



# WHAT AIR CHARTER CONSUMERS NEED TO KNOW ABOUT ILLEGAL CHARTER

## Risks of Illegal Charter

- Legitimate air charter operators are licensed to operate by the FAA only if they meet certain standards. This certification also ensures ongoing oversight by the FAA. An illegal charter operator may not meet those standards and will likely have far less safety oversight than legal operators.
- Finally, legal charter operators are also required by the Department of Transportation to hold a minimum level of insurance coverage. Illegal charter operators may have insurance policies that are not sufficient to cover commercial activities, including air charter operations. In the event of an accident, passengers may find their own assets, including corporate and estate assets, at risk.
- These higher standards often include more frequent and detailed pilot training, more stringent maintenance requirements and defined operational control.
- Legal air charter operators must comply with FAA-approved pilot training programs and conduct regular recurrent training. Pilots must pass proficiency check rides every 6 to 12 months.
- Maintenance requirements are also more stringent for legal air charter operators than for illegal charter operators. For example, legal charter operators must verify a maintenance provider's certification and capabilities, as well as drug and alcohol testing for maintenance technicians, prior to using that maintenance provider.
- Legal charter operators are required to charge passengers Federal Excise Tax (FET), then remit that tax to the IRS. Illegal charter operators often offer cheaper services in part because they do not collect this tax, which can leave passengers exposed to IRS scrutiny and even back-taxes and penalties if the illegal charter scheme is uncovered.

## How to Spot Illegal Charter Activity

- When choosing an air charter operator, ask the operator for a copy of its:
  1. FAA-issued Part 135 air carrier certificate.
  2. Insurance certificate.
- Be wary if an operator is less than forthcoming with that information.
- Be highly suspicious of any arrangement that requires you, as the passenger, to pay the pilots or aircraft owner directly or that delegates responsibility for maintenance activities to you. In a traditional, legal charter arrangement, the air charter operator is responsible for training and paying pilots, maintaining the aircraft and ensuring appropriate compensation is made to the aircraft owner.
- Consult with legal counsel on complex or questionable agreements.

## What You Can Do About It

- Check the legitimacy of the operator by name or aircraft "N"/"tail" number against FAA databases at [www.avoidillegalcharter.com](http://www.avoidillegalcharter.com).
- Conduct proper due diligence when selecting a charter operator to manage your aircraft.
- Report suspected illegal charter operations to the Air Charter Safety Foundation's (ACSF's) Illegal Charter Hotline at 888-759-3581.
- If contacted, assist FAA inspectors in investigating illegal charter operations by answering questions truthfully and providing any documentation related to suspicious interactions.