



NATIONAL RECONNAISSANCE OFFICE

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



23 September 2010

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE
OFFICE
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, BUSINESS PLANS AND OPERATIONS
DIRECTOR, OFFICE OF CONTRACTS
GENERAL COUNSEL
DIRECTOR, OFFICE OF SECURITY AND COUNTERINTELLIGENCE

SUBJECT: (U//~~FOUO~~) Investigative Summary: False Statements
(Case Number 2009-036 I)

(U//~~FOUO~~) On 16 December 2008, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on allegations that an Aerospace employee had submitted false claims. Please see the attached NRO OIG investigative summary report, which details the investigation results.

(U//~~FOUO~~) We request that the Director, Office of Security and Counterintelligence place a copy of this report in the security file of the individual identified within 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~~) OIG investigation reports are to be read only by the individuals to whom OIG provides them, or to whom the OIG specifically authorizes their release. If there are other persons who you believe require access as part of their official duties, please let us know, and we will promptly review your request.

(U//~~FOUO~~) If you have any questions concerning this report, please contact [redacted], Lead Investigator, at [redacted] (secure), or [redacted], Assistant Inspector General for Investigations at [redacted] (secure).

(b)(3)

Lanie D'Alessandro
Lanie D'Alessandro
Inspector General

Attachment:
(U//~~FOUO~~) Investigative Summary
(Case Number 2009-036 I)

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OIG/[] 23 Sep 10

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(b)(3)

All redactions per (b) (3) and (b) (7) (c) unless otherwise indicated.

~~(U//FOUO)~~ **Investigative Summary:**
False Statements – [REDACTED]
(Case Number 2009-036 I)

(b)(7)(c)
(b)(3)

(U) INVESTIGATIVE FINDINGS

~~(U//FOUO)~~ On 16 December 2008, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation, which Aerospace later joined, into allegations regarding false statements/credentials made by [REDACTED], an Aerospace Corporation employee. The joint investigation focused on allegations that [REDACTED] possibly violated *18 United States Code section 1001, False Statement*, which makes it unlawful for anyone to knowingly and willfully make any materially false, fictitious, or fraudulent statement or representation to a federal agency. Specifically, the OIG was trying to determine if [REDACTED] falsely claimed to have a Bachelor's degree and Master's degree in Electrical Engineering from George Washington University (GWU) upon his hiring with Aerospace in [REDACTED]

~~(U//FOUO)~~ The joint investigation revealed sufficient evidence to support an OIG conclusion that [REDACTED] made false statements to the government when he reported that he held Bachelor's and Master's degrees in Electrical Engineering from George Washington University (GWU) when in fact he did not have any college degrees. [REDACTED] actions caused Aerospace to unwittingly misrepresent [REDACTED] in costs between [REDACTED] and [REDACTED] as they were billing [REDACTED] to the NRO at an engineering rate for which he was not qualified. Possessing a Master's degree in Electrical Engineering allows Aerospace to bill [REDACTED] labor hours at a higher rate than for a senior technician, which does not require a college degree. In [REDACTED] Aerospace terminated [REDACTED] employment, and on 15 July 2010, Aerospace credited the NRO [REDACTED]. A joint government and Aerospace review concluded that [REDACTED] work was acceptable and that the NRO had not been provided with any faulty engineering work. Aerospace also advised that it was reviewing its process for vetting degrees.

~~(U//FOUO)~~ The OIG briefed the results of the investigation to the United States Attorney's Office for the Eastern District of Virginia, which declined prosecution since Aerospace terminated [REDACTED] employment; he no longer held NRO accesses; his lack of a degree did not cause faulty engineering work; and Aerospace had reimbursed the NRO for the overbilling. The OIG considers this investigation closed.

(U) INVESTIGATIVE DETAILS

~~(U//FOUO)~~ On [REDACTED] the NRO Office of Security and Counter Intelligence Personal Security Division (PSD) advised that, during ongoing security processing, [REDACTED], an Aerospace Corporation employee, did not list any degrees on his official government standard form 86 security paperwork. However, during his background investigation interview, [REDACTED] told his investigator that he held Bachelor's and Master's degrees in Electrical Engineering from GWU.

All redactions per (b) (3) and (b) (7) (c) unless otherwise indicated.

(U//~~FOUO~~) The OIG initiated its investigation by interviewing [redacted] Aerospace program manager. The Aerospace program manager stated that [redacted] was a level one engineer working on their technical staff supporting the NRO. The program manager further stated that to be a level one engineer with Aerospace, an individual needed a minimum of a Master's degree in electrical engineering. He also said that [redacted] was a junior member of the staff who was doing well, but senior engineers supervised all of his work.

(U//~~FOUO~~) Aerospace provided copies of [redacted] resume and college transcripts that he submitted when he was hired in [redacted]. Aerospace also stated that they were under the impression that [redacted] had a Bachelor's and Master's degrees from GWU. The OIG reviewed [redacted] resume, which listed a Bachelor's and Master's from GWU. The OIG reviewed the transcripts that [redacted] provided to Aerospace and none of the records had GWU's seal.

(U//~~FOUO~~) In an effort to verify [redacted] degrees, the OIG checked the National Student Clearinghouse Database. The OIG did not find any degrees for [redacted], even though GWU is a participating university in the Clearinghouse Database. The OIG then checked with the GWU registrar who advised that [redacted] never completed the necessary requirements for a Bachelor's degree.

(U//~~FOUO~~) On 28 May 2009, the OIG interviewed [redacted]. The OIG advised [redacted] of his Garrity rights, which he waived in writing. When the OIG asked about his degrees, [redacted] readily admitted that he did not have any degrees from GWU. He stated that he was several classes short of a Bachelor's degree and only took a few Master's classes, for which he never paid GWU. [redacted] said that he was tired of school and embarrassed that he could not finish his degrees on time. He stated that he needed a job and listed the degrees to enhance his resume. [redacted] provided a sworn written statement on the above information.

(U//~~FOUO~~) The OIG briefed the results of [redacted] interview to the NRO Aerospace Government Lead and to Aerospace. Aerospace initiated its own investigation and re-interviewed [redacted]. He admitted to the Aerospace investigator that he did not have a Bachelor's or a Master's degree from GWU. Aerospace terminated [redacted] employment and debriefed him of NRO accesses on [redacted]. Aerospace, in partnership with the NRO government lead, then conducted a review of [redacted] work and billing. A final report was submitted to the OIG on 14 February 2010. Aerospace also advised that it was going to review its process for vetting degrees. In response, the OIG advised Aerospace about the National Student Clearinghouse Database.

(U//~~FOUO~~) The NRO and Aerospace concluded that [redacted] work was acceptable and that the NRO had not been provided with any faulty engineering work. Aerospace also concluded that since [redacted] did not have a degree, as the position required, Aerospace had overpaid him for his work. Unknowingly, Aerospace passed on that overpayment claim to the NRO. Aerospace calculated that, from [redacted] through [redacted] [redacted] the NRO was overbilled [redacted] the difference between a senior technician's and a

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level one engineer's salaries. Aerospace advised, on 28 July 2010, that the NRO was credited the [redacted] on 15 July 2010 and provided a copy of the credit.

(U//~~FOUO~~) The OIG briefed the final results of the investigation to Mr. Jack Hanly, Assistant United States Attorney (AUSA) of the Department of Justice, United States Attorney's Office for the Eastern District of Virginia, Alexandria, Virginia, in accordance with Executive Order 12333. Mr. Hanly declined prosecution since Aerospace terminated [redacted] employment; he no longer held NRO accesses; and Aerospace had reimbursed the NRO for the overbilling. In addition, the OIG briefed the results of the investigation, the credit information, and the AUSA declination to the Government Aerospace Lead.

(U) CONCLUSION

(U//~~FOUO~~) [redacted] own admissions and documentary evidence supports an OIG conclusion that [redacted] false statements violated *18 United States Code, section 1001, False Statements*. In addition, [redacted] actions caused Aerospace to unwittingly misrepresent [redacted] in costs due to the fact that it was billing [redacted] pay to the NRO at an engineering rate for which he was not qualified. In [redacted] Aerospace terminated [redacted] employment, and on 15 July 2010, Aerospace credited the NRO [redacted]. A joint government and Aerospace review concluded that [redacted] work was acceptable and that the NRO had not been provided with any faulty engineering work.

(U//~~FOUO~~) Given the AUSA's declination of prosecution, reimbursement to the NRO for the over charges by Aerospace, [redacted] employment termination, and his debrief from NRO access, the OIG has no further investigative actions. The OIG considers this investigation closed.