

Ernest Fitzgerald and the Lockheed C-5A

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Ernest Fitzgerald and the Lockheed C-5A

The [C-5A Galaxy](#) is a large aircraft carrier, contracted to [Lockheed](#) by the [U.S. Air Force](#) in 1965. The aircraft was primarily designed to transport heavy loads comprised of troops and equipment across the globe on short notice ¹. The Army was developing capabilities for rapid deployment but their equipment was significantly heavier and bulkier than the current cargo carriers could handle. In their role of supporting the Army in rapid deployment, the Air Force



The C-5A Galaxy

was responsible for developing a new state-of-the-art carrier to transport troops and massive equipment like the [Bradley Fighting Vehicle](#) and [HUMVEE](#). As the largest airlifter in the U.S. Air Force, the C-5A was constructed with the ability and expectation of performing as a key tool in the transportation of such cargo. However, when this expectation started with a \$1.9 billion proposal by Lockheed for a fleet of 115 C-5As tallying \$16 million per plane and later jumped to \$40 million per plane, individuals like [Ernest Fitzgerald](#) could not sit in silence while it happened ².

The Issue and Key Concerns of the C-5A Galaxy

The primary issue that Ernest Fitzgerald had with the C-5A was the extreme costs not only in initial development but the increases in maintenance and renovations that occurred with time. The aircraft also experienced several crashes and incidents that gained attention from both a safety perspective and once again cost perspective as the loss of one C-5A is a significant blow to the budget.

1. C-5 Galaxy [factsheet]. (2009, June 5). Retrieved March 8, 2011, from U.S. Air Force website:

2. Hoover, K., & Fowler, W. T. (n.d.). Studies in ethics, safety, and liability for engineers. Retrieved March 8, 2011, from Rice, Berkely, The C-5A Scandal. website:

Cost

What is at the heart of almost every decision made? Money. From the very beginning, the C-5A was influenced by money as five companies made proposals for the aircraft's design. However, while Boeing's design was deemed the best, the decision was made to go with Lockheed whose proposal was a lower total cost. The C-5A contractor decision came at a time when the production of the [Lockheed C-141 Starlifter](#), the smaller generation of the Galaxy, was coming to a close at the Marietta air force base dominated by Lockheed ¹. If Lockheed did not receive the contract, the base was likely to close and impact the Georgia economy. The decision to go with a lower cost model was the deciding factor in selecting Lockheed, according to United States Air Force Chief of Staff General John P. McConnell, but the \$400 million in saving turned into a cost overrun of five times that figure ².

In January 1966, Ernest Fitzgerald, the Deputy for Management Systems in the Office of the Assistance Secretary of the Air Force for Financial Management, first discovered the cost overruns in a routine trip to Marietta. By August, the overruns were labeled at \$10 million and by October at \$18 million. In November, Fitzgerald returned to Marietta where Lockheed denied overrun costs yet refused to provide cost figures. Overrun costs had reached \$212 million by December. When the Comptroller of the Defense Department received a copy of the cost summary in January of 1967, it showed no overrun costs. A request for the accurate costs occurred as the Office of Secretary of Defense claimed to know about the overrun costs. Fitzgerald estimated overrun costs to be more than \$1 billion by the summer of 1968 and \$2 billion by January 1969 ³.

Safety

The C-5A's long struggle for success can be attributed to a combination of cost overrun and failure to meet high performance standards. When Congress heard of the potential increases in costs, the only thing that justified these costs were the unchanging standards of performance in the aircraft. In June 1969, Fitzgerald revealed three contract changes that degraded the plane's performance. The Air Force refused to provide additional information until after the Proxmire hearings had ended. After the hearings, Fitzgerald received a complete summary that uncovered

1. C-5 History. (2006, April 2). Retrieved March 27, 2011, from

2. Rice, B. (1971). The birth of the Galaxy. In *The C-5A scandal* (pp. 1-17). Boston, MA: Houghton Mifflin Company.

3. ↑ Rice, B. (1971). Construction, confusion, and concealment. In *The C-5A scandal* (pp. 29-43). Boston, MA: Houghton Mifflin Company.

46 changes in the plane's design and 789 specification changes ¹. Fitzgerald claimed that the contract appeared to be written based on the plane and not the other way around.

Despite all of these contract changes, testing of the aircraft in June 1969 yielded cracked wings from the stress of the cargo weight, which was lighter than the contract requirements mandated. A wing fix was designed to mitigate the problem, and this fix would have to be applied to the planes that were already built or under construction. This cost of this fix was not revealed to Congress, nor was it successful in testing. Expressed by Representative Moorhead, Congress was beginning to become frustrated with the lack of the Galaxy's performance. In June 1970, the first operational C-5A approached a welcoming crowd at [Charleston Air Force Base](#), where upon landing, the aircraft blew a tire and another tire popped off down the runway ¹. While the plane was undamaged then, it later went back to Marietta, where a fuel cell exploded during further testing, killing one mechanic, injuring another mechanic, and burning the entire plane. Lockheed estimated the loss of one plane at \$23 million whereas the Air Force estimated \$60 million. The event was not only a major monetary loss, but also a harsh reality of the program's failure.

Ernest Fitzgerald: Whistle Blower to Congress

At the time of the C-5 Galaxy controversy, A. Ernest Fitzgerald was the deputy for management systems for the Office of the Assistant Secretary of the Air Force for Financial Management and Comptroller, Headquarters U.S. Air Force. Under this title he was responsible for the development of improved management controls, specifically including management information control systems, economic cost effectiveness analysis, statistical programs and analysis, cost estimating and analysis, and productivity enhancement and measurement ².

[Senator Charles Grassley](#) recently called Ernest Fitzgerald the father of modern whistle blowers, but even Ernest Fitzgerald understood that a whistle blower could not have been able to bring problems to light without some degree of protection. In describing his testimony, Fitzgerald recalls:

"There is nothing a representative or senator loves to talk about more than "oversight" – checking up on the executive branch to find out what the special interests...are getting away with...done by staff investigator...most of whom are political hacks...finding no evidence of anything wrong. But once in a while we taxpayers get lucky... [like]...when the people of Wis-

1. ↑ Rice, B. (1971). Cracked wings and other unforeseen difficulties. In *The C-5A scandal* (pp. 146-162). Boston, MA: Houghton Mifflin Company.

2.

consin elected William Proxmire...A congressional investigator who really wants to benefit the United States has to have both a powerful elected protector and superb survival instincts" ³.

Fitzgerald realized that the political apparatus needed to offer some support if he was going to reduce the waste, fraud and abuse he felt was happening in the Pentagon's procurement process, and his primary ally in the competing institution of government, the Legislature of the United States was [Senator Proxmire](#), who already had a reputation for wanting to cut costs with his notorious "Golden Fleece" awards used to identify frivolous allocations of precious government funds. ⁴.

Senator Proxmire first showed his intent to call Ernest Fitzgerald to testify before the Joint-Economic Committee in the fall of 1968. Disturbed by the prospective of Fitzgerald testifying before Congress, the Pentagon attempt to restrict congressional access to Fitzgerald by refusing to allow him to testify initially, and then intercepting a personal letter Senator Proxmire had sent to Fitzgerald ⁵. Eventually, in January 1969, Fitzgerald was able to testify about deceptive practices by the Pentagon to create the impression that the project was under-budget and on-time. During the January hearings, Fitzgerald mentioned that Air Force officials were ignoring spare part and other costs. increasing the cost projections from a 1965 estimate of \$300 million to over \$1 billion only four years later ⁵.

Furious about the disclosure, the Nixon administration felt that Fitzgerald had to leave. In documents later furnished by his lawyer, Fitzgerald found the Nixon administration had gone to lengths to attempt to discredit him and have him terminated for having divulged 'classified' information; in his book, he claims that officials went so far as falsifying documents to establish this ⁶. Fitzgerald was ultimately fired in fall 1969 in what the Nixon administration called "reorganization," but apparently there is some indication that Representative Gerald Ford's office had been notified that Fitzgerald had "made it difficult" for Air Force Assistant Secretary ⁶.

Perspective of the Air Force and Military

There was an intricate relationship between the Air Force and Lockheed. Once it became evident that the costs for the C-5A were severely underestimated, the two were in the situation

3. ↑ Fitzgerald, E. (1989). *Carrying Out the Contract*. In *The Pentagonists* (pp. 1-29). Boston, MA: Houghton Mifflin Company.

4. CNN. (2005). *Wisconsin's maverick liberal*. Retrieved from:

5. ↑ Rice, B. (1971). *Cracked wings and other unforeseen difficulties*. In *The C-5A scandal* (pp. 146-162). Boston, MA: Houghton Mifflin Company.

6. ↑ Fitzgerald, E. (1989). *Carrying Out the Contract*. In *The Pentagonists* (pp. 1-29). Boston, MA: Houghton Mifflin Company.

Ernest Fitzgerald and the Lockheed C-5A

together. Lockheed was racing to make improvements to the aircraft and modify contract requirements to speed the delivery of the finished aircraft. At the ceremony for the first finished C-5A in March 1968, taxpayers dollars were used to fly government officials, including members of the House and [Senate Armed Services Committee](#) and hundreds of other government personnel. Lockheed employees distributed hefty press kits that announced the plan was meeting cost and production plans ¹.

As a result, the Air Force felt pressures for allowing Lockheed's dubious expenditures to persist. The Air Force was determined to prove that the C-5A program was progressing according to plan. In order to invalidate Fitzgerald's testimony, Air Force officials altered their cost estimates. This tampering with official documents was later determined in a hearing when true cost estimates were revealed. The consequence of this became a scandal during the Nixon administration, an era "notoriously fraught with suspicion and distrust, anyone who instigated scandals that might threaten the image of the presidency was considered persona non grata" ². Following Fitzgerald's testimonies, there were immediate repercussions. According to an account in *The Pentagonists*, the White House reaction was that "Mr. Fitzgerald had transcended the normal bounds of an executive branch employee." White House officials were "concerned about the leaks that had occurred and the detrimental effect this was having on the image of the military overall" ³.

Perspective of Ernest Fitzgerald and the Public

Fitzgerald's values were shaped by a youth of harsh economic times during the Great Depression in Birmingham, Alabama. Having served in the U.S. Navy during World War II and completed his bachelor's of science in industrial engineering, he established himself as a pioneer in the field of defense industry cost control. ¹ Fitzgerald embodied frugality and prudence when it came to financial matters, and disagreed with the mentalities of many defense-contracting authorities. To the advocates of monitoring abuses in government financial management, Fitzgerald is regarded as an individual who prioritized truth over profit. Victories over Nixon and the Pentagon made Fitzgerald a legend or, as the *New York Times* called him, "a folk hero to federal employees." ²

1. ↑ Rice, B. (1971). Construction, confusion, and concealment. In *The C-5A scandal* (pp. 29-43). Boston, MA: Houghton Mifflin Company.

2. ↑ Wimsatt, Allison Ross. (1999). The Struggles of Being Ernest. *Industrial Management Magazine*. 14(1). 12-19.

3. *The Pentagonists*

1. ↑ Rice, B. (1971). Construction, confusion, and concealment. In *The C-5A scandal* (pp. 29-43). Boston, MA: Houghton Mifflin Company.

2. ↑

"The tireless and dedicated work performed by Ernie Fitzgerald and his assistants played a key role in one of the few major victories the taxpayers have had this decade. In May of 1985, the United States Senate approved an historic amendment that I offered to freeze the defense budget. It saved \$17 billion of unnecessary, wasteful spending." -- Sen. Charles Grassley (Republican, Iowa)

"Ernie Fitzgerald is one of the reasons why America is great. As long as we have free speech, an independent Congress, and courageous officials like Fitzgerald who are willing to tell the truth about how the government spends the taxpayers' money, our nation will be strong." -- Sen. William Proxmire (Democrat, Wisconsin)

"I would like to give my highest recommendation to Mr. A. Ernest Fitzgerald, who would make an excellent comptroller general of the United States." -- Rep. Jack Kemp (Republican, New York)

"Fitzgerald paid an enormous personal price for teaching us that military airplanes were collections of overpriced spare parts flying in close formation. He showed how the Pentagon made stealing legal." -- Rep. John Dingell (Democrat, Michigan)

"Ernie Fitzgerald has been a guiding light for many in Congress by pointing us in the direction of effective reform of a defense procurement system riddled with weapons boondoggles, contractor rip-offs, and Pentagon mismanagement. I consider him a true American hero." -- Rep. Barbara Boxer (Democrat, California)³

However, there is still discern within his own community of colleagues. The assistant secretary for financial management and Fitzgerald's boss, Richard Carver described a familiar attitude regarding Fitzgerald's reputation. "Ernie has the capacity to really irritate people. He has a kind of antagonistic way of doing things." He also noted that "The average guy in the Air Force is persuaded that Ernie is more interested in headlines and raising heck than he is in getting the job done."⁴

Results of the Incident

Whistle blower protection

3. ↑ Wimsatt, Allison Ross. (1999). The Struggles of Being Ernest. *Industrial Management Magazine*. 14(1). 12-19.

4. ↑

Conclusion

The initial fleet of C-5A Galaxies have been undergoing renovations since their construction.

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3. ↑ C-5 History. (2006, April 2). Retrieved March 27, 2011, from <http://www.globalsecurity.org/military/systems/aircraft/c-5-history.htm>
4. ↑ Rice, B. (1971). The birth of the Galaxy. In *The C-5A scandal* (pp. 1-17). Boston, MA: Houghton Mifflin Company.
5. ↑ ^{a b c} Rice, B. (1971). Construction, confusion, and concealment. In *The C-5A scandal* (pp. 29-43). Boston, MA: Houghton Mifflin Company.
6. ↑ ^{a b c d} Rice, B. (1971). Cracked wings and other unforeseen difficulties. In *The C-5A scandal* (pp. 146-162). Boston, MA: Houghton Mifflin Company.
7. ↑ <http://www.af.mil/information/bios/bio.asp?bioID=5423>
8. ↑ ^{a b c} Fitzgerald, E. (1989). Carrying Out the Contract. In *The Pentagonists* (pp. 1-29). Boston, MA: Houghton Mifflin Company.
9. ↑ CNN. (2005). Wisconsin's maverick liberal. Retrieved from: http://articles.cnn.com/2005-12-19/politics/proxmire.shields_1_genocide-treaty-golden-fleece-awards-transport-plane?_s=PM:POLITICS

10. ↑ ^{*a b*} Wimsatt, Allison Ross. (1999). The Struggles of Being Ernest. *Industrial Management Magazine*. 14(1). 12-19.
11. ↑ The Pentagonists
12. ↑ ^{*a b*} <http://www.people.com/people/archive/article/0,,20092407,00.html>