

Closure Memorandum

Case Number: 2012-105

Date of Entry: 11/07/2012

Investigator:

(b)(3)

Allegation Information

Narrative:

(U//~~FOUO~~) On 10 April 2012, the National Reconnaissance Office (NRO), Office of Inspector General (OIG), Denver Office, received information from source reporting that proceeds collected from recycling materials under the CFOAM contract (NRO000-09-C-0384) at ADF-SW are being used to purchase equipment for the site instead of being used to fund other "green projects".

(b)(3)
(b)(7)(d)
IG Act

Last Investigative Step:

Resolution: Substantiated Unresolved Unsubstantiated Referred

Case Closure Justification

Additional Information:

(U//~~FOUO~~) In April 2012, Chief of Finance Policy, confirmed with Source that there is no NRO official policy for the handling of proceeds from recycled materials, however, the CFOAM COTR has oversight into how the funds are collected and utilized. referenced Federal Management Regulation, 41 CFR Part 102-38.295 which enables Federal agencies to retain all sales proceeds from the sale of "property related to waste prevention and recycling programs." Additionally, provided guidance from Public Law 107-67, Sec 607, that states all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. (b)(3)

(U//~~FOUO~~) In August 2012, was tasked with developing a NRO policy for a Qualified Recycling Program (QRP) that would encompass sites involved in recycling materials. stated she received information from CFOAM COTR, that funds at HQ, ADF-E, and ADF-SW have been frozen pending final policy and specific direction with regards to how the funds can be expended and for what purposes.

(U//~~FOUO~~) On 18 October 2012 provided a synopsis of the recycling process that is being used at HQ, ADF-E, and ADF-SW. Once the precious and scrap metals are collected at a specific location, the materials are weighed and graded which generates a ticket containing the appropriate information with regards to weight and price per pound. The recycling company provides a check that is made out to

CFOAM maintains documentation regarding the funds collected from provided the levels of the funds at of the beginning of October 2012 as follows: (b)(3)

[REDACTED] For a short time, some of the funds were expended on green cleaning supplies which is allowable, but no funds were (b)(3) expended on any other items.

(U) The OIG investigation did not find any evidence that proceeds from the recycling program were spent on items not allowed by Federal Law nor was there evidence of a violation of 40 U.S.C. § 545, Procedure for Disposal, and/or 41 CFR Part 102-38.295, Disposition of Proceeds, and/or Public Law 107-67 Section 607, Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999. Investigator recommends closure with no further action.

OIG Management Approval		
Effective Date	Signature	Notes

OIG Management Approval		
Effective Date	Signature	Notes

IG Counsel Approval		
Effective Date	Signature	Notes