

## CONFLICT OF INTEREST

By James Collins

The FAA issued a ten billion dollar contract (NISC) to Lockheed Martin for consulting help to acquire multi discipline support throughout the United States. As an Arthur D Little manager, I ended up as the Task Order Manager (TOM) for the six New England states when Arthur D Little became a prime team member.

Many times the FAA needed a specific discipline for a short period approximately one to three years. At the end of that time, they often had to lay the personnel off or they had to keep them on the program for 30 years. In addition, the required disciplines were often unique and the FAA had no experience in either hiring acquiring or supervising these personnel. The task order manager handled all of these aspects. The FAA also liked this arrangement because they could observe these personnel at work in the facilities and if a need arose, they could make an offer to these people and hire them as full-time FAA personnel. It was a win -win situation for the FAA and they loved the contract.

One year, an opening for two FAA environmental engineers opened starting on 1 October. FAA managers came to me and indicated that they would make offers to two of our people who had been working on the contract for about two years each. At the same time, they said I could hire new people to fill the future open positions. I approved them discussing this with my engineers and I notified the program office in Washington DC of the personnel changes. It was agreed by all that the transfers would occur on October 15. The personnel departments of both operations interacted and all was well with the world.

Every week I met with the two key FAA personnel, the manager of engineering and the FAA Engineering Tactical Officer (ETO). We discussed budget, staffing, schedules and any technical or management problems that could arise between the organizations. The meeting was proceeding as normal until we came to the personnel action items.

"Gentleman as we agreed, Mr. Brown and Mr. O'Malley, the two environmental engineers will transfer to the FAA on October 15."

"Jim, you have to revise that date. We transferred them to the FAA last night so change it to September 20."

"You mean you transferred them to the FAA. How can that be? They still work for me and they are still supporting the FAA. If what you say is true, we have a major conflict of interest and a major ethics violation. I have to report this immediately to Washington DC. It seems like the fat is in the fire."

**Immediately upon closing the meeting, I called Washington and notified the Lockheed Martin program manager as to this conflict of interest and ethics violation. In all the training issued for the contract, these were two of the most important aspects of the program. A violation of either of these could result in a corporation losing a major Government contract and the ability to bid in the future. This was like turning over an anthill in Washington DC. Our Personnel Department spoke with FAA Personnel. FAA personnel spoke with FAA management. FAA management spoke with the local state organizations. Everyone was talking to everyone else, and conversations were going horizontal and vertical up-and-down, and left to right. Dozens of people were involved. The Program Office ordered me not to speak of this matter in our facility except with the two FAA managers that I supported.**

**The senior manager told me clearly,**

**“Jim, this is critical to our business. You must treat it as a secret. Nobody who is not formally involved to date can be given any information. Treat all future conversations as secret until told otherwise.”**

**The FAA managers had gone to both their legal and to their hiring offices to find out the reason that these dates were changed and then they came to see me. They explained the positions, which appeared on October 1, had to be filled prior to that date. If not the positions were forced closed by Washington. Some mid-level managers had decided to transfer the people into the contract prior to the cutoff date. However, they were not going to be paid by the government until the transfer date of October 15. The FAA thought this perfectly acceptable, but the legal departments of major corporations had to work within a different legal framework. To them this was a violation of ethics and a conflict of interest.**

**Days of intense negotiation went on between the corporations and the government over this matter until they finally came to an agreement. The head of program management and the ethics manager set up a new telephone conference with me for that afternoon.**

**"Jim we want to thank you for being so prompt in your detection of this conflict of interest and of your reporting. Our legal, FAA legal and the personal departments for both groups have agreed to a final decision. Make sure you are sitting down. The exact words from the FAA program manager of the contracts organization in Washington DC is as follows:**

***"We are the government. We do not have to pay attention to conflicts of interest nor ethics. It is in our best interests that we go through with this transfer as we planned. If everyone waits two weeks and says nothing, at the end of that period, the problem dissolves. It goes away and it never happened."***

**That was exactly what we did. No one spoke of the problem and everyone worked as if it had never occurred. On 15 October, two personnel transferred from our organization to the FAA and all was well in the world. The illegal transfer was no longer a secret. In fact, it never happened.**

**THE END**