



NATIONAL RECONNAISSANCE OFFICE
Office of Inspector General
14675 Lee Road
Chantilly, VA 20151-1715



31 July 2020

MEMORANDUM FOR DIRECTOR, OFFICE OF CONTRACTS
DIRECTOR, OFFICE OF SECURITY AND COUNTERINTELLIGENCE

SUBJECT: (U) Summary Report of Investigation: False Claim
(Case Number 19-0028-I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on information alleging [redacted] mischarged time to an NRO contract. The attached Summary Report of Investigation details the investigation results.

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(U//~~FOUO~~) The OIG requests that the Director, Office of Security and Counterintelligence place a copy of this report in the appropriate security file, along with a notation in the appropriate security databases. All other copies are for informational purposes only and should be returned to the OIG.

(U//~~FOUO~~) The OIG asks that the Director, Office of Contracts (D/OC) determine whether debarment of [redacted] pursuant to the Federal Acquisition Regulation 9.406, is in the government's interest. The D/OC should report the result of this determination, as well as any action taken or anticipated, to the OIG within 45 days from the date of this report.

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(U//~~FOUO~~) You may share information contained within this report with those individuals you deem necessary to complete the requested actions. If there are other persons who you believe require access as part of their official duties, please let me know, and I will promptly review your request. Questions regarding this summary may be directed to Special Agent in Charge [redacted] (secure) or to the undersigned at [redacted] (sec [redacted])

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[Redacted signature box]

Assistant Inspector General
for Investigations

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(b)(6)

Attachment:
(U) Summary Report of Investigation
(Case Number 19-0028-I) (U//~~FOUO~~)

cc:
General Counsel

SUBJECT: (U) Summary Report of Investigation: False Claim
(Case Number 19-0028-I)

OIG, [redacted] 31 July 2020

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DISTRIBUTION:

Hard Copy

Director, Communications Systems Directorate

Director, Office of Contracts

General Counsel

Office of General Counsel [redacted]

Director, Office of Security and Counterintelligence

OIG Official Record [redacted]

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*(U) National Reconnaissance Office
Office of Inspector General*

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(U) SUMMARY REPORT OF INVESTIGATION

(U) (19-0028-I)

31 July 2020

(U) Section A – Subject:

1. ~~(U//FOUO)~~ Full Name:

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AIN:

Employer:

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Contract Number:

Job Title: Lead for the

(U) Section B – Predication:

2. (U//~~FOUO~~) On 26 March 2019, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) received information alleging that [redacted] may have fraudulently charged the government for hours he claimed to have worked on an NRO program. (b)(3) (b)(7)(c)
At the time of the allegation, [redacted] was a [redacted] [redacted] employee assigned as a [redacted] Lead on the NRO (b)(3)
[redacted] The OIG initiated an investigation since [redacted] [redacted] alleged actions potentially violated 18 U.S.C. § 287, *False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make any claim upon or against the United States, or any department or agency thereof, knowing or having reason to know such claim to be false, fictitious, or fraudulent.

(U) Section C – Investigative Findings:

3. (U//~~FOUO~~) The OIG reviewed [redacted] [redacted] time and attendance records from 1 August 2016 to 31 March 2019. The OIG compared these records to NRO and contractor facility badge records and visitor log data, which reflected the dates and times [redacted] entered and exited those respective facilities. The OIG also reviewed [redacted] travel records and office calendar. [redacted] was credited for time spent performing official business outside of the aforementioned facilities, as appropriate. The OIG identified information indicating [redacted] [redacted] made entries on his office calendar that potentially misrepresented his actual whereabouts during the workday. For example, from 1 October 2018 to 31 March 2019, [redacted] recorded on his office calendar that he was at the [redacted] facility located in Chantilly, Virginia¹ every week, Monday through Friday from 1100 to 1500 (20 hours each week.) However, [redacted] badge records did not corroborate he was at the [redacted] facility to the extent he claimed. Additionally, the OIG found [redacted] frequently recorded he worked a full day, when in actuality he left work early.² (b)(3) (b)(3) (b)(7)(c) (b)(3)

4. (U//~~FOUO~~) The OIG interviewed [redacted] on 28 August 2019. During the interview, the OIG provided [redacted] with information that evidenced discrepancies in his timekeeping records. [redacted] stated he performed various [redacted] duties outside of NRO badged areas, to include conducting in-person interviews, attending weekly staff meetings, and participating in monthly program reviews at the [redacted] facility located in Chantilly, Virginia. Additionally, [redacted] stated that he conducted over-the-phone interviews, prepared employee performance evaluations, and completed other contractual administrative duties (e.g., completing staff timecards) offsite; often at home. [redacted] added that on occasion, a government official (b)(3) (b)(3) (b)(7)(c) (b)(3)

¹ (U//~~FOUO~~) Personnel are not required to badge in/out of the [redacted] facility located in Chantilly, Virginia. However, they are required to badge into the Sensitive Compartmented Information Facility (SCIF). [redacted] stated that he typically badged into the SCIF when he visited the [redacted] facility. The OIG provided [redacted] full credit for hours on days where records showed he accessed the [redacted] SCIF. (b)(3) (b)(7)(c)

² (U//~~FOUO~~) The OIG found that during the relevant period, [redacted] was short by more than half the day (4 or more hours, but less than 8) for 115 days. Additionally, [redacted] was missing 9 full days (8 or more hours).

allowed him to take training at home on snow days.³ Further, [redacted] stated that he conducted NRO bid proposal efforts either at [redacted] or [redacted], which is another contractor facility located in Chantilly, Virginia.⁴

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5. (U//~~FOUO~~) The OIG also presented [redacted] with evidence that showed he conducted personal business during work hours, but did not make up the time. [redacted] said that his actions were not right, and that he probably benefited himself by recording hours that he should not have charged to the contract. [redacted] added that he may have forgotten to edit his timecard on days he left early. Later in the interview, [redacted] acknowledged that he billed an NRO contract for time spent doing personal and/or unofficial work. Additionally, [redacted] stated that he should have charged more hours to a [redacted] corporate code (i.e., indirect charge) vice direct charge to the [redacted] contract. For example, he directly billed the contract for time spent interviewing and hiring personnel because, according to [redacted] no one told him to do otherwise.⁵

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(b)(3)

6. (U//~~FOUO~~) [redacted] declined the opportunity to incorporate his admissions in a written statement to the OIG. The OIG determined that [redacted] actions resulted in the mischarging of approximately 1,508.6 hours to the [redacted] contract.

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(U) Section D – Conclusion:

7. (U//~~FOUO~~) The United States Attorney’s Office, Eastern District of Virginia declined prosecution. The OIG briefed the facts of this case to the cognizant NRO contracting officer, who subsequently agreed to an administrative settlement with [redacted] On 5 December 2019, [redacted] reimbursed the NRO for the hours mischarged by [redacted] through a Treasury check for [redacted] [redacted] was debriefed from NRO access on 28 August 2019. This investigation is closed.

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8. (U//~~FOUO~~) The OIG requests that the Director, Office of Security and Counterintelligence place a copy of this report in [redacted] security file, along with a notation in the appropriate security databases.

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³ (U//~~FOUO~~) NRO contracting officials stated that [redacted] contractors were not authorized to work from home or any remote location unless it was a [redacted] facility. However, a [redacted] manager told the OIG that [redacted] allows employees to conduct phone interviews and prepare employee performance appraisals at home or other offsite locations. The [redacted] manager also said that [redacted] should have obtained approval ahead of time and recorded his whereabouts on an office calendar. The OIG reviewed [redacted] office calendar and found that [redacted] did not record time spent at home on the calendar. Nevertheless, the OIG obtained a list of interviews [redacted] claimed he participated in, and gave him at least one hour of credit for each in-person and phone interview he said he conducted outside of badged areas. The OIG could not verify the hours [redacted] claimed he spent preparing employee performance evaluations or performing other administrative duties.

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⁴ (U//~~FOUO~~) The OIG reviewed records and information and found that [redacted] billed the NRO for contract bid proposal efforts from March 2017 to May 2017. However, the OIG found no records reflecting [redacted] presence in [redacted] facilities during this time.

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⁵ (U//~~FOUO~~) A [redacted] manager stated that time spent interviewing personnel and preparing employee evaluations should have been charged indirectly to the [redacted] contract.

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9. (U//~~FOUO~~) The OIG asks that the Director, Office of Contracts (D/OC) determine whether debarment of pursuant to the Federal Acquisition Regulation 9.406, is in the government's interest. The D/OC should report the result of this determination, as well as any action taken or anticipated, to the OIG within 45 days of the date of this report.

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Special Agent in Charge