



What FAA Inspectors Need to Know About Illegal Charter

Risks of Illegal Charter

- Legitimate air charter operators are issued a Part 135 certificate by the FAA. This certification also ensures ongoing oversight by the FAA. An illegal charter operator may not be in full compliance.
- Illegal charter operators also distract FAA attention and resources from ensuring the safety of the flying public on legal operations.
- Illegal charter operations distort the market for legitimate air charter operators by evading the high costs of legal air charter operations, including proper training and insurance.
- Illegal charter operators expose the legitimate charter industry and the FAA to risks of reputation when failure to abide by the stricter requirements of an air charter operator result in accidents or enforcement scenarios. Accidents, incidents and major enforcement scenarios often lead to negative media coverage, impacting the entire air charter industry and the FAA.

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.

How to Identify Illegal Charter Activity

The following scenarios may be red flags:

1. An aircraft operator has multiple interchange agreements among a significant number of clients and aircraft. The operator has no business other than managing the interchange aircraft.
2. An aircraft operator offers numerous potential customers dry lease agreements. These are especially suspicious if the agreements are short-term (i.e., single trip) and the operator offers a short list of "approved" pilots.
3. An aircraft operator does not submit aircraft lease agreements to the FSDO in accordance with truth-in-leasing requirements.
4. A charter operator offers for-hire flights on an aircraft it is not authorized to fly commercially – for example, an aircraft not listed on their Operations Specifications, or the operator is authorized for 9 or less passenger operations but is conducting for-hire operations in a 10 or more passenger aircraft.
5. An operator claims to be conducting charter operations but does not collect and remit Federal Excise Taxes (FET).
6. 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. A legal charter arrangement should not require the aircraft owner or passengers to pay the pilots or delegate responsibility for maintenance activities to any party, nor pay aircraft owners directly.

While these scenarios are not definitive examples of illegal charter, they should raise some suspicions and result in further investigation.