

# The Importance of Investigating Illegal Air Charter Operations



Federal Aviation  
Administration



**SOMETHING  
NOT QUITE RIGHT?  
BE ON THE LOOKOUT!  
ILLEGAL AIR CHARTERS  
PUT US ALL AT RISK**

**THE FAA NEEDS  
YOUR HELP TO  
IDENTIFY, REPORT  
& SHUT DOWN  
ILLEGAL AIR  
CHARTER  
OPERATORS**



**FLIGHT SHARING**

**AIR SHARING**

**TIME SHARING**

**LEASING POOL  
OR PROGRAM**

**NO MATTER HOW THEY'RE DISGUISED,  
ILLEGAL AIR CHARTERS ARE A THREAT TO SAFETY.**



**Federal Aviation  
Administration**

# Flight Standards Working Group

**Est. February 2020 to:**

- Develop internal education, awareness and training for FSDOs and ADOs across the nation to help identify and engage uncertified air charter operations
- Provide an enduring awareness and compliance program with performance metrics that clearly identify the benefits of collaborating with stakeholders and other Federal agencies.



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# Flight Standards Working Group, Cont.

- Leverage workshops and field education efforts for outreach
  - Leverage Partnerships
    - Industry
    - Airport Sponsors
    - States
    - Federal Agencies
- 



# Flight Standards Working Group, Cont.

## External Initiatives

- Increase public awareness of illegal air charter issues
- Educate and partner with external stakeholders
- Continue and reinforce successes on addressing illegal air charter operations
- Provide an enduring awareness and education program for the identification of uncertified air charters with performance metrics that clearly identify the benefits of collaborating with the FAA
- Encourage aviation companies to start legal Part 135 charter operations



# Flight Standards Working Group, Cont.



[FAA.GOV](http://FAA.GOV)



[LINKEDIN.COM/COMPANY/FAA](http://LINKEDIN.COM/COMPANY/FAA)



[FACEBOOK.COM/FAA](http://FACEBOOK.COM/FAA)



[TWITTER.COM/FAANEWS](http://TWITTER.COM/FAANEWS)



[INSTAGRAM.COM/FAA](http://INSTAGRAM.COM/FAA)



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# Flight Standards Working Group, Cont.

- Standardize and Consolidate Reporting
  - Improved Investigation and Enforcement
- Develop Performance Metrics
  - Internal and External Programs STI
- Define what Success Looks Like





# Illegal Charters – The Why

- Offset expensive costs of aircraft ownership
- Avoids taxes, e.g., FET
- Avoids costly expense of FAA certification and continuing oversight
- Competitive advantage over a legitimate operator

*Hence to Make Money*

# Authorized Operators are...

- Held to a higher level of FAA-approved pilot training and certification
- Robust operational safety rules, including flight and duty time restrictions for pilots
- Higher level of maintenance requirements
- FAA performs more frequent checks on operator, crewmembers and aircraft



# An Illegal Charter is..

- **Sham Dry Lease**
  - Most common today
  - Operational control remains with lessor not lessee see
  - See AC 91.37b – Truth In Leasing
- **Legitimate 135 operators**
  - Operating aircraft not on their certificate
- **Aircraft owners**
  - To off-set cost of aircraft ownership

# An Illegal Charter is..

- **DEMO Flights**

- What is being demonstrated exactly? Air transportation (not legal) or the aircraft for purchase (legal)

- **Aircraft Management Companies**

- Operating illegal charters as a side business with owner's aircraft

- **“FAKE” Flight Instruction**

- Offered point to point in aircraft not typically used for initial training

- **Misuse of Expense Sharing**

- Disguise for Air Transportation



# Recognizing Illegal Charters

## AC 120-12A

- Defines Common v. Private Carriage
- Defines the four pillars of **Common Carriage**

## AC 91-37B

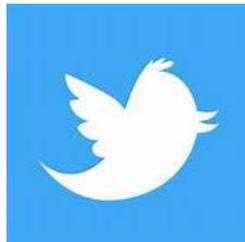
- Defines “Truth in Leasing”, helps determine **Operational Control**

# Holding Out

- **Described in AC-120-12A (common v. private carriage)**
- **Holding Out is One of the Four Pillars of a Common Carrier**
  1. holding out of a willingness
  2. to transport persons or property
  3. from place to place
  4. for compensation

# Elements of Holding Out

- May be accomplished through agents
- Holding out by reputation or word of mouth
- Advertising and signs
- Internet/Social Media



craigslist

# Determining Operational Control

- AC 91-37B helps determine Operational Control and Legal Responsibility for the flight
- AC 91-37B asks 7 questions to help determine...
  - *Who* really has control – regardless of the wording of a contract or lease agreement.

***In other words, regardless of what the lease says,  
what is really happening?***

# What Does Operational Control Mean?

- Operational Control is: Initiate, Conduct, and Terminate a Flight – Most Everything!
- Air Carrier manuals describe the Certificate's method of Operational Control through '*directive*' procedures.
- Flight crews and other employees are trained (and tested) to comply with those procedures.

***Illegal Operators do not operate with these procedures and controls in place***

# Who Has Operational Control?

## This is the Main Question

- The answer will further define whether this is an Illegal Charter, or a legitimate Dry Lease.
  - In a true Dry Lease, the Lessee knows they have Operational Control and know how to use it
- When the Lessee's answers to the "7" questions in AC 91-37B, are someone (entity) other than the Lessee, then the Lessee does **not** have Operational Control.

# Special Emphasis Investigations Teams (SEIT): Your SME for Illegal Charters

- International operations
- Aircraft tracking
  - NOTE: Each office coordinates their OWN ramp checks
- Questions/guidance on how to conduct an investigation
- Document Interpretation
- Flight history requests
- SME for NTSB Hearings
- Subpoenas
- Registration documents
- Corporate documents



# SEIT Criteria When They May Assume an Investigation

- Political involvement
- Extensive Media Coverage
- “Too Close” matters
- Complex Scheme
- Significant Law Enforcement

# What's Next?

- Orlando FSDO FAAS Team
  - Robert Jex (Ops)
    - [Robert.jex@faa.gov](mailto:Robert.jex@faa.gov)
    - 407-487-7064 (Leave message)
    - 407-487-7000 (Main Office Number)
    - 407-487-7125 (Fax)

