



Department of Justice

United States Attorney Benjamin B. Wagner
Eastern District of California

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www.usdoj.gov/usao/cae

CONTACT: Lauren Horwood
PHONE: (916) 554-2706
usacaee.edcapress@usdoj.gov

FEDERAL GRAND JURY INDICTS SIX DEFENDANTS FOR FRAUDULENT AIRCRAFT REPAIRS

SACRAMENTO, Calif. — United States Attorney Benjamin B. Wagner announced that a federal grand jury returned a 36-count indictment today charging Jerry Edward Kuwata, 60, of Granite Bay; Michael Dennis Maupin, 58, of Arbuckle; Scott Hamilton Durham, 39, of Roseville; Christopher Warren MacQueen, 53, of Lincoln; Douglas Arthur Johnson, 52, of Granite Bay; and Anthony Vincent Zito, 47, of Saugus, with conspiracy and fraud involving aircraft parts in interstate commerce, and mail fraud. The defendants are all former executives and supervisors at WECO Aerospace Systems Inc., an FAA-certified air repair station based in Lincoln, which was purchased in 2007 by Gulfstream Aerospace Corporation.

The Federal Aviation Administration (FAA) regulates air travel and publishes regulations that FAA-certified repair stations are required to follow. These regulations include the use of parts that are approved for repairs, as well as tests and inspections that repair stations are required to conduct before a repaired part can be returned and reinstalled into an aircraft.

According to its repair station certificate, WECO was permitted to repair, among other items, rotables and converters. Rotables are generally parts that convert a mechanical drive into electrical output such as generators, alternators, and rotary and linear actuators. Converters are components that supply electrical power to the systems on an aircraft that need it. In repairing either of these types of parts, a certified repair station is required to use FAA-approved parts. According to the indictment, the defendants regularly directed WECO technicians to use unapproved parts in repairs. On one occasion, Maupin and MacQueen allegedly used a paper clip instead of an approved part to complete a repair, and then returned that part to the customer after certifying that the repair had been done properly.

In addition, during the repair of an aircraft part, a certified- repair station is required to comply with the manufacturer's Component Maintenance Manual (CMM), a step-by-step guide for conducting a proper repair of the part that is prepared by the manufacturer and approved by the FAA. The CMM contains the steps that a repair shop must take to fix a part, as well as the tests and inspections that must be done before the part can be returned to service. The indictment alleges that the defendants regularly failed to follow the manufacturer's CMMs. Indeed, as alleged in the indictment, the defendants did not even have the equipment needed to perform many of the tests required by the CMMs. According to the indictment, the defendants nonetheless performed repairs or directed WECO technicians to perform repairs of parts and returned those parts to customers, falsely certifying for each one that the part had been repaired in accordance with FAA regulations.

There have been no known instances in which a fraudulent WECO repair resulted in an aircraft accident. Upon learning of the allegations, the FAA issued an emergency order suspending WECO's repair station certificate. In addition, since finalizing its purchase of WECO in 2008, Gulfstream has fully cooperated with law enforcement in the investigation and prosecution of this case. The conduct alleged in the indictment occurred prior to Gulfstream's acquisition of WECO, and none of the defendants is currently employed at WECO.

"The indictment alleges that these defendants knowingly cut corners in repairing aircraft parts and concealed the fact that they were not complying with FAA regulations. While it is fortunate that there are no aircraft crashes known to be associated with faulty repairs conducted by these defendants, their alleged conduct needlessly took risks with the safety of persons who used aircraft that they repaired," said U.S. Attorney Wagner. "FAA regulations are intended to ensure the safety of air travel, and those who disregard them in order to increase profits should face serious consequences."

"The indictment handed down today reflects the strong commitment of the Department of Transportation (DOT) and its Office of Inspector General to ensuring the safety of the nation's air transportation system," said Hank W. Smedley, DOT OIG Special Agent-in-Charge. "Working with the Federal Aviation Administration and our law enforcement and prosecutorial colleagues, we will continue to vigorously pursue those who violate criminal laws, defraud the government, and undercut the integrity of our safety programs."

Herb Brown, Special Agent in Charge of the Sacramento FBI, said: "It is appalling that these defendants would put financial gain and reward ahead of the safety and well-being of the many people who could have fallen in harm's way as a result of these fraudulently repaired airplane parts. Everyone that boards or operates an aircraft, as well as the communities that aircraft fly over, should have peace of mind that all safety regulations and guidelines have been followed. The FBI will continue to work with our partners to ensure that aircraft parts companies are properly supplying approved aircraft parts for the safety of all."

This case is the product of an extensive investigation by the Inspector General for the Department of Transportation and the Federal Bureau of Investigation, along with the Inspectors General of the Department of Homeland Security, and Department of Defense. Assistant United States Attorney Kyle Reardon is prosecuting the case. Former Eastern District of California Assistant United States Attorneys Laura Ferris and Sean Flynn also handled aspects of the prosecution.

If convicted, the defendants face a maximum statutory penalty for the conspiracy to commit fraud and fraud involving aircraft parts in interstate commerce of 15 years in prison, a fine of \$500,000, and three years of supervised release. The maximum statutory penalty for each count of mail fraud is 20 years in prison, a fine of \$250,000, and a three-year term of supervised release. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which take into account a number of variables.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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