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OFFICE OF ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS
DEFENSE CRIMINAL INVESTIGATIVE SERVICE

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DEFENSE CRIMINAL INVESTIGATIVE SERVICE
Press Release

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on June 21, 2000, The United States Attorney's Office, Phoenix, AZ, filed a civil False Claims Act complaint against The Boeing Company (formerly known as McDonnell Douglas Helicopter Systems), Mesa, AZ. The case, CIV-98-1476-PHX-SMM, was originally filed in federal district court in Phoenix by a former Boeing employee pursuant to the qui tam provisions of the False Claims Act.

The complaint was the result of an investigation that involved the "fuzz buster" on the AH-64A Apache Attack Helicopter (Apache) manufactured for the U.S. Army (as well as numerous foreign customers) by Boeing. This component is designed to attract and burn off small pieces of debris from the oil in both the Apache's main transmission and each of its two engine nose gearboxes. If a piece of debris is too large to be burned off, a "CHIPS" caution and warning light illuminates and Army procedures dictate that the helicopter be landed as soon as possible or practical.

The investigation revealed that, during the production of the Apache, Boeing failed to provide the fuzz busters with the 28-volts required to operate properly. The fuzz busters in all Apaches produced by Boeing are only receiving a residual 8-volts from the caution and warning panel. This minimal voltage does not burn off normal or inconsequential debris, causing numerous unnecessary precautionary landings and mission aborts. These events are not only costly; they adversely affect Apache crew training and combat readiness.

The complaint states that Boeing was aware of this deficiency at least by 1991, but did not inform the Government of the problem and did not take any corrective action. The complaint alleges that Boeing violated the False Claims Act by continuing to deliver helicopters which they knew did not conform to the relevant portion of the system specification which states that the fuzz busters are to preclude "unnecessary shutdowns and inspections".

Throughout the investigation, Boeing has maintained that the fuzz busters meet the system specification. Data gathered from the U.S. Army Flight Safety Center at Fort Rucker, AL, showed that over 75 percent of the documented "CHIPS" light illuminations were caused by normal or inconsequential fuzz (which likely would have been burned off if the fuzz busters were wired to 28-volts).

Boeing has also expressed concern that supplying 28-volts to the fuzz busters in the Apache's engine nose gearboxes could cause an explosion if a number of circumstances were present. The fuzz buster manufacturer, as well as several Boeing employees, have informed the company that the possibility of an explosion is extremely remote. The complaint states that the advancement of the explosion theory by Boeing, in the face of a large amount of contradictory evidence, is a violation of the False Claims Act.

This investigation was conducted by the Defense Criminal Investigative Service (the investigative arm of the OIG, DoD) and the U.S. Army Criminal Investigation Command. Prosecution is being handled by Assistant United States Attorney (AUSA) David Duncan, District of Arizona.

The point of contact regarding this press release is AUSA Duncan. He can be contacted at (602) 514-7748.

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