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**From:** Nelson, Daniel J  
**Sent:** Saturday, March 14, 2009 5:15 PM  
**To:** Anderson, Derek L  
**Cc:** Beardmore, Bradley; EXT-Kesterson, Andrea; Jones, Karen E; Tim Kinnaird  
**Subject:** Sit Rep

All,

This is probably the worst report I will be making (I hope it doesn't get any worse):

1. We arrived in Jeddah this morning and immediately toured the Saudi City Compound.

- The apartments are not renovated and in deplorable condition. The units were abandoned many years again and require complete gutting and renovation.

- These are 2-bedroom, 2-bathroom units that can house a family with one child, or two bachelor employees.

- There were only 3 workers present and we believe they were either on break or sleeping. The construction manager met with us and said he will shift two teams of worker to the apartments immediately and the first two sets of apartments (totally 12 units) should be ready by the end of the month - It would take an army from what we saw to make this happen.

- We then viewed some of the 2-story town houses that are close to be completed. Minor repairs and cleanup is required.

- These are 3-bedroom, 3-bathroom units that should be used first for families with two or more children, then 2 bachelors if there's an overflow of bachelors.

- These units require all furnishings to be completed as well: refrigerators, stoves, furniture, window coverings, and other items.

- There is NOT a restaurant on the compound nor medical clinic. The compound is huge and has a sizeable grocery store. All in all the compound is secure and usable, but looks as though it was abandoned and not up kept for a long period of time.

2. Jeddah (Al-Mohamedya Compound) is worse than the ghetto slums of New York, Los Angeles, and the deep South of the United States. No body should be allowed to live in the conditions currently imposed on our employees. Conditions are deplorable and families and especially children should not be allowed!!!

3. Most employees have not been paid, reimbursed for per-diem in Jeddah, no bonuses issued, have visit visa or temporary work visas that require frequent trips to Bahrain with next day notice.

- Older (roll-over) employees salaries are much lower than new employees even though letters were issued for pay increases in October 2008 that were only paid starting January 2009.

- Older employees do not have Iquamas or are expired visas and Iquamas and could be picked up at any time as illegal aliens.

- Employees do NOT have proper tools for work

- Employees do NOT have uniforms and are ruining their personal clothing trying to work

- In-Kingdom medical cards were issued just prior to our arrival

- NO C-130 MEDICAL for dependents in the US

- No method to transfer funds back to families in the US

- Smokers are mixed with non-smokers

- Many other issues that will be contained in worksheet that I will forward separately once complete

4. Our IP (Robin Peterson) has elected to leave the Kingdom due to these conditions and feels that he was lied to about the conditions and believes I broke promises of a private villa and individual vehicle. He has stated that he will be filing an Ethics complaint to Boeing CEO. He had agreed to meet and discuss things with us according to Jack Flanders (our other IP); however, refused to talk to us and stormed out surprising all.

5. Work conditions at the RSAF are horrible:

- Bathrooms are unsanitary and an extreme health risk

- No tools

- No uniforms

- RSAF complaining of wrong job descriptions

- RSAF treating our PDM Manager very poorly like a lackey

- NO COMMUNICATIONS

I apologize for the emotion tied to this report; however, Carlos, Nasser, and myself were surrounded by as many as 75 employees in the workout room for nearly 3 hours gaining and disseminating information. There was serious strife in the air and at one point in time with the IP situation, I believed he considered taking a swing at me. The situation in Jeddah is too much to put into words or proper perspective to gain a real understanding of what these guys are dealing with as OUR employees.

We have a great group of guys down here that need to be taken care of now!!!

These issues must be resolved immediately, they are tired of the lip service.

Returning to Riyadh tomorrow afternoon.

Regards,

Dan

*Dan Nelson*

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