision, a final action date will be entered into the followup system and the report closed out. If the final action is not consistent, significant differences will be forwarded to the DFO for a determination of acceptable final action.

## 7. RESPONSIBILITIES OF MANAGEMENT.

- a. Establishment of Audit Followup Controls. Primary responsibility for responding to and implementing audit recommendations rests with the management official to whom the report is addressed. The Assistant Secretary for Administration (for the Office of the Secretary) and the Heads of Operating Administrations shall establish procedural controls to assure timely responses to audit reports and completion of agreed-to action as quickly as possible. Failure to take final action within one year will result in the required reporting in the Secretary's report to Congress (see paragraph 8.d. below).
- b. Designation of Modal Followup Official. The Heads of DOT Operating Administrations shall designate a high level official to act as the Modal Followup Official (MFO). This official shall have appropriate authority and responsibility to establish a followup system to ensure that timely management decisions are made and that final actions are taken on management decisions. This responsibility shall include the maintenance of accurate followup records and the assurance that accounting controls are maintained for audit disallowances. Generally, the MFO shall be at an Associate Administrator or comparable level.

- c. Responding to OIG Draft Reports. DOT Operating Administrations management officials shall respond to OIG draft reports within 60 days (30 days for management advisory memoranda) by setting forth their agreement or disagreement with the audit findings, recommendations, and monetary amounts including costs questioned and estimate of funds be put to better use; and the estimated target dates for completion of final actions on recommendations with which they agree.
- d. Responding to OIG Final Reports. For those audit recommendations where a management decision was not obtained by the time the final report was issued or a more detailed response was needed, and those contained in external report transmittal memoranda, management officials shall inform the OIG within a maximum time limit of 60 days as to the management decision they propose. (For contract preaward audit reports, see paragraph 7.f. below.) The response to the OIG shall include the information contained in paragraph 7.c. on recommendations with which they agree. If a DOT Operating Administration or Secretarial Office disagrees with the audit recommendations or only partially agrees, the OIG shall be given an explanation of the reasons.
- e. Preparing Final Action Reports. When management decisions are made, followup officials shall maintain a record of action taken on each decision. Final actions shall be documented in a report. The report shall contain the audit report number, the report title, a description of the recommendations involved, the management decision, and the date final action was completed. The report shall show the amount of disallowed cost recovered, and funds be put to better use. Except for contract preaward audit , an OIG monthly status report may be used as a final action report if it is annotated to include all the required data, and is signed, and dated by the followup official. The report will be sent to the OIG, attention JP-10, with a copy to the DFO, attention M-20. The OIG will review the final action taken and if consistent with the management decision, enter a final action date in the followup system and close out the report. If the final action is not consistent with the management decision, the OIG will note significant differences and forward the matter to the DFO for a determination of acceptable final action.
- f. Final Action Reports on Contract Preaward Audits. In regard to preaward audits of contracts, the OIG will be notified within 60 days following contract award of the actions taken on the report recommendations. This notification, the final action report, will include a copy of the price negotiation memorandum prepared in accordance with the Federal Acquisition Regulation for the contractor awarded the contract. In addition, the final action report should show the amount of contract cost reduction attributable to the audit report recommendations and notations should also be made of the preaward audits furnished on unsuccessful bidders so that these reports can be closed out. The final action report shall be sent to the OIG, attention JP-10, with a copy to the DFO, attention M-20.

- g. Provide Data for Secretary's Report to Congress. DOT Operating Administrations or Secretarial Offices should respond promptly to information requests from the DFO for information necessary for inclusion in the Secretary's Report to Congress (see paragraph 8.c. below).
- h. Collection of Disallowed Costs. Accounting and collection controls shall be established for any amounts due the Government as a result of audit. These procedures shall be in accordance with DOT 2700.14A, Credit Management and Debt Collection. Audit disallowance receivables will be recorded when the management decision is made concerning disallowed costs. This may be a best estimate.

8. RESPONSIBILITIES OF THE DEPARTMENTAL FOLLOWUP OFFICIAL.

- a. Designation of the Departmental Followup Official. The Assistant Secretary for Administration has been designated by the Secretary as the Departmental Followup Official in accordance with Office of Management and Budget Circular A-50 (Revised).
- b. Resolving Audit Disagreements. The DFO is the highest management level, with the exception of the Deputy Secretary or Secretary, for effecting a management decision when the OIG and DOT Operating Administrations or Secretarial Offices disagree on audit recommendations. Every effort will be made to provide the DFO 90 days to resolve audit disagreements.
- c. Final Action on Audit Recommendations. Pursuant to P.L. 100-504, the DFO shall, on a semiannual basis, prepare the report which the Secretary sends to Congress on the results of final action taken concerning management decisions. The DFO shall provide the information prescribed in Section 106(b) of P.L. 100-504. The DFO shall coordinate with the OIG and the DOT Operating Administrators to ensure that the information in the report is accurate. The first report shall be furnished for the semiannual period ending March 31, 1990, and shall be entitled "Report on Final Action."
- d. Format for Report on Final Action. The semiannual report on final action will contain the following information:
  - (1) Comments the Secretary considers appropriate.
  - (2) Statistical tables showing the total number of audit reports and the dollar value of disallowed costs, for audit reports:
    - (a) for which final action had not been taken by the commencement of the reporting period;
    - (b) on which management decisions were made during the reporting period;

- (c) for which final action was taken during the reporting period, including:
    - 1 the dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and
    - 2 the dollar value of disallowed costs that were written off by management.
  - (d) for which no final action has been taken by the end of the reporting period.
- (3) Statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports:
- (a) for which final action had not been taken by the commencement of the reporting period;
  - (b) on which management decisions were made during the reporting period;
  - (c) for which final action was taken during the reporting period, including:
    - 1 the dollar value of recommendations that were actually completed; and
    - 2 the dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed; and
  - (d) for which no final action has been taken by the end of the reporting period.
- (4) A statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year, containing:
- (a) a list of such audit reports and the date each such report was issued;
  - (b) the dollar value of disallowed costs for each report;
  - (c) the dollar value of recommendations that funds be put to better use agreed to by management for each report; and

- (d) an explanation of the reasons final action has not been taken with respect to each such audit report, except that such statement may exclude such audit reports that are under formal administrative or judicial appeal or upon which management has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.





## CHAPTER II

### INVESTIGATIONS

1. PURPOSE. This chapter contains DOT policy and procedures for the review of Office of Inspector General (OIG) Reports of Investigation and the reporting and review of corrective actions taken as a result of the investigation.
2. BACKGROUND.
  - a. In accordance with section 5(a) of the Inspector General Act of 1978 (5 U.S.C. App.), the Inspector General (IG) must keep the Secretary and Congress fully and currently informed concerning significant problems, abuses, or deficiencies relating to the administration of programs and operations administered or financed by DOT; recommend corrective action concerning such problems, abuses, or deficiencies; and report on the progress made in implementing such corrective action.
  - b. Further, the IG must, pursuant to section 4(d) of the Act, report expeditiously to the Attorney General of the United States whenever the IG has reasonable grounds to believe there has been a violation of Federal criminal law. The Department of Justice (DOJ) will decide whether civil or criminal actions should be instituted or declined and will inform the IG of that decision.
  - c. OIG Reports of Investigation are prepared for use in criminal, military, civil, administrative, or management proceedings.
  - d. The Assistant Inspector General for Investigations will maintain a followup system to ensure that appropriate and timely actions are taken by DOT management officials or other action authorities in response to OIG investigation reports.
  - e. Corrective action taken by management officials or other action authorities as a result of an investigation may consist of disciplinary actions; adverse actions against Departmental employees; military actions; debarments or suspensions of DOT direct Federal contractors; unacceptability of Federal-aid contractors; or a change in rules, regulations, or operating procedures consistent with existing laws, rules, or regulations.
  - f. The Program Fraud Civil Remedies Act (PFCRA) and the implementing DOT regulation, Title 49, CFR, Part 31, established an administrative remedy against anyone who makes a false claim or false written statement to DOT or a State or local public entity, Federal contractor or grantee organization which receives money, property, or services from DOT. PFCRA prescribes a penalty of up to \$5,000 per false claim or written statement and, with respect to false claims, an assessment

of up to double the amount falsely claimed. A false claim or a group of related claims in excess of \$150,000 may not be pursued under PFCRA.

3. GENERAL POLICY.

- a. Investigations will be initiated when appropriate. The results of the investigation shall be reported expeditiously to the designated DOT Operating Administration or field liaison officer for corrective actions or for informational purposes.
- b. In those cases where some form of corrective action becomes necessary, the action taken must be timely, have a constructive effect, be based on cause, and be consistent with laws and regulations governing such actions. The OIG must be promptly advised of the results.
- c. Failure to discipline employees or take corrective action on grantees and contractors who have acted corruptly or unlawfully, or failure to take other forms of corrective action when warranted, will be documented and reported to higher-level management.
- d. The OIG will determine if OIG Reports of Investigation or related memoranda have been reviewed and properly acted upon by agency officials and maintain a record of resolution action taken.
- e. The OIG may refer disputed corrective actions other than those involving personnel actions, to the next higher level of operating management directly concerned.
- f. Before taking adverse personnel actions based on an OIG Report of Investigation or memoranda, agency officials should ensure that those actions have been coordinated with appropriate personnel and/or labor relations officials.

4. CRIMINAL ENFORCEMENT ACTIONS. Normally, OIG investigative reports concerning frauds against the Government are issued to the DOJ or other agencies for a prosecutive determination or used in connection with grand jury proceedings. Following indictment, prosecution, or a declination of prosecution, the OIG may then propose additional corrective actions within DOT.

5. DOT ACTIONS WHILE REPORTS ARE PENDING IN THE DEPARTMENT OF JUSTICE. An OIG Report of Investigation or memorandum may be furnished to DOT Operating Administrations or Secretarial Offices so that immediate necessary steps can be taken to protect the integrity of a DOT program or operation in the interest of safety or public welfare while the matter is pending a prosecutive decision. Under such circumstances, employees and DOT officials shall refrain from making any comment or taking any actions which might prejudice the Government's interest in a pending criminal or civil case. DOT officials who must take action on the OIG reports shall coordinate such matters with the cognizant OIG office to avoid any possible compromise of an ongoing investigation or legal proceeding. Under no circumstances should a compromise payment or offer of a settlement be made with a potential defendant without discussion with the OIG and DOJ

approval. These provisions do not supersede the responsibility of the DOT Board of Contract Appeals in carrying out the provisions of the Contract Disputes Act of 1978 (P.L. 95-563).

6. DOT PROCEDURES FOLLOWING DECLINATIONS OF PROSECUTION.

- a. DOJ or other prosecutive agencies may decline to prosecute a case referred to them by the IG for a variety of reasons but mainly because:
  - (1) No substantial Federal or State interest would be served by prosecution.
  - (2) The case lacks jury appeal.
  - (3) There exist adequate, more appropriate Departmental administrative remedies, such as PFCRA proceedings, suspension, removal from service, restitution by the employee, debarment, etc., in lieu of prosecution.
- b. Following a declination of prosecution or civil action by the DOJ or other agencies, the OIG will usually continue the investigation for administrative purposes and report the results to the Operating Administration or Secretarial Office upon completion (see paragraph 8 for corrective actions).
- c. If the Assistant Inspector General for Investigations, designated by the IG as the Department's investigating official, determines that an action under PFCRA is warranted, he shall submit a report of the investigation to the Departmental reviewing official. If adequate evidence is found, a Notice of Intent is sent to DOJ seeking final authority to issue a complaint and proceed under PFCRA.

7. REPORTS OF INVESTIGATION.

- a. OIG Reports of Investigation are, as a minimum, designated "For Official Use Only" and are inherently sensitive, as they may contain information obtained in confidence or privacy information, or concern sensitive internal matters. Reports will be prepared to the extent practical to allow for maximum use in administrative actions or proceedings.
- b. Highly sensitive or major program investigations will be distributed to appropriate officials at headquarters level. Other reports may be distributed directly to the Regional Director of a DOT Operating Administration or designated field liaison officer for investigations, with a copy of the transmittal letter being sent to the headquarters liaison officer.

- c. Investigative reports remain the property of the OIG and access must be limited to those officials who have a need-to-know. The reports must be safeguarded in accordance with procedures on the reverse side of the report cover. The Report of Investigation is not subject to release under the Freedom of Information Act until the OIG has received the final legal and/or administrative closing action. In addition, records of disclosure must be maintained on the reverse side of the report cover.
- d. Release of reports to individuals other than those responsible for taking action will not be made without prior coordination with the OIG. These restrictions do not necessarily prohibit disclosure required in the course of adverse action proceedings.
- e. Release to the press or media of OIG Reports of Investigation or memoranda, or the information contained therein, will not be made without prior coordination with the OIG. Reports may only be duplicated without prior OIG approval when so required in the course of adverse action proceedings.
- f. Reports may be duplicated for authorized use within DOT. The designated liaison official will maintain a record of the number of copies made and their distribution.

#### 8. CORRECTIVE ACTIONS.

- a. The OIG office that issues a Report of Investigation is responsible for following to conclusion all matters reported. All possible information will be provided to DOT Operating Administration officials or Secretarial Offices to initiate corrective actions.
- b. Appropriate disciplinary action against a DOT employee will be imposed in accordance with established Office of Personnel Management and DOT guidelines or procedures under the Uniform Code of Military Justice. Consideration should be given to the gravity of the offense, frequency of violation, position of the employee and his or her past record, real or potential impact on safety and public welfare, and harm caused to DOT program or operational integrity. In addition, the employing Operating Administration or Secretarial Office shall ensure that restitutions are made or that other forms of collections or recoveries are initiated where appropriate.
- c. In those cases where sufficient experience has been developed, the OIG will notify the DOT Operating Administrations or Secretarial Offices of previous corrective actions taken in similar cases.
- d. The employee, grantee, or contractor's unethical or unlawful conduct, and not the prosecutor's decision to forego prosecution, constitutes the basis for Operating Administration or Secretarial Office corrective actions.

- e. The fact that an employee, grantee, or contractor is indicted or convicted of a crime does not relieve the Operating Administration or Secretarial Office of initiating separate appropriate corrective action.
- f. In those instances where DOT contracts or grants are involved, remedial actions shall be taken in accordance with existing laws, rules, and regulations.

9. NOTIFICATION OF ACTIONS TAKEN.

- a. The management official to whom the report is addressed is responsible for notifying the OIG of actions taken. This notification will include the date and specific nature of the actions taken, including copies of any documentation which supports the actions taken (e.g., final decision letters, notice to effect payroll deductions, etc.). If no action was taken, notification shall include the reasons why.
- b. Normally, DOT elements will be requested to provide the OIG with notice of actions taken within 60 days.

10. CLOSING ACTION. The OIG will consider an investigative matter closed when:

- a. Necessary administrative action is completed (such as amount of indebtedness determined and arrangements made for its payment, and personnel or other administrative actions accomplished) and reported to the OIG.
- b. Legal action is completed by DOT or the DOJ (including a U.S. Attorney). A final judgment or settlement by the DOJ in a civil case is considered as completion of legal action, even though the amount has not been collected.
- c. Action has been taken under the Uniform Code of Military Justice and approved by the appropriate authority.

FOR THE SECRETARY OF TRANSPORTATION:



Melissa J. Allen  
For the Assistant Secretary  
for Administration