

~~SECRET//TK//NOFORN~~



NATIONAL RECONNAISSANCE OFFICE

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



20 September 2019

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE  
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE  
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE  
DIRECTOR, SYSTEMS ENGINEERING DIVISION  
DIRECTOR, OFFICE OF CONTRACTS

SUBJECT: (U) Summary Report of Investigation: Non-Conforming Parts  
(Case Number 15-0044-I)

~~(S//TK//NOFORN)~~ The National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on a civil complaint alleging that [redacted] manufactured and sold [redacted] without adhering to required government quality standards. The NRO OIG identified approximately [redacted] in subcontracts with [redacted] at the time of the allegation. The attached Summary Report of Investigation details the investigation results.

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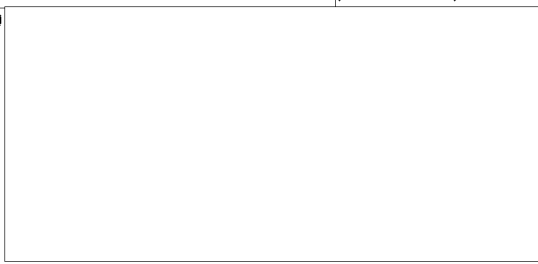
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(U//~~FOUO~~) The OIG asks that the Director, Office of Contracts (D/OC), determine whether debarment of [redacted] pursuant to the Federal Acquisition Regulation 9.406, is in the government's interest. The D/OC should report the result of his determination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

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(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 [redacted] (secure) or to the undersigned at [redacted] (secure)

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Attachment:  
(U) Summary Report of Investigation:  
Non-Conforming Parts  
(Case Number 15-0044-I) (U//~~FOUO~~)

cc: General Counsel  
Director, Office of Security and Counterintelligence



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SUBJECT: (U) Summary Report of Investigation: Non-Conforming Parts  
(Case Number 15-0044-I)

OIG/ [redacted] 20 Sep 19

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DISTRIBUTION:

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Director, National Reconnaissance Office  
Principal Deputy Director, National Reconnaissance Office  
Deputy Director, National Reconnaissance Office  
Director, Office of Contracts  
General Counsel  
Director, Systems Engineering Directorate  
Office of General Counsel [redacted]  
OIG Official Record [redacted]

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

[Redacted]

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# **(U) SUMMARY REPORT OF INVESTIGATION**

**(U) (15-0044-I)**

**20 September 2019**

**(U) Section A – Subject:**

1. **(U//~~FOUO~~)**

[Redacted]

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**Current Contract Number: Various Subcontracts (see Appendix A)**

[Redacted]

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~~(S//TK//NOFORN)~~ Section B – Predication:

2. ~~(S//TK//NF)~~ On 23 September 2014, the Department of Justice (DOJ) notified the National Reconnaissance Office (NRO), Office of Inspector General of a qui tam<sup>1</sup> complaint alleging [redacted] had submitted claims to the United States Government from 2010 to 2014 for allegedly [redacted] that were not manufactured according to required specifications. [redacted] alleged actions potentially violated 31 United States Code § 3729, *False Claims*, which makes it unlawful for anyone to knowingly present, or cause to be presented, a false or fraudulent claim for payment or approval.

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~~(U//FOUO)~~ Section C – Investigative Findings:

[Large redacted area]

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<sup>1</sup> (U) A qui tam is an allegation of fraud made by a private party on behalf of the United States Government.

<sup>2</sup> ~~(U//FOUO)~~ [redacted]

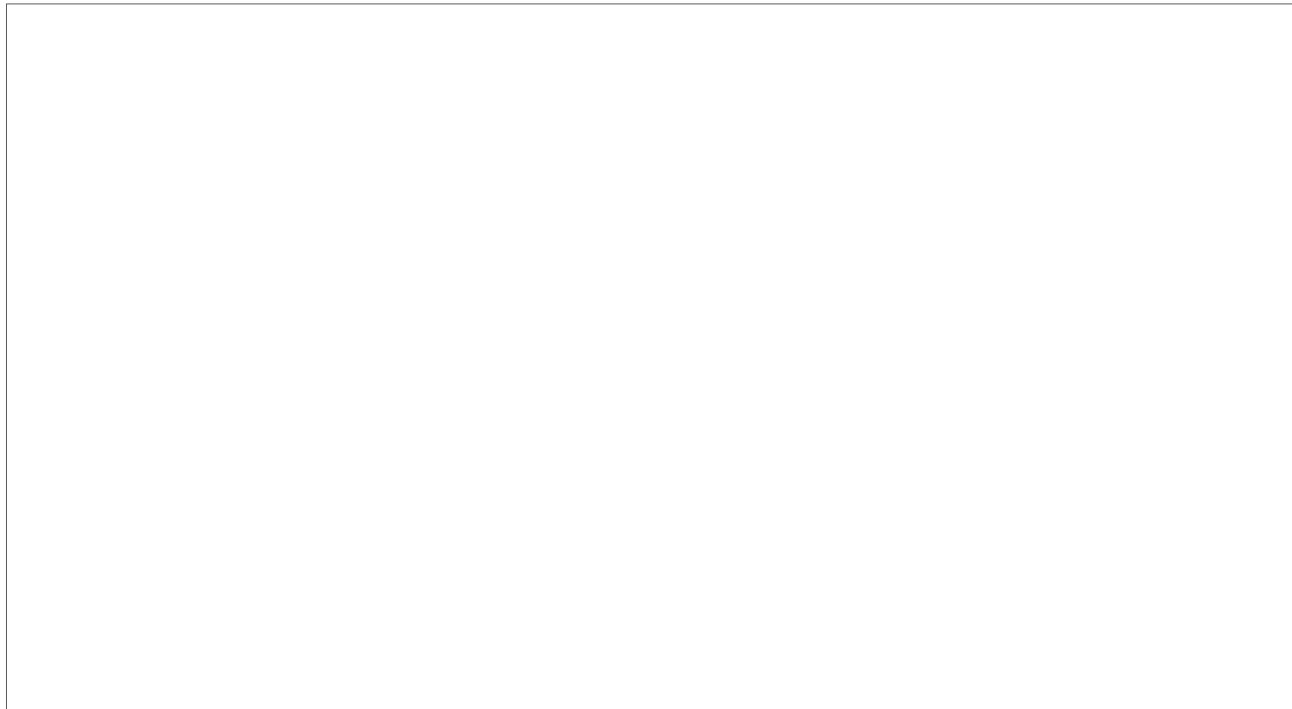
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<sup>3</sup> ~~(U//FOUO)~~ [redacted]

[redacted]

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~~(U//FOUO)~~ Section D – Conclusion:

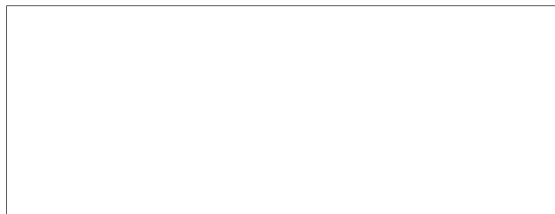
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8. ~~(S//TK//NOFORN)~~ On 28 June 2019, [redacted] paid [redacted] to the United States Government to settle the false claims allegations regarding its failure to comply with testing requirements and subsequent sales and distribution of the relevant [redacted]. Under the terms of the settlement, the NRO received [redacted] and [redacted] received [redacted]. The remainder of the settlement funds went to the United States Treasury.<sup>7</sup>

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9. ~~(U//FOUO)~~ The OIG requests 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 his 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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<sup>4</sup> ~~(U//FOUO)~~ [redacted]

<sup>5</sup> ~~(U//FOUO)~~ [redacted]

<sup>6</sup> (U) [redacted]

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<sup>7</sup> ~~(U//FOUO)~~ The relator received [redacted] in accordance with provisions under the False Claims Act.

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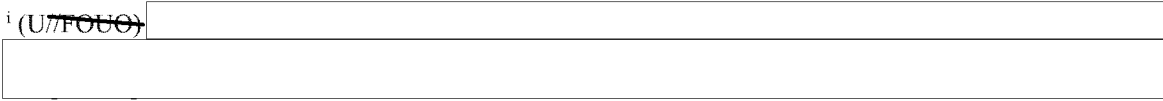
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