



NATIONAL RECONNAISSANCE OFFICE

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



11 October 2011

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE
OFFICE
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, SYSTEMS ENGINEERING DIRECTORATE
DIRECTOR, OFFICE OF CONTRACTS
GENERAL COUNSEL
DIRECTOR, OFFICE OF SECURITY AND COUNTERINTELLIGENCE

SUBJECT: (U//~~FOUO~~) Investigative Summary: Cost Mischarging
(Case Number 2011-047 I)

(U//~~FOUO~~) On 28 January 2011, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on an International Telephone and Telegraph (ITT) notification to the NRO OIG that an ITT employee mischarged hours on an NRO contract. The attached NRO OIG investigative summary report 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 the 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], Assistant Inspector General for Investigations at [redacted] (secure).

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[Redacted signature box]

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Deputy, Inspector General

Attachment:
(U//~~FOUO~~) Investigative Summary:
Cost Mischarging
(Case Number 2011-047 I)

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OIG [redacted] /11 Oct 2011

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DISTRIBUTION:

Director, National Reconnaissance Office
Principal Deputy Director, National Reconnaissance Office
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Director, Systems Engineering Directorate
Director, Office of Contracts
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Director, Office of Security and Counterintelligence
OIG Official Record [redacted]

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

~~(U//FOUO)~~ **Investigative Summary:**
Cost Mischarging
(Case Number 2011-047 I)

(U) INVESTIGATIVE FINDINGS

~~(U//FOUO)~~ The National Reconnaissance Office (NRO) Office of Inspector General (OIG) has completed an investigation involving an International Telephone and Telegraph (ITT) employee, [redacted], who falsely claimed 635 hours on her company time cards from [redacted]. These false hours were billed to NRO contract [redacted]. ITT credited the NRO contract in the amount of [redacted] for the 635 mischarged hours and subsequently terminated [redacted] employment. [redacted] actions violated 18 *United States Code* § 287, *False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a department of the United States Government; however, the United States Attorney's Office (USAO) for the Eastern District of Virginia declined prosecution in favor of administrative action.

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(U) INVESTIGATIVE DETAILS

~~(U//FOUO)~~ On 20 January 2011, ITT [redacted] notified the OIG that an ITT employee, [redacted], significantly mischarged hours on an NRO contract. [redacted] informed the OIG that a) ITT terminated [redacted] employment on 11 January 2011 as a result of the mischarging; b) ITT was in the process of analyzing the data to determine the exact number of hours mischarged; and c) once ITT determined the mischarged hours, it planned to credit the affected NRO contract.

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~~(U//FOUO)~~ [redacted] worked as an imagery scientist. Her ITT supervisor noticed that she was often missing and turned the matter over to ITT Government Compliance for investigation. ITT conducted an initial 12 week review of [redacted] time recording and found a significant amount of time that she charged, but may not have worked. After this initial analysis, ITT interviewed [redacted]. During the interview, [redacted] could not explain her missing time; as a result, ITT terminated [redacted] employment on [redacted]. On 20 January 2011, the ITT [redacted] notified the NRO of [redacted] cost mischarging, and his plan to perform an extensive review.

~~(U//FOUO)~~ The ITT final review determined that [redacted] mischarged approximately 635 hours from [redacted]. Her pay rate was [redacted] per hour; therefore, she received approximately [redacted] for the mischarged hours. [redacted] loaded rate as charged to the contract was [redacted] per hour; therefore, the NRO paid approximately [redacted] for the 635 mischarged hours. ITT reimbursed the affected NRO contract [redacted] for the mischarged hours via contract adjustments. The OIG reviewed the evidence obtained by ITT, corroborated the findings, confirmed that the investigative steps taken by ITT were adequate, and verified the adjustment to the contract. The OIG presented the facts to the USAO on 18 July 2011 as a potential violation of 18 U.S.C. § 287, *False, Fictitious, and Fraudulent Claims*. The USAO declined prosecution given that administrative action had already been taken to remove the employee and provide credit for the financial injury she caused.

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(U) CONCLUSION

(U//~~FOUO~~) The ITT investigation concluded that [redacted] mischarged 635 hours from [redacted] ITT reimbursed the affected NRO contract [redacted] and terminated [redacted] employment. The OIG reviewed the information reported by ITT regarding [redacted] actions, corroborated the findings, and confirmed that the remedial measures taken by ITT were appropriate. This concludes the investigation without the need for further OIG action.

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