

bcc: R. Hale, R. Sawicki, A. Sandler

140

From MS 751
WIN 234-4612
Date February 26, 1982
Subject

To J. W. Phipps
MS 1230

cc: W. Hulse
Washington Sales Office

J. C. Ryan
MS 1146

On February 23, 1982 Al Sandler, Dick Sawicki and myself visited MICOM, Huntsville, Alabama to discuss the HAWK Program with the appropriate MICOM personnel. We were joined by Dick Hunt and Glenn McDuffie of our Field Marketing activity.

During the morning we met with Mr. Muller, Director of Procurement and Production, along with Mr. Bill Perkins and Hugh Michaels of his staff. The meetings were not only informative but productive as well.

Early afternoon we met with Mr. Larry Moyers, the Procurement Manager responsible for HAWK spares procurement from Westinghouse. This, likewise, was a fruitful discussion. However, toward the end of our conversation an incident occurred which greatly distressed and infuriated me. Let me relate the situation as accurately as possible:

Our conversation with Mr. Moyers had primarily dealt with spares, our discussion was nearing an end and we were discussing generalities. However, at this point Mr. McDuffie unprovoked and out of context offered his judgment that the reason the Army had suffered spares deficiencies at the beginning of the program was caused by the Westinghouse interpretation of the contract language. It was his contention as he so stated that although the Army had anticipated that spares would be delivered concurrently with the prime mission

equipment, Westinghouse had taken the position that the "loose" wording of the contract would allow them to deliver prime equipment rather than spares and they, Westinghouse, did just that to maximize their sales. As a result he implied that this (W) action, which had every connotation of being disreputable, even unethical, was done purely for the interest of furthering the (W) profit position.

Frankly, I was absolutely flabbergasted that our Westinghouse representative would make such statements in front of a customer. Even a competitor, in my opinion, would not be so unprofessional to degrade a reputable competitor to a customer as our (W) representative did to our (W) customer.

After Mr. McDuffie's above statements, I immediately offered an opinion that I could not conceive that if the Army had ordered spares that we would deliberately deliver prime equipment rather than spares. I told Mr. L. Moyers that I was extremely concerned about the so called "facts" Mr. McDuffie had made and I would personally look into what had really occurred.

It is also important to note that during Mr. McDuffie's elaboration Mr. Moyers contended that in his opinion the reason for the spares problem was the Army's late ordering of those spares and in essence did not blame Westinghouse but the Army. Yet here was a Westinghouse representative freely, without provocation or reason strongly suggesting that (W) acted in a questionable manner just to achieve additional billings.

I find this kind of behavior extremely detrimental to Westinghouse and personally distasteful to me as a member of the Westinghouse Management Team.

I felt you should be aware of this situation to deal with it in whatever manner you feel appropriate.

Before sending this letter, I had it reviewed by Mr. Sandler and Mr. Sawicki to insure its accuracy and they have both concurred that it is an accurate account of the situation. I would also suggest that you solicit the recollection of Dick Hunt to insure that he provides his reflections of this occurrence. Needless to say, we do not need, nor should we tolerate this type of unprofessional conduct.

G. T. Mercer, General Manager
C&C Logistics Support Division