

DATE: 06/24/2024

CREATED BY: Ana Sofia Reina

CATEGORY / SUBCATEGORY: Complainant Protection



Case study

Boeing: Silencing the Complainant

In the News

The **Boeing 737** is the best-selling commercial aircraft globally since its debut in 1968, adapting to needs and technology over time; as it is considered the most popular, it is also considered the deadliest aircraft.

In October 2018, Lion Air Flight 610 with a Boeing 737 MAX 8 crashed after takeoff near the Java Sea in Indonesia, killing all 189 people on board.

The following year, Ethiopian Airlines Flight 302 with the same model aircraft crashed in Ethiopia, killing 185 people on board.

Investigations and expert analyses revealed that both crashes were almost identical, showing that the incidents occurred due to design flaws in the MCAS software. **Boeing was aware of this software issue shortly after the first crash but deliberately concealed the information until it was discovered in the investigations.**

As a result, the company faced fraud charges and paid \$2.5 billion in penalties, compensation to airlines, and to the victims' designated beneficiaries. Additionally, Boeing 737 MAX aircraft were grounded for about 20 months.

However, the issues did not end in 2019; in January 2024, an Alaska Airlines flight with a Boeing 737 MAX 9 suffered an accident. A door opened due to faulty screw installation while flying at 16,000 feet above sea level. This time, the flight managed to land without fatalities as the seats next to the door were unoccupied, but there were injuries.

It was reported that this aircraft was new, having been delivered two months before the accident. The incident led to new investigations by the Federal Aviation Administration (FAA) as 171 aircraft worldwide were now considered at risk. Boeing was forced to pay a fine of \$51 million and \$160 million as an initial payment for financial damages.

#beupright
integrity.softtek.com



Ethics and Compliance at Boeing

Boeing's ethics department encourages reports on safety, quality, potential legal violations, or breaches of internal policies. It is stated that the goal is to create an environment where employees feel confident seeking guidance, voicing concerns, and suggesting improvements. Furthermore, it ensures that no form of retaliation is tolerated, as this would lead to disciplinary penalties or even dismissal from the company.

To facilitate this, there are anonymous reporting portals, toll-free calls, and in-person office reports, all operated by a third party 24/7.

Warning Signs

Managers assigned to the 737 program reported concerns about aircraft safety due to the company culture. It was noted that workers faced high pressure, long hours, and the need to work at an accelerated pace, leading to shortcuts in processes to meet targets, which resulted in significant fatigue and mistakes.

They commented that Boeing's culture had been "toxic" for over a decade, being highly cost-focused from its core, with a significant disconnect between executives and workers. The ambitious targets set permeated the culture, making new procedures and steps obsolete in favor of rapid delivery.

More than one complainant reported that they would not let their families board a Boeing 737. The most prominent states were Joe Barnett, former Quality Manager in the 737 program from 2010 to 2017 who worked at Boeing for over 30 years. He reportedly raised concerns multiple times about violations in the aircraft production process and FAA regulations. He also reported to the ethics line that there was a cover-up culture that encouraged these practices.

In his reports, he mentioned the use of damaged parts in aircraft construction and even parts taken from one aircraft and installed in incomplete ones without documentation, traceability, or engineer authorization. Following some of his reports, he claimed in 2014 to have been spied on by another manager.

Retaliation within Boeing

Reports were not only ignored but also viewed negatively and punished by the company's culture. Joe Barnett mentioned that he was demoted for using email to inform about the quality violations he was detecting; he was told that such issues should be addressed face-to-face, leaving no trace for audits.

The former employee stated that following his quality control reports, he was "harassed, demeaned, and humiliated." Additionally, after his reports, Joe received low performance ratings, was separated from his team, removed from his duties, and reassigned to other areas of the plant, effectively blocking his growth and mobility opportunities to other divisions outside South Carolina.

#beupright
integrity.softtek.com

softtek.com

He mentioned that he was also subjected to what he called a "gaslighting" campaign, where he was treated with "contempt" to deter reports and complaints from any whistleblower, contributing to a culture of hostility.

Furthermore, he stated that in January 2017, he was notified that he was listed as the top name on a list titled "Quality Managers to Get Rid Of."

On medical advice, Barnett left the company in 2017 with early retirement, as it was indicated that he might suffer a heart attack due to chronic stress.

Public and Legal Channels

In 2017, Barnett decided to take legal action by reporting to the U.S. Labor Department that the company had denigrated his character and stunted his career because of his safety reports. This report was made under the premise of the AIR21 Whistleblower Protection, which aims to protect whistleblowers from aviation manufacturers who report safety violations.

In 2019, Barnett, along with other workers, spoke to the New York Times about how Boeing's manufacturing process prioritized speed over public safety and the internal reports regarding this issue. Boeing denied the reports of hazardous labor practices; however, subsequent audits published by the FAA revealed issues with quality control and non-compliance.

Joe spoke to the media again following the Alaska Airlines flight incident on January 5, 2024.

Termination of the Trial

Joe Barnett's lawyer scheduled him to give his final statements on the case on Friday, March 8th at noon. Since it was not possible to complete these statements in the first session, he was scheduled to finish on Saturday, March 9. This session did not proceed due to his controversial death on the morning of his scheduled declaration.

The police stated that Joe Barnett was found in his truck in the hotel parking lot with an apparently self-inflicted gunshot wound and a suicide note.

Joe's family stated that during the trial, Joe had remarked that if anything happened to him, it would not be by his own doing. The family also expressed disbelief that it was suicide.

"I wasn't worried about his safety because I asked him directly," Jennifer told WPDE. "I said, 'Aren't you afraid?' And he said, 'No, I'm not afraid, but if anything happens to me, it's not suicide.'"

Conclusion

The circumstances surrounding this death are unclear, as investigations are still ongoing. Was it really a suicide? Was Boeing afraid of the trial's outcome? The conclusions are not definitive, but what is evident is that Boeing retaliated against Barnett's safety warnings, creating a hostile environment for the whistleblower. Ignoring these reports not only resulted in the death of the former quality manager but also in the loss of hundreds of lives of those traveling on these aircraft, as well as multimillion-dollar losses for the company and its credibility. Many questions remain about this case.

Thus, the following questions arise:

In what ways is Boeing neglecting its products and employees?

How could Boeing have honored its principles of whistleblower protection and non-retaliation?

What legal implications could the lack of whistleblower protection have?

Why did Boeing decide not to listen to its employees' concerns despite the catastrophes?

How should a company like Boeing respond when facing allegations of misconduct from its employees?

To what extent can Joe Barnett's action of disclosing confidential information to the media be considered an act of ethical whistleblowing?

How could Boeing have protected its whistleblower?

Why did Boeing decide not to protect Joe?

What impact does this case have on other whistleblowers, both at Boeing and other companies?

Is Boeing responsible for Joe's death?

Referencias

- Boeing charged with 737 max fraud conspiracy and agrees to pay over \$2.5 billion (2021) Office of Public Affairs | Boeing Charged with 737 Max Fraud Conspiracy and Agrees to Pay over \$2.5 Billion | United States Department of Justice. Available at: <https://www.justice.gov/opa/pr/boeing-charged-737-max-fraud-conspiracy-and-agrees-pay-over-25-billion> (Accessed: 18 April 2024).
- The Boeing scandal is getting scary (2024) YouTube. Available at: <https://www.youtube.com/watch?v=ETqNTNkbrk> (Accessed: 15 April 2024).

#beupright
integrity.softtek.com

softtek.com

Referencias

- Koenig, D. and Press, T.A. (2024) Boeing fights off fresh whistleblower allegations, while saying employee reports have 'exploded ... which is what we want', Fortune. Available at: <https://fortune.com/2024/04/16/boeing-whistleblower-787-dreamliner-panels/#:~:text=The%20whistleblower%2C%20Boeing%20engineer%20Sam,could%20cause%20it%20break%20apart.> (Accessed: 08 April 2024).
- Leggett, T. (2024) Boeing: How much trouble is the company in?, BBC News. Available at: <https://www.bbc.com/news/business-68573686> (Accessed: 08 April 2024).
- Nicodemus, A. (2024) Boeing fined \$51M over export control violations, Compliance Week. Available at: <https://www.complianceweek.com/regulatory-enforcement/boeing-fined-51m-over-export-control-violations/34440.article#:~:text=Aerospace%20giant%20Boeing%20will%20pay,foreign%20person%20employees%20and%20contractors.> (Accessed: 8 April 2024).
- Norman, G. (2024) Boeing whistleblower John Barnett was spied on, harassed by managers, lawsuit claims, Fox Business. Available at: <https://www.foxbusiness.com/markets/boeing-whistleblower-john-barnett-spied-harassed-managers-lawsuit-claims> (Accessed: 8 April 2024).
- Schaper, D. (2023) Boeing pleads not guilty to fraud in criminal case over deadly 737 Max crashes, NPR. Available at: <https://www.npr.org/2023/01/26/1151565489/boeing-criminal-fraud-charge-737-max-crashes> (Accessed: 8 April 2024).
- Staff, F. (2024) Hallan Muerto a John Barnett, El Ex empleado que denunció los problemas de producción en Boeing; Se Habría suicidado, Forbes México. Available at: <https://www.forbes.com.mx/hallan-muerto-a-john-barnett-el-ex-empleado-que-denuncio-los-problemas-de-produccion-en-boeing-se-habria-suicidado/> (Accessed: 8 April 2024).
- Sydney.Johnson (2024) Mourning the death of Boeing whistleblower John Barnett, Government Accountability Project. Available at: <https://whistleblower.org/press-release/mourning-the-death-of-boeing-whistleblower-john-barnett/> (Accessed: 15 April 2024).
- Thaler, S. (2024) Boeing gives Alaska Airlines \$160m 'initial payment' for losses related to midair door blowout, New York Post. Available at: <https://nypost.com/2024/04/05/business/boeing-pays-alaska-airlines-160m-initial-payment-for-door-blowout/> (Accessed: 18 April 2024).