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## **Favors Found In Air Force Contracts**

### ***Review Finds Rules Broken for Firms Including Lockheed***

By Charles R. Babcock, Washington Post Staff Writer

Former Air Force procurement official Darleen A. Druyun, convicted last year for showing favoritism to Boeing Co. while negotiating for a job, also manipulated Pentagon rules to benefit Lockheed Martin Corp. and another defense contractor, according to recent inspector general reports.

The audits, part of an IG review of eight contracts that the Air Force requested last year after Druyun pleaded guilty, found that she helped Lockheed Martin on two airplane contracts between 1998 and 2001 while serving as a top civilian contracting official.

In the case of a \$561 million contract to modernize the giant C-5 cargo jet, Druyun in 1998 took authority to choose the contractor, then revised the selection ratings to favor Lockheed, one report said. In 2001, Druyun changed a contract involving F-16 flight simulators so that Lockheed could collect an extra \$41.6 million in return for a benefits package from the company that was of minimal value, the IG found.

The inspector general focused its criticism on the Air Force, recommending that the service tighten its control of the contracting process.

As with Boeing, Druyun, after deciding to retire from the Air Force, negotiated a job offer with Lockheed in 2002. However, in the Boeing case, the job discussions came as she was still helping the company with a multibillion-dollar tanker contract. The instances of favoritism for Lockheed preceded the job discussions. In addition, Druyun had recused herself from reviewing any Lockheed contracts because of the job talks, according to court documents.

Lockheed spokesman Thomas Jurkowsky said the company "believes that its proposals for the two contracts offered the best value for the Air Force."

An official at the U.S. attorney's office in Alexandria said there have been no new criminal referrals from the Department of Defense involving Druyun.

A third report found that Druyun "influenced" \$47.2 million in vehicle overhaul requirements on a cargo loader by selecting the manufacturer, Systems & Electronics Inc. of St. Louis, to be the sole source of repair.

A spokesman for the company did not respond to a request for comment.

Auditors recommended that the Air Force "sever" that portion of the contract and consider joining with the Marine Corps for a cheaper agreement.

The IG reports were posted on the agency's Web site over the past few weeks.

Four of the other contracts under review belonged to Boeing, the company at the center of the scandal that led to prison terms for Druyun and Boeing's former chief financial officer, Michael M. Sears. Druyun admitted to trying to help Boeing on the tanker contract while discussing a \$250,000 job she later accepted. Boeing also hired her daughter and son-in-law.

One other contract report has been completed but not yet made public.

In the case of the C-5 plane contract, government auditors said they could not validate whether the award to Lockheed was justified because the Air Force did not adequately document the technical and cost data used. Druyun changed ratings in three areas without providing justification and cited a competitor's weakness in one area, though Lockheed shared the same weakness, the report said.

On the flight simulator, the report blamed the Air Force for accepting Lockheed's claims that it had spent \$73.3 million to develop the simulators, noting that a review found \$24.6 million of those costs could not be verified.

Douglas Karas, a spokesman for the Air Force, said the service's request for the IG review was an indication of its "commitment to an open and transparent acquisition process."