



What Air Charter Brokers Need to Know About Illegal Charter

Risks of Illegal Charter

- It is critical that air charter brokers carefully vet the air charter operators with which they do business.
- New DOT regulations require brokers to use only certificated air carriers and disclose the carrier's name to the customer, among other regulations. Non-compliance with DOT rules can lead to significant fines and penalties.
- Illegal charters are not held to the same high regulatory standards as certificated air charters, and are not subject to the same level of ongoing FAA oversight.
- These higher standards include more frequent and specific pilot training, more stringent maintenance recordkeeping, and defined operational control.
- Contracting your client to fly on an illegal charter could also leave them exposed financially. Aircraft insurance may decline to pay out a claim should they determine a loss was the result of or in the commission of an illegal commercial operation.
- You put your company's and your passenger's reputation at risk by working with illegal charter operators.
- Finally, illegal charter operators distort the market for legitimate, certificated charter operators – the very operators you should seek as qualified business partners!

How to Identify 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 of operators encouraging leasing, interchange or timeshare scenarios. While these arrangements may be appropriate for some passenger needs and legal in certain cases, leasing, interchange and timeshare agreements are sometimes used to mask illegal charter operations.
- Be wary if an operator is less than forthcoming with that information.
- 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. Be highly suspicious of any arrangement that requires you or the passenger to pay the pilots or aircraft owner directly or that delegates responsibility for maintenance activities to you or the passenger.
- Clearly document which party is required to pay Federal Excise Taxes (FET). Be suspect of any operator that does not want to discuss collecting and remitting FET or says FET is not required on their flights.

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.
- Educate your air charter clients about the risks posed by illegal charter schemes.
- 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.

