

November 16, 2006

Textron Inc.
Attn: General Counsel's Office
40 Westminster St.
Providence, RI 02903-2596

Dear General Counsel of Textron:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including Textron. On February 28, 2006, we sent you information regarding findings relevant to Textron, which I have enclosed for your reference. As of today, we have not received a response from your office.

A written response is certainly in the best interest of everyone involved. It is the best way for your company to go on record regarding this process and the instances identified; your letter will be posted in its entirety on the database. Several companies have already responded and have expressed appreciation for the opportunity to express their views. POGO would prefer to receive a response by November 30, 2006 to ensure it is included with the launch of our new database.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Scott Amey
General Counsel

Enclosure

Instances of Misconduct

1.

Failure to Test Equipment

Date: 05/12/1995 (Date of Settlement)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$100,000

Disposition: Settlement

Synopsis: "Textron Inc. will pay the United States \$100,000 to settle allegations it failed to properly test locknuts it manufactured for military aircraft... Textron said its Cherry Division facility in Santa Ana, California, failed to properly perform stress embrittlement tests on certain flyweight nuts and that only samples of 12-point nuts were inspected by dye penetrant and/or magnetic particle methods although the contract required that all nuts be inspected by those methods. In some instances, inspection documents were fabricated to avoid detection."

Document(s):

[DOJ Press Release](#)

2.

Interstate Southwest Ltd. v. Lycoming Engines (Fraud)

Date: 02/17/2005 (Date of Judgment)

Misconduct Type: Non-governmental Contract Fraud

Contracting Party: Non-Governmental

Court Type: Civil

Amount: \$96,000,000

Disposition: Judgment Against Defendant

Synopsis: "A jury found Lycoming Engines liable for fraud and ordered it to pay about \$96 million to Interstate Southwest Ltd. in a case that revolved around small airplane engine failures that occurred when the planes' crankshafts broke in flight... Lycoming claimed that Interstate Southwest had overheated the forgings, weakening the steel."

Document(s):

[More Law Summary](#)

[Daily Item Article](#)

3.

Manier v. Textron Inc. (Inflating Labor Costs)

Date: 11/25/1998 (Date of Settlement)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$9,800,000

Disposition: Settlement

Synopsis: Textron “agreed to pay \$9.8 million dollars to the United States to settle allegations that it defrauded the government by inflating labor costs... The federal qui tam suit was filed under the False Claims Act in U.S. District Court in Nashville. It alleged that Textron Aerostructures fraudulently withheld information from negotiators regarding significant reductions in projected labor costs during production of the wings.”

Document(s):

DOJ Press Release

4.

Violation of Federal Aviation Administration Hazardous Materials Regulations

Date: 01/01/1998 (Date of Report)

Misconduct Type: Health

Contracting Party: N/A

Court Type: Administrative

Amount: \$35,000

Disposition: Fine

Synopsis: According to a U.S. Department of Transportation document, in the year 1998, Bell Helicopter Textron “offered hazardous materials improperly classed, described, packaged, marked, labeled, or in a condition unsuitable for shipment,” in violation of Federal Aviation Administration rules.

Document(s):

DOT Penalty Report

5.

Violation of Petroleum Product Storage Rules

Date: 04/07/2004 (Date of Preliminary Notice of Violation)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Administrative

Amount: \$10,736

Disposition: Fine

Synopsis: According to a document from the State of Rhode Island Department of Environmental Management, on April 7, 2004, Textron was “in violation of RIDEM's Rules and Regulations for Underground Storage Facilities Used for Petroleum Products and Hazardous Materials ("the UST Regulations") and the Rules and Regulations for Hazardous Waste Management ("the Hazardous Waste Regulations")... The Respondent was ordered in the NOV to achieve compliance with the UST and Hazardous Waste Regulations within 30 days of receipt of the NOV. A penalty in the amount of \$10,736.00 was assessed in the NOV.”

Document(s):

RI Dept of Environmental Management Enforcement Action

6.

Violation of Petroleum Product Storage Regulations

Date: 09/13/2004 (Date of Preliminary Notice of Violation)

Misconduct Type: Antitrust

Contracting Party: N/A

Court Type: Administrative

Amount: \$8,440

Disposition: Administrative Agreement

Synopsis: According to a document from the State of Rhode Island Department of Environmental Management, on September 13, 2004, Textron “violated RIDEM's Rules and Regulations for Underground Storage Facilities Used for Petroleum Products and Hazardous Materials ("the UST Regulations") and the Rules and Regulations for Hazardous Waste Management ("the Hazardous Waste Regulations")... The Respondent was ordered in the NOV to achieve compliance with the UST and Hazardous Waste Regulations within 30 days of receipt of the NOV. A penalty in the amount of \$10,736.00 was assessed in the NOV... for settlement purposes, the penalty was reduced to \$8,440.00.”

Document(s):

RI Dept of Environmental Management Enforcement Action