

February 28, 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. I have enclosed the findings relevant to Textron and am requesting verification or refutation of the data from you by March 10, 2006.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Textron, please be assured that any response received by POGO will be posted on the website along with the data.

Changes to the database include: the addition of more current instances, removal of Superfund cleanup costs, and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in any totals.

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

Sincerely,

Kevin L. Phelps
Project Director

Enclosure

Instances

1.

Case Name: N/A

Date: 5/12/1995

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."

Documents: U.S. Department of Justice Press Release

http://www.usdoj.gov/opa/pr/Pre_96/May95/269.txt.html

2.

Case Name: United States ex rel. Manier v. Textron Inc.

Date: 11/25/1998 – Date of settlement

Misconduct Type: Government Contract Fraud

Contracting Party: Government Defense

Court Type: Civil

Amount: \$9.8 million

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."

Documents: United States Department of Justice Press Release

<http://www.usdoj.gov/opa/pr/1998/November/566civ.htm>

3.

Case Name: N/A

Date: 1998

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.

Documents: <http://hazmat.dot.gov/enforce/dotpen98.pdf>

4.

Case Name: N/A
Date: 4/7/2004 – Date of Notice of Violation (NOV)
Misconduct Type: Environmental
Contracting Party: Government Civilian
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.”

Documents: Rhode Island Department of Environmental Management Enforcement Action
Summary: <http://www.dem.ri.gov/programs/benviron/compensp/enfact/apr2004.htm>

5.

Case Name: N/A
Date: 9/13/2004 – Date of NOV
Misconduct Type: Environmental
Contracting Party: N/A
Court Type: Administrative
Amount: \$8,440.00
Disposition: Settlement

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.”

Documents: Rhode Island Department of Environmental Management Enforcement Action
Summary: <http://www.dem.ri.gov/programs/benviron/compensp/enfact/sep2004.htm>

6.

Case Name: Interstate Southwest Ltd. v. Lycoming Engines

Date: 2/17/2005

Misconduct Type: Non-Governmental Contract Fraud

Contract Type: Non-Governmental

Court Type: Civil

Amount: \$96 million

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.”

Documents:

Law Firm Press Release: http://www.rosewalker.com/support_files/articles/article1.pdf