

NATIONAL RECONNAISSANCE OFFICE

OFFICE OF INSPECTOR GENERAL

# (U) SEMIANNUAL REPORT TO THE CONGRESS

1 April 2017 - 30 September 2017

30 October 2017

(b)(3)

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**MESSAGE FROM THE INSPECTOR GENERAL**

30 October 2017

(U) On behalf of the National Reconnaissance Office (NRO) Office of Inspector General (OIG), I am pleased to submit this report highlighting the OIG's activities for the period 1 April – 30 September 2017. This report provides the status of significant findings and recommendations identified during the course of the OIG's work, as well as OIG accomplishments and other key activities. The activities described in this report exemplify our continuing commitment to improving the efficiency and effectiveness of NRO programs and operations.

(U) During this reporting period, the OIG issued eight reports and continued its work on another eight projects. The reports covered myriad issues including physical security, computer and information security, contracts, human resources, and facilities. In addition to this work—supporting and facilitating our mission of assuring effective stewardship of taxpayer dollars and detecting fraud, waste, abuse, and mismanagement in NRO programs—the OIG continued to reach out to other organizations both within and outside of the NRO. These efforts included conducting an outreach visit to an NRO mission ground station and hosting a meeting of the Department of Defense Intelligence Community Inspectors General. This continued focus on outreach enabled the OIG to capture valuable feedback and perspectives from NRO employees and to identify trends across the feedback provided. The success of these outreach visits has also resulted in more of a community-wide outreach effort that is yielding valuable information about the priorities of the other agencies at the ground stations. In addition to these outreach efforts, the OIG celebrated the ten year anniversary of the opening of its Denver Field Office.

(U) As is always the case, we enjoyed a collaborative relationship with Director Sapp and with NRO's leadership and workforce. Director Sapp and her management team are actively engaged in addressing open recommendations and implementing corrective actions. The OIG did not experience any issues related to access to NRO records or personnel.

(U) I very much appreciate the cooperation and support of the Congress and its staff as we continue to affect positive change at the NRO. I would also like to thank the dedicated and professional NRO OIG staff for their continued hard work and commitment to providing effective oversight of NRO programs and operations.

A handwritten signature in black ink, appearing to read 'Susan S. Gibson', with a long horizontal line extending to the right.

Susan S. Gibson  
Inspector General

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**(U) TABLE OF CONTENTS**

**(U) SEMIANNUAL REPORT HIGHLIGHTS AND ACCOMPLISHMENTS..... 1**

- (U) OUTREACH TO THE AEROSPACE DATA FACILITY COLORADO .....1
- (U) OIG CROSS-AGENCY COORDINATION .....2
- (U) NRO OIG DENVER FIELD OFFICE – TENTH ANNIVERSARY .....3

**(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS ..... 5**

- (U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS FOR THE CURRENT REPORTING PERIOD .....5
- (U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS .....5

**(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS ..... 7**

- (U) COMPLETED PROJECTS - OVERVIEW .....7
- (U) COMPLETED PROJECTS - RECOMMENDATIONS .....7
- (U) ONGOING PROJECTS - OVERVIEW .....15
- (U) ONGOING PROJECTS - OBJECTIVES .....15

**(U) INVESTIGATIONS ..... 17**

- (U) REPORTS OF INVESTIGATION .....18
- (U) SELECTED INVESTIGATION SUMMARIES .....18
- (U) SELECTED SIGNIFICANT INVESTIGATIONS .....19

**(U) POTENTIAL MONETARY BENEFITS ..... 21**

**(U) REVIEW OF LEGISLATION AND REGULATIONS ..... 23**

**(U) FINANCIAL SYSTEMS COMPLIANCE ..... 25**

**(U) PEER REVIEWS ..... 27**

- (U) PEER REVIEW OF THE NRO OFFICE OF INSPECTOR GENERAL .....27
- (U) PEER REVIEW OF OTHER AGENCIES’ INSPECTORS GENERAL .....28

**(U) INDEPENDENCE ..... 29**

**(U) APPENDIX A: SEMIANNUAL REPORTING REQUIREMENTS ..... 31**

**(U) APPENDIX B: RECOMMENDATIONS OLDER THAN ONE YEAR ..... 33**

**(U) APPENDIX C: ACRONYMS AND ABBREVIATIONS ..... 49**

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**(U) SEMIANNUAL REPORT HIGHLIGHTS AND ACCOMPLISHMENTS**

(U) During this reporting period, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) focused its oversight efforts and resources to address management challenges and issues of greatest risk within the NRO. Specifically, the OIG performed work on 16 projects, eight of which were completed and eight are ongoing. The projects derive from previous NRO OIG annual work plans and address mandated requirements; respond to alleged violations of law, regulation, or policy; or evaluate emerging issues. The OIG's efforts enhanced the economy, efficiency, and effectiveness of NRO programs; assisted in detecting and preventing fraud and abuse; safeguarded taxpayer investments; and supported the mission of the NRO.

(U) The OIG also continued to reach out to other organizations both within and outside of the NRO. These efforts included conducting an outreach visit to an NRO mission ground station, and hosting an inaugural meeting of the Department of Defense Intelligence Community (IC) Inspectors General (IGs). In addition to these outreach efforts, the OIG celebrated the ten year anniversary of the opening of its Denver Field Office.

**(U) OUTREACH TO THE AEROSPACE DATA FACILITY COLORADO**

(U) In March 2016, the NRO OIG began an initiative to conduct outreach visits to NRO mission ground stations. The first two visits were conducted in August 2016 and March 2017.<sup>1</sup> The most recent visit, conducted during this reporting period, was to the Aerospace Data Facility Colorado (ADF-C). The National Security Agency (NSA) OIG joined the NRO OIG for this outreach due to the joint mission at this location. As with previous outreach efforts, the visit to ADF-C included staff from the NRO Audits, Inspections, and Investigations Divisions. In addition, the NRO Inspector General personally attended the ADF-C outreach visit. OIG activities during this visit were similar to prior outreach visits and included a town hall meeting, interviews with the senior leadership, focus groups, and one employee-requested interview. The focus group sessions included participants representing the civilian, military, and contractor workforce.

(U) Before and throughout the OIG's outreach visit, ADF-C leadership was proactive in encouraging and facilitating ADF-C staff cooperation. For example, **Figures 1 and 2** below show one of the cards that the ADF-C leadership prepared in advance and placed in key locations throughout the site. These cards advertised the OIG town hall meeting and encouraged staff to submit questions or to request one-on-one meetings



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Figure 1: ADF-C Town Hall Outreach Card, Side 1

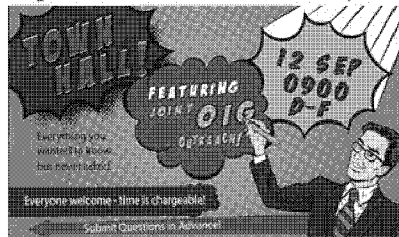


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Figure 2: ADF-C Town Hall Outreach Card, Side 2

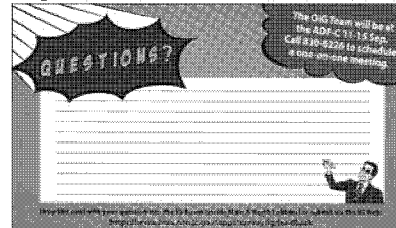


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with the OIG to express any issues or concerns. In addition, during the OIG's visit the ADF-C, leadership expressed a strong desire to understand what, if any, concerns were expressed by ADF-C employees. The OIG appreciates this proactive leadership approach.

(U) The original goals of the OIG's outreach visits were to (1) promote an improved understanding of the NRO OIG mission and (2) increase the frequency of OIG interaction with the workforce at the ground stations. The three outreach visits conducted to date have exceeded the originally-intended goals. First, they provided the OIG with opportunities to find and address issues that could have a negative impact on the NRO's vital ground station missions if not addressed in a timely manner. Second, these visits provide the OIG with more frequent opportunities to promote positive change across the NRO. Equally as important, the other IC OIGs have acknowledged the value of these visits and have partnered with the NRO OIG. This has resulted in more of a community-wide outreach effort that is yielding valuable information about the priorities of the other agencies at the ground stations.

### (U) OIG CROSS-AGENCY COORDINATION

(U) In an effort to promote cooperation and consistency across the Department of Defense Intelligence Community Inspectors General, the NRO Inspector General hosted a meeting of the IGs from the Defense Intelligence Agency (DIA), the National Geospatial-Intelligence Agency (NGA), and the NSA. The agenda for this meeting included several issues that all of the participants have in common. For example, the participants discussed options for providing more transparency and publically publishing redacted versions of select reports. The NRO OIG will be starting by publishing the this Semiannual Reports to the Congress on the NRO website and using the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) newly-established Oversight.gov website.<sup>2</sup> The participants also discussed ways to effectively (1) address several new and existing mandates that apply across all of their offices, (2) encourage and benefit from joint duty assignments among their agencies, and (3) coordinate their FY 2018 work plans to look for

<sup>2</sup> (U) Oversight.gov was created by CIGIE to consolidate all public reports from contributing Federal Inspectors General in order to improve the public's access to independent and authoritative information about the Federal Government. The site includes a publically accessible, text searchable repository of reports published by participating IGs.



opportunities to conduct joint projects and to share information about project scope, methodologies, and information sources.

**(U) NRO OIG DENVER FIELD OFFICE – TENTH ANNIVERSARY**

~~(S//SI//TK//REL TO USA, FVEY)~~ 1 August 2017 marked the 10-year anniversary of the establishment of the NRO OIG's Denver Field Office. The ribbon cutting ceremony depicted in **Figure 3** was presided over by the then NRO Inspector General, Mr. Eric Feldman and then NRO Deputy Director, Major General Thomas Sheridan. Through the years, the Denver Field Office has cultivated successful working relationships with mission partners in several states and particularly at the ADF-C and the Aerospace Data Facility Southwest. The Office's many significant accomplishments include [redacted]

[redacted] (a four year endeavor), the first civil settlement of over \$1 million within the federal government for violation of the Procurement Integrity Act, and complex and high interest audits such as the *Audit of the National Reconnaissance Office Support to Other Agencies at the Aerospace Data Facility Colorado* and the *Joint Audit of the*

[redacted] The Field Office continues its work on several ongoing investigations and the audit of NRO Supply Chain Risk Management.

Figure 3: Denver Field Office Ribbon Cutting Ceremony



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## (U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS

(U) The *Inspector General Act of 1978*, as amended, requires OIGs to report on agencies' significant deficiencies found during the reporting period, and on significant recommendations for corrective action to address those deficiencies. It also requires OIGs to report each significant recommendation described in previous semiannual reports for which corrective action has not been completed.

### (U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS FOR THE CURRENT REPORTING PERIOD

(U) While the OIG issued eight reports during this semiannual reporting period, none of the reports' findings or recommendations met the OIG's criteria for significant.

### (U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS

(U) As of the end of this semiannual reporting period, there are four significant recommendations for which corrective action has not been completed. These significant recommendations are associated with two prior reports. The status of these prior recommendations is shown in **Tables 1 and 2**. Additional details about the actions being taken to address significant recommendations older than one year are provided in Appendix B of this report.

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**(U) TABLE 2: INSPECTION OF NRO SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEMS (SCADA)**

(U) Recommendation	(U) Office	(U) Status
(U//FOUO) Significant Recommendation #4 for the DNRO-appointed Management Services and Operations (MS&O)/COMM/SCADA Working Group/Coordination Committee/Program: Formally categorize, document, and publish NRO/SCADA systems as either federal information systems or national security systems.	MS&O	ECD: August 2019

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**(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS**

**(U) COMPLETED PROJECTS - OVERVIEW**

(U) **Table 3** identifies the completed projects for this semiannual reporting period. Following the table are short descriptions of the conclusions and recommendations made for each project.

**(U) TABLE 3: COMPLETED PROJECTS – APRIL-SEPTEMBER 2017**

(U) Title	(U) Date Completed
(U) Evaluation of NRO FY 2016 Improper Payment Compliance	24 April 2017
(U) Deferment of Inspection of NRO Physical Security Program (NRO Headquarters and Surrounding Facilities)	10 July 2017
(U) Consolidated Facilities Operations and Maintenance Performance Audit	25 July 2017
(U) NRO GEOINT-Financials Statement on Standards for Attestation Engagements No. 18 Management Letter for the Period 01 July 2016 to 30 June 2017	15 August 2017
(U) Special Review of the Enterprise Procurement Contract	28 August 2017
(U) National Reconnaissance Office Fiscal Year 2017 Federal Information Security Modernization Act Report	15 September 2017
(U) Follow-up Inspection of the NRO Department of Defense Cadre	29 September 2017
[Redacted]	29 September 2017

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**(U) COMPLETED PROJECTS - RECOMMENDATIONS**

**(U) Evaluation of NRO FY 2016 Improper Payment Compliance.**

(U) The *Improper Payment Information Act of 2002*, as amended by the *Improper Payments Elimination and Recovery Act of 2010* and the *Improper Payments Elimination and Recovery Improvement Act of 2012*, establishes agency requirements regarding improper payments and requires OIGs to determine whether the agency is in compliance each fiscal year. The OIG conducted an evaluation and determined the NRO complied with all applicable requirements. The OIG also reviewed two open recommendations to strengthen controls and provide additional processing guidance. The NRO is making progress on both recommendations. Based on its findings, the OIG made no additional recommendations.

[Redacted]

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(U//FOUO) The OIG reported that the NRO [Redacted]

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[Redacted] Intelligence Community Directive 706, *Security Standards for*

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*Protecting Domestic Intelligence Community Facilities* (effective June 2018). For example, in August 2016 it conducted a Facility Security Risk Assessment for the Headquarters Campus and outlying NRO facilities to identify potential areas of noncompliance. The risk assessment

[redacted] these findings and recommendations address the OIG's

current inspection objectives. Consequently, the OIG deferred its inspection of NRO's Physical Security Program until FY 2018 or FY 2019. (b)(1)

The memorandum documenting the deferment of the inspection [redacted] (b)(3)

[redacted]

**(U) Consolidated Facilities Operations and Maintenance Performance Audit.**

[redacted]

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**Management Letter for the  
Period 01 July 2016 to 30 June 2017.**

The NRO OIG has contracted with the independent public accounting firm [redacted] to report on the fairness of the presentation of management's description of [redacted], and the suitability of the design and operating effectiveness of the controls to achieve the related controls objectives included in the description.

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(U) [redacted] issued an unqualified opinion on the controls surrounding the [redacted]. An unqualified opinion means that the control objectives tested were designed and operating effectively, as described by NRO management. During the examination, however, [redacted] observed some inconsistencies in the agreements between [redacted] and identified actions that [redacted] could take to address them.

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**(U) Special Review of the Enterprise Procurement Contract.**

[Large redacted area]

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**(U) National Reconnaissance Office Fiscal Year 2017 Federal Information Security Modernization Act Report.**

(U) The Federal Information Security Modernization Act of 2014 (FISMA) outlines the information security management requirements for agencies,

including an annual evaluation by each agency's Inspector General or an independent external auditor. FISMA requires OIGs to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of their respective agencies.

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(U) The NRO OIG engaged [redacted] to conduct this evaluation and [redacted] is responsible for the evaluation's conclusions. To ensure the quality of the work performed, the OIG government oversight team monitored [redacted] activities. As part of this oversight, the OIG noted instances in which [redacted] did not have sufficient appropriate evidence for the conclusions reached. These instances were brought to [redacted] attention and were resolved prior to issuance of the final report.

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~~(U//FOUO)~~ [redacted] reported that the NRO is [redacted]

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[redacted]

FY 2016 FISMA

evaluation.

**(U) Follow-up Inspection of the NRO Department of Defense Cadre.**

~~(U//FOUO)~~ The OIG found that the NRO has made limited progress against the challenges and deficiencies identified in its 2015 Cadre report.<sup>3</sup> First, many previously identified challenges and/or deficiencies critical to the long-term viability of the Cadre remain unresolved or incomplete. Second, efforts to implement various personnel system initiatives have yielded incomplete practices or protocols germane to NRO's ability to attract, hire, develop, advance, and retain appropriate Cadre personnel. Third, to date, the Director of National Intelligence has not conducted a workforce study, nor has the NRO conducted an independent, comprehensive analysis of the composition of the Cadre component or the NRO workforce.

~~(U//FOUO)~~ The OIG identified other concerns including NRO's ineffective communication with Cadre personnel; limited personnel resources currently available to support the Cadre; shortcomings related to billet management, personnel mobility, and the transition from rank-in-position to rank-in-person.

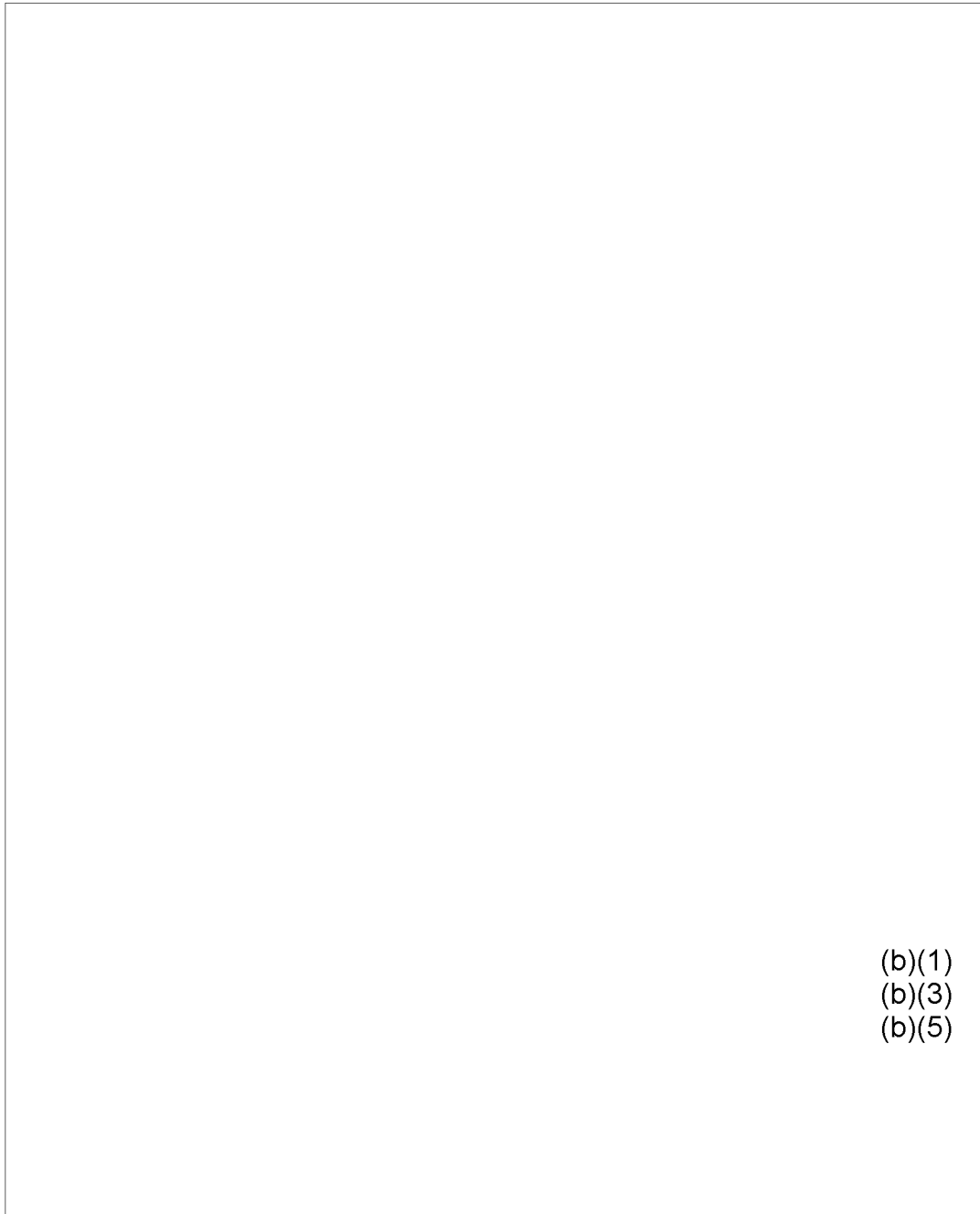
~~(U//FOUO)~~ The OIG recommended that the NRO

<sup>3</sup> (U) In 2015, the OIG conducted the *Inspection of the NRO Cadre Implementation Plan for Department of Defense Civilians*, wherein the OIG identified, among other things, challenges and deficiencies that may have influenced the NRO's ability to meet prescribed transition timelines and/or manage its future workforce if not addressed.



- complete, implement, and communicate all non-critical Cadre related policies to the workforce; (OPEN)
- assess and document adjustments to the Cadre Competencies to reflect rank-in-person needs and complete the Cadre Competencies prior to the planned FY 2019 transition; (OPEN)
- develop and document career paths for each Cadre career field for various proficiency levels (entry and developmental, full performance, senior, and expert) to ensure professional development opportunities for the Cadre; (OPEN)
- assess and document the feasibility of creating a robust Cadre orientation program; (OPEN)
- examine and document salient aspects of the Cadre workforce inherent to its ability to support current and near-term mission requirements, including identifying core competencies, skill levels, and number and allocation of personnel to facilitate an appropriate Cadre needs-gap analysis; (OPEN)
- develop and document a strategic Cadre workforce growth plan that determines the optimal mix of workforce experience, knowledge, skills, and Cadre-related processes necessary to properly align the Cadre workforce to the NRO's current and future mission requirements to include recruitment and retention strategies; (OPEN)
- conduct and document a timely, appropriately scoped, workforce analysis that systematically identifies and analyzes core competencies and skills mix and facilitates an NRO workforce needs-gap analysis that would enable the development of a strategic Cadre workforce plan; (OPEN)
- engage with NRO leadership to identify additional senior leadership positions for which NRO Cadre would be eligible; (OPEN)
- assess the Cadre vacancy process, including the posting and advertising of Cadre vacancies; the feasibility of concurrently posting vacancies through multiple venues; and the feasibility of enhancing Cadre personnel mobility by expanding NRO job opportunities to which Cadre employees may apply. Determine most appropriate course of action and establish or update policies and implementation guidance, as appropriate; (OPEN)
- develop and document detailed procedures for obtaining or moving billets within the NRO; (OPEN)
- assess and determine the requirements and resources needed to transition the workforce to rank-in-person by fiscal year 2019. Develop, document, and implement a plan of action with enforceable milestones to execute the transition to rank-in-person; (OPEN)
- develop, document, and implement a robust communication strategy for the Cadre workforce to improve the flow of and access to information regarding all Cadre efforts; (OPEN)

- determine and document the sufficiency of current resources dedicated to supporting the Cadre workforce and document the need, if any, for additional or dedicated Cadre support resources to sustain the Cadre and support additional growth; (OPEN) and
- determine, document, and communicate clearly defined Career Field Managers' roles and responsibilities. (OPEN)



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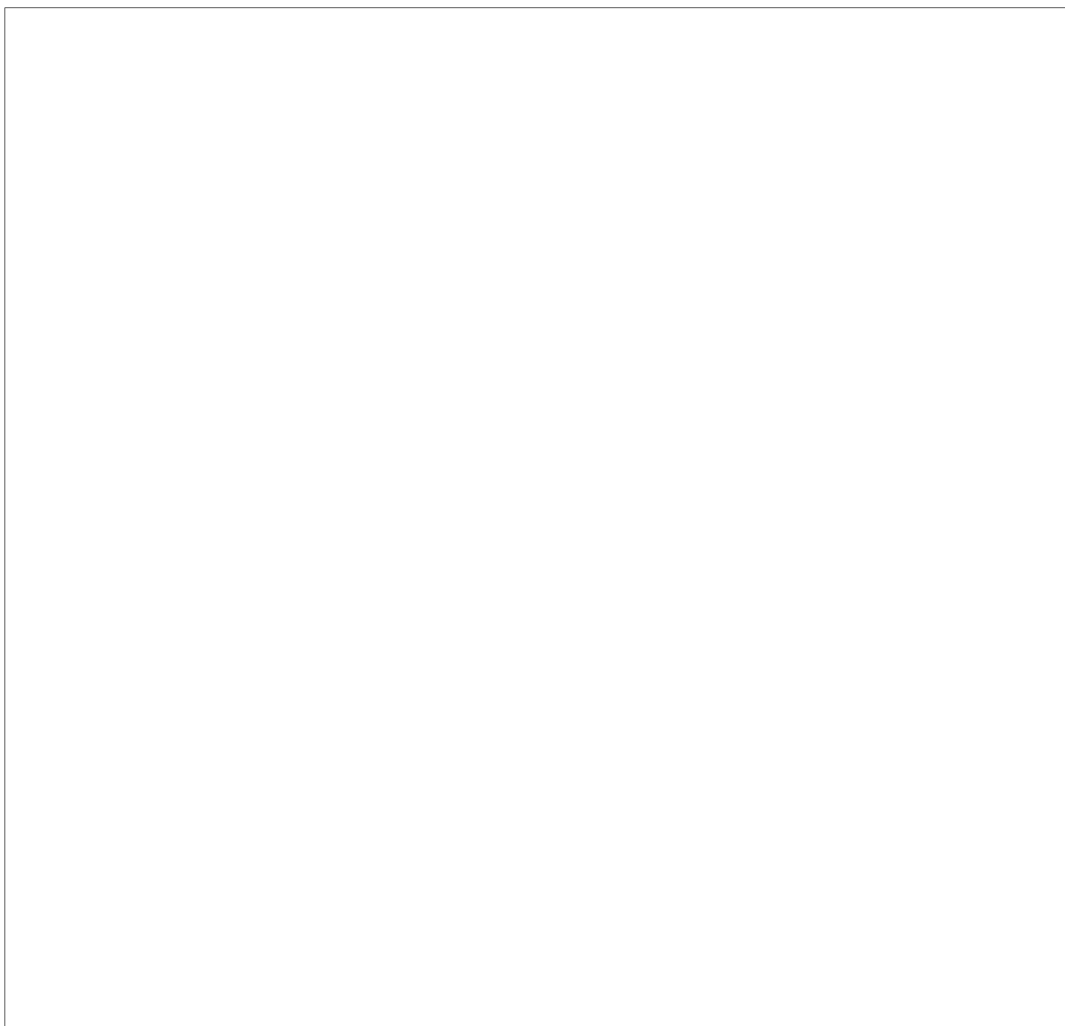


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**(U) ONGOING PROJECTS - OVERVIEW**

(U) **Table 4** identifies the ongoing projects for this semiannual reporting period. Following the table are short descriptions of the objectives for each project.

**(U) TABLE 4: ONGOING PROJECTS – APRIL-SEPTEMBER 2017**

(U) Title	(U) Date Initiated
(U) Audit of the National Reconnaissance Office Insider Threat Program	4 November 2016
(U) Inspection of NRO Mission Resiliency	5 December 2016
[Redacted]	6 February 2017
(U) Office of Inspector General Audit of the National Reconnaissance Office Fiscal Year 2017 Financial Statements	8 February 2017
(U) Audit of Management Oversight of Federally Funded Research and Development Centers throughout the National Reconnaissance Office	21 February 2017
(U) Audit of National Reconnaissance Office Supply Chain Risk Management	10 March 2017
(U) Audit of Fleet Management	16 June 2017
(U) Inspection of the Aerospace Data Facility East	1 August 2017

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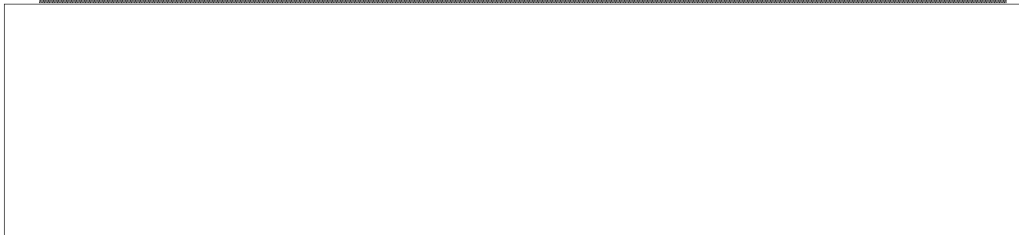
**(U) ONGOING PROJECTS - OBJECTIVES**

**(U) Audit of the National Reconnaissance Office Insider Threat Program.**

(U) Objective: Determine whether the NRO has established an Insider Threat Program that (1) complies with federal program requirements and (2) is positioned to prevent, detect, and deter insider threats. The objective of the audit may be refined as planning and coordination progress.

**(U) Inspection of NRO Mission Resiliency.**

(U//FOUO) Objective: Assess processes used by the enterprise to identify operationally-related threats and risks to the NRO's two Mission Essential Functions. The inspection will also assess how NRO programs are enhancing the enterprise's current end-to-end resiliency posture, as required by the Director, NRO's Strategic Program Brief.





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**(U) Office of Inspector General Audit of the National  
Reconnaissance Office Fiscal Year 2017 Financial Statements**

(U) Objective: Determine whether the financial statements and related notes are presented fairly in all material respects, in accordance with guidance issued by the Federal Accounting Standards Advisory Board, OMB, and other authoritative guidance. The auditors will also review internal controls and compliance with laws and regulations, and follow up on the status of prior-year audit findings.

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**(U) Audit of Management Oversight of Federally Funded  
Research and Development Centers throughout the National  
Reconnaissance Office.**

(U) Objective: Determine whether the NRO implemented additional management oversight controls of Federally Funded Research and Development Centers based on the findings and recommendations of prior audits.

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**(U) Audit of National Reconnaissance Office Supply Chain Risk  
Management.**

(U) Objective: Determine whether NRO supply chain risk management procedures are designed and implemented to ensure the integrity of the NRO supply chain.

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**(U) Audit of Fleet Management.**

(U) Objective: Determine if the NRO has the necessary controls in place for the effective management and use of Government vehicles. This will include an assessment of NRO's compliance with regulations and identification of any potential instances of misuse.

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**(U) Inspection of the Aerospace Data Facility East**

(U) Objective: Evaluate the effectiveness and efficiency of the ADF-E in performing its mission, focusing on the following areas: Command Topics, Mission Systems and Engineering, Information Technology and Systems, Security, Intelligence Oversight, and Resource Programs.

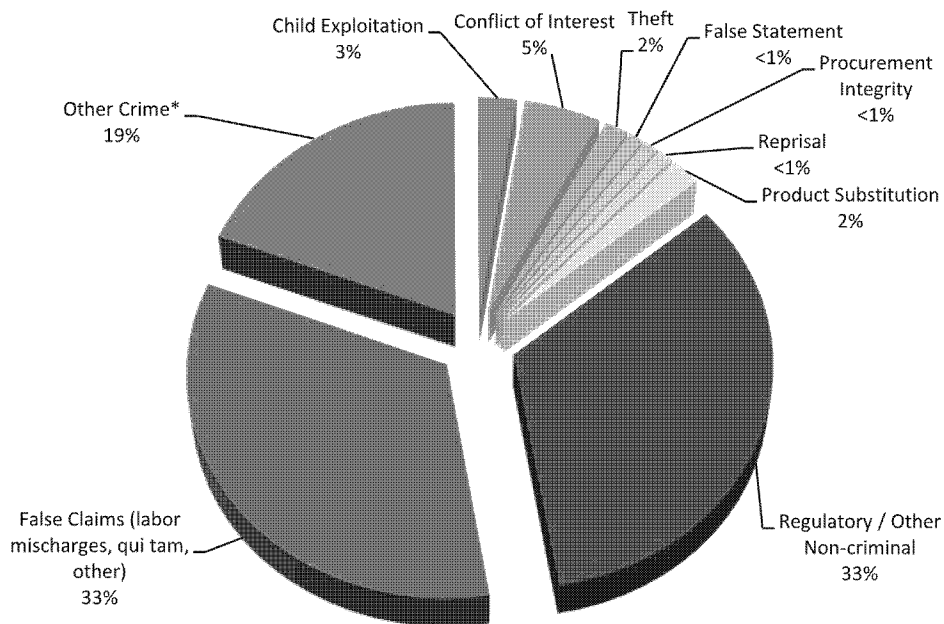
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**(U) INVESTIGATIONS**

(U) The OIG Investigations Division conducts criminal, civil, and administrative investigations into alleged violations of federal laws, regulations, and policies involving NRO funds, operations, and programs. All investigative records and information starting with complaint intake through the final report along with the full disposition of each case to include those referred are maintained with the Investigations Division's Case Management and Tracking System (CMTS). The data in this section is derived from all relevant records in CMTS covering the period of 1 April – 30 September 2017.

(U//FOUO) During this reporting period, the Investigations Division responded to 197 allegations. The overall percentage of false claims allegations increased from 25 percent in the first half of FY 2017 to 33 percent in the last half of the year. The change is attributed in part to an increase in corporate disclosures made to the OIG regarding allegations of labor mischarging occurring principally at contractor facilities. In addition, the OIG is investigating a greater number of *qui tam* claims pursuant to the False Claims Act when a nexus to NRO programs is established. **Figure 4** illustrates the types and percentages of these cases opened during this reporting period.

**(U) FIGURE 4: SUMMARY OF ALLEGATIONS RECEIVED BY THE NRO OIG INVESTIGATIONS DIVISION**



\*(U) "Other Crime" includes a broad category of alleged criminal wrongdoing reported to the OIG. Allegations that do not fall into the category of fraud, waste, and abuse affecting NRO programs are referred to the appropriate investigative agency. Other crimes subject to investigation by the OIG may include, but are not limited to, wire fraud, counterfeit and forgery of official documents, private conversion of NRO resources, or deliberate damage to NRO property.

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**(U) REPORTS OF INVESTIGATION**

(U) During this reporting period, the Investigations Division produced 24 Reports of Investigation and identified more than \$5 million due back to the NRO or the United States Treasury. The OIG provides all Reports of Investigation to OS&CI for security consideration and action as appropriate. **Table 5** illustrates the additional details of these cases.

**(U) Table 5: Summary of Referrals and Indictments**

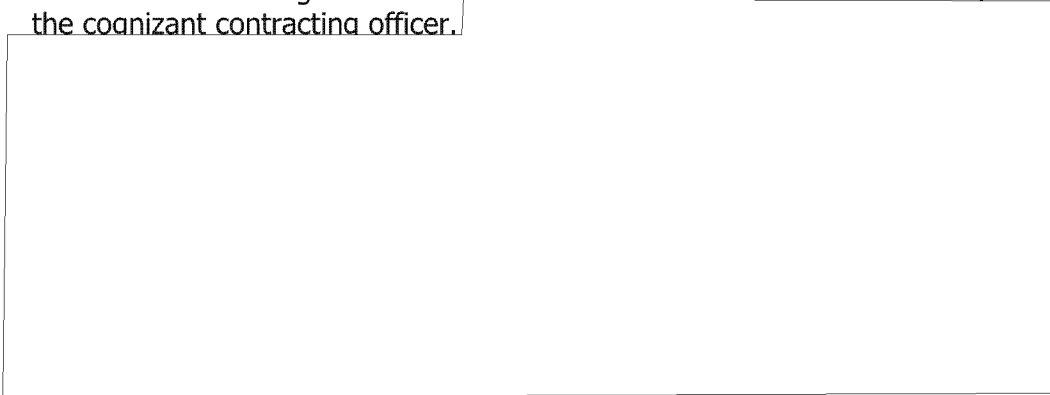
(U) Item	(U) Number
Total Reports	24
Referrals to Federal Prosecutor	21
Referrals to State Prosecutor	0
Indictments	0

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**(U) SELECTED INVESTIGATION SUMMARIES**

(U) **False claims.** The Investigations Division completed 18 investigations of False Claims, all of which took the form of labor mischarging by NRO contractor personnel during this reporting period. In total, these investigations identified approximately \$368,000 in funds recoverable to the NRO or the United States Treasury. The United States Attorney's Office (USAO) declined prosecution for each of these cases in favor of an administrative settlement. The OIG referred each case to the NRO Office of Contracts for administrative action within the terms of any affected contracts, to include financial restitution.

(U) Eight of these cases originated from a single company that failed to provide timely corporate disclosures to the OIG regarding fraud occurring on NRO contracts in its company facilities. Previously, in lieu of appropriate reporting to the OIG, the company would instead credit the NRO for the mischarged labor with minimal communication limited to only the coanizant contracting officer.



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(U) One other labor mischarging case involved a GG-13 NRO Cadre officer. The investigation found the employee had mischarged approximately 360 hours for a one year period from 2015 to 2016. The NRO suspended the employee's security access for unrelated issues. He is awaiting disciplinary action to include restitution.

(U) **Whistleblower reprisal.** The OIG completed one investigation of alleged Whistleblower Reprisal during this period. The case involved a contractor at an NRO facility who claimed that she had been terminated by her company after communicating information to the OIG. The investigation found that the employee had been terminated for cause before, and unrelated to, her communication to the OIG.

### (U) SIGNIFICANT INVESTIGATIONS

(U) The following are high-level accounts of significant investigations conducted during this reporting period.

- (U) The OIG investigated an alleged conflict of interest involving a GS-15 government employee. The employee had been selected as the lead of an Independent Program Assessment for an acquisition involving a prime contractor on a major NRO program. At the time of his selection, the employee knew his spouse was employed by the same prime contractor and that he and his spouse each had significant financial interests in the company to include stocks holdings. The employee failed to inform the NRO of this information prior to his appointment as required, but the investigation found no indication that the employee had used his position for personal gain or that of his spouse. The USAO declined prosecution of the case on 21 February 2017 and the employee was subsequently removed from the lead position. He is awaiting a decision regarding disciplinary action in light of the ethics violation.
- (U) A military officer (O-4) assigned to the NRO was involved in a conflict of interest when, as an active duty officer, he established a company that subsequently held contracts with the United States Government. The OIG investigation showed that the officer failed to fully disclose the nature of his company business, to include its performance on government contracts, when responding to inquiries by the NRO's Office of General Counsel. The USAO declined prosecution of the case and the officer is awaiting disciplinary action by his military chain of command.
- (U//FOUO) The OIG investigated allegations of travel fraud by three  NRO officers. The officers were allegedly receiving compensation for travel expenses in excess of what was permissible under NRO travel regulations. The investigation did not substantiate the allegation because the OIG found that the travelers followed separate, local regulations believing them to be correct based on historical patterns and practices at the site. The OIG subsequently

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found the local practices were in conflict with NRO policies and had likely been in place for over a decade. Specifically, the regulations at [redacted] permitted NRO personnel to expense certain travel amenities not otherwise afforded to NRO personnel and to retain the difference between a higher estimated travel cost and a lower actual cost. Overall, the investigation found that the policies at [redacted] may have cost the NRO hundreds of thousands of dollars over time. The OIG provided a summary of its findings to the NRO in order to correct discrepancies and establish uniform travel policies.

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- (U) The OIG completed a joint investigation with several other agencies involving a kickback scheme originating with a corporate disclosure to the OIG in 2011 by a major prime contractor. The investigation found that two metal fabrication vendors were paying kickbacks to a broker and the prime contractor's purchasing agent to obtain contracts providing parts to government programs, including some within the NRO. The conspiracy involved five people working for three companies, one of which was created as a shell company to hide its affiliation with the true owner. All subjects pled guilty to several criminal charges including multiple counts of violating the Anti-Kickback Act, Mail Fraud, Identity Theft, and Conspiracy to Defraud the Internal Revenue Service. The subjects received sentences ranging from six months to two years of confinement, 16 months to three years of probation, and total fines and penalties of over \$298,000. The subjects and their respective companies were subsequently debarred from conducting business with the government. The investigation did not reveal concerns regarding the quality of the parts produced by the metal fabricators.
- (U) The OIG completed an investigation of a company allegedly billing the NRO and other federal agencies for expenses incurred for the maintenance and use of its corporate aircraft as well as the hangar facility. The investigations found that from 2006 to 2013, the company had inappropriately charged the government for unallowable expenses associated with the aircraft. The billing amounted to approximately \$2.16 million as indirect costs spread across its many federal contracts to include those of the NRO. In coordination with the Defense Contract Management Agency, the company entered into a settlement agreement to reimburse the government through an adjustment in its indirect rates.

**(U) POTENTIAL MONETARY BENEFITS**

(U) The following tables identify potential monetary benefits resulting from the NRO OIG's audits, inspections, and reviews, as required by the *Inspector General Act of 1978*, as amended (IG Act).

**(U) Table 6: Summary of Questioned Costs**

Reports with Recommendations that Include Questioned Costs*	Number of Reports	Dollar Value
For which no management decision was made by 1 April 2017	0	N/A
That were issued between 1 April and 30 September 2017	0	N/A
Disallowed costs for which a management decision was made between 1 April and 30 September 2017	0	N/A
Costs not disallowed for which a management decision was made between 1 April and 30 September 2017	0	N/A
For which no management decision was made by 30 September 2017	0	N/A

\*According to the IG Act, the term "questioned cost" means a cost that is questioned by the OIG because of (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

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**(U) Table 7: Summary of Better Use of Funds**

Reports with Recommendations that Funds Be Put to Better Use**	Number of Reports	Dollar Value
For which no management decision was made by 1 April 2017	0	N/A
That were issued between 1 April and 30 September 2017	0	N/A
For which a management decision was made—and the dollar value of recommendations was agreed to by management—between 1 April and 30 September 2017	2	\$64.2 million
For which a management decision was made—and the dollar value of recommendations was not agreed to by management—between 1 April and 30 September 2017	0	N/A
For which no management decision was made by 30 September 2017	0	N/A

\*\*According to the IG Act, the term "recommendations that funds be put to better use" means a recommendation by the OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation, including (a) reductions in outlays; (b) de-obligation of funds from programs or operations; (c) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (d) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee; (e) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (f) any other savings that are specifically identified.

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**(U) REVIEW OF LEGISLATION AND REGULATIONS**

(U) The *Inspector General Act of 1978*, as amended, requires federal agency OIGs to review existing and proposed legislation and regulations relating to their agencies' programs and operations. Based on these reviews, the OIGs are required to make recommendations in their semiannual reports concerning the impact of the legislation and regulations on (1) the economy and efficiency of programs and operations of their agencies and (2) the prevention and detection of fraud and abuse in programs and operations of their agencies.

(U) The NRO OIG conducts such reviews and provides comments and recommendations to Congress, when warranted, through a variety of means including reports and coordination with CIGIE. For example, during this reporting period, the NRO OIG reviewed all pertinent legislation to include the Intelligence Authorization Act and other legislation that may affect the operations of the NRO OIG. Further, the OIG submitted legislative proposal language regarding protections for OIG personnel, as well as proposed language regarding enhanced whistleblower protections for contractors in the IC.

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**(U) FINANCIAL SYSTEMS COMPLIANCE**

(U) As required by the *Inspector General Act of 1978*, as amended, this Semiannual Report provides information regarding the NRO's compliance with the requirements of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Specifically, the FFMIA requires organizations to implement and maintain financial management systems that are substantially in compliance with federal accounting standards and with federal financial management systems requirements.

(U) For FY 2017, the NRO OIG contracted with [redacted] to assess the NRO's financial systems for compliance with applicable laws and standards as part of its *Audit of the National Reconnaissance Office Fiscal Year 2017 Financial Statements*. [redacted] is currently performing the FY 2017 Financial Statements audit for the NRO, which should provide updated information on the extent to which NRO financial systems comply with applicable standards and requirements. The OIG expects [redacted] to publish the FY 2017 Financial Statement Audit Report in November 2017.

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## (U) PEER REVIEWS

(U) The *Inspector General Act of 1978*, as amended, requires that OIGs report on peer reviews conducted during this semiannual reporting period. The purpose of a peer review is to determine whether an organization's system of quality control is suitably designed and whether its staff is effectively implementing those quality controls and conforming to applicable professional standards. Generally Accepted Government Auditing Standards issued by the Government Accountability Office (GAO) require that audit organizations performing audits, attestation engagements, or both, undergo a peer review at least once every three years by reviewers independent of the audit organization to determine if an appropriate internal quality control system is in place. Similarly, CIGIE established *Quality Standards for Inspection and Evaluation* (CIGIE Standards) for maintaining quality assurance that include having external quality assurance reviews of audits, investigations, inspections, evaluations, and other OIG activities.

(U) As part of a small community of IC OIG organizations, the NRO OIG participates in periodic peer reviews of audit and inspection organizations at NSA, NGA, DIA, CIA, and the IC IG. In addition to meeting the GAO and CIGIE requirements, the conduct of external peer reviews provides an opportunity for community collaboration and to identify lessons learned and best practices to enhance the level and quality of OIG support to the IC mission.

### (U) PEER REVIEW OF THE NRO OFFICE OF INSPECTOR GENERAL

(U) During this semiannual reporting period, the CIA conducted a review of the system of quality control for the NRO OIG Audits Division—the final report was issued on 15 June 2017. The review included four of the 14 reports issued during the period 1 October 2014 through 30 September 2016, which represented a reasonable cross-section of NRO OIG's audit organization, with an emphasis on higher risk audits. The CIA focused its review on the design of the Audits Division's system of quality controls and whether it is sufficient to assess the risks implicit in its audit function. The CIA also tested compliance with the Audit Division's quality control policies and procedures.

(U) The CIA's review found that the system of quality controls was suitably designed, and that the Audits Division complied with those controls to provide the OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. As a result, the OIG Audits Division received an external peer review rating of *pass*.<sup>5</sup> As is customary, the CIA issued a

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<sup>5</sup> (U) Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*.

Letter of Comment with findings that were not considered to be of sufficient significance to affect the peer review rating of *pass*.

(U) PEER REVIEW OF OTHER AGENCIES' INSPECTORS GENERAL

(U) The NRO Inspections Division participated on two External Peer Review Teams during this reporting period. The first was a review of CIA OIG Office of Inspection (21 April through 8 June 2017) and the second was a review OIG of the Intelligence Community Inspections and Evaluations Division (1 June through 16 June 2017).

**(U) INDEPENDENCE**

(U) The Inspector General Act of 1978, as amended, established Offices of Inspector General to create organizationally independent and objective units to support agency oversight, effectiveness, and accountability. To assist the OIGs in maintaining independence, CIGIE developed Quality Standards for Federal Offices of Inspector General,<sup>6</sup> and GAO established guidance for evaluating and ensuring the statutory independence for each OIG organization as well as the independence of individual staff members.<sup>7</sup> In accordance with the CIGIE and GAO guidance on maintaining independence, the OIG has established significant controls to ensure that its staff members are “free both in fact and appearance from personal, external, and organizational impairments to independence.”<sup>8</sup>

(U) The NRO OIG encountered no threats to its independence during this semiannual reporting period. The OIG continues to maintain its independence while working cooperatively with NRO senior leadership, staff, and contractor personnel to carry out its oversight responsibilities.

(U) One key to the OIG’s effectiveness is the cooperation and collaborative working relationship it holds with the NRO leadership and staff. The Director, NRO; NRO leadership team; and staff continue to be forthcoming with information and access to records and other documentation the OIG needs to carry out its mission. In addition, the NRO leadership is actively engaged in addressing open recommendations and implementing corrective actions.

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<sup>6</sup> (U) CIGIE, Quality Standards for Federal Offices of Inspector General, August 2012.

<sup>7</sup> (U) GAO, Government Auditing Standards 2011 Revision, GAO-12-331G, December 2011.

<sup>8</sup> (U) CIGIE Quality Standards, August 2012, page 10.

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**(U) APPENDIX A: SEMIANNUAL REPORTING REQUIREMENTS**

(U) The National Reconnaissance Office (NRO) Office of Inspector General conducts audits, inspections, investigations, and special reviews in accordance with the requirements of *Inspector General Act of 1978*, as amended. Those requirements include promoting economy, efficiency, and effectiveness; detecting and preventing fraud and abuse; and supporting the mission of the NRO. The Act also establishes semiannual reporting requirements that highlight activities and significant issues that arise during the reporting period that may be of interest to Congress.

**Table A1** identifies the semiannual reporting requirements and the location of the corresponding information in this report.

**(U) TABLE A1: SEMIANNUAL REPORTING REQUIREMENTS**

Reporting Requirement		Page
SEC 4(a)(2)	<u>Legislation and regulation review</u>	23
SEC 5(a)(1-2)	Significant problems, abuses, and deficiencies; recommendations for corrective action	N/A
SEC 5(a)(3)	<u>Prior significant recommendations not yet implemented</u>	5
SEC 5(a)(4)	Matters referred to authorities resulting in prosecutions and convictions	N/A
SEC 5(a)(5)	Summary of refusals to provide information	N/A
SEC 5(a)(6-7)	<u>List and summary of reports issued during the reporting period</u>	7
SEC 5(a)(8-9)	<u>Tables showing questioned costs and funds that should be put to better use</u>	21
SEC 5(a)(10-12)	Summary of reports with no management decision; Description and explanation of revised management decisions; Management decisions with which Inspector General disagrees	N/A
SEC 5(a)(13)	<u>Financial systems compliance with federal requirements</u>	25
SEC 5(a)(14-16)	<u>Peer review reporting</u>	27
SEC 5(a)(17-18)	<u>Tables showing numbers of investigative reports and a description of the supporting metrics</u>	18
SEC 5(a)(19)	<u>Investigations of employee misconduct</u>	19
SEC 5(a)(20)	<u>Descriptions of whistleblower retaliation</u>	19
SEC 5(a)(21)	<u>Descriptions of NRO interference with OIG independence</u>	29
SEC 5(a)(22)	Descriptions of audits, inspections, evaluations, and investigations not disclosed to the public <sup>9</sup>	N/A

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<sup>9</sup> (U) All reports meeting the reporting requirement were classified with the exception of three reports marked For Official Use Only.

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**(U) APPENDIX B: RECOMMENDATIONS OLDER THAN ONE YEAR**

(U) **Table B1** summarizes all open recommendations described in previous National Reconnaissance Office (NRO) Office of Inspector General (OIG) semiannual reports for which corrective action has not yet been completed. Details on each open recommendation are included in **Tables B2-B12**.

**(U) TABLE B1: RECOMMENDATIONS OLDER THAN ONE YEAR**

(U) Report Title	(U) Report Date	(U) Total	(U) Open
<u>(U) Inspection of the Special Communications Office</u>	8 February 2014	12	1
<u>(U) Inspection of the Survivability Assurance Office (SAO)</u>	3 November 2014	6	1
<u>(U) Audit of NRO Cyber Incident Detection and Response</u>	17 December 2014	10	4
	25 March 2015	59	17
<u>(U) Final Report Audit of the National Reconnaissance Office Management of the Silver Eagle Contract</u>	29 September 2015	8	1
<u>(U) Joint Inspection of Aerospace Data Facility Southwest and National Geospatial-Intelligence Agency Southwest</u>	30 September 2015	16	5 (b)(1) (b)(3)
<u>(U) Inspection of the Mission Integration Directorate's Support to Users</u>	29 October 2015	9	2
<u>(U) Suspension of Joint Inspection of the NRO SIGINT Compliance Program</u>	12 February 2016	3	3
<u>(U) Audit of the NRO Aerospace Data Facility Colorado Facilities Infrastructure</u>	15 August 2016	2	1
<u>(U) Inquiry of Extended Paid Administrative Leave for Department of Defense Cadre Personnel</u>	23 August 2016	5	4
	30 September 2016	34	13

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**(U) Table B2: Inspection of the Special Communications Office**

Recommendation	Office	Status
<p>(U//<del>FOUO</del>) Recommendation #12 for the Director, Special Communications Office (SCO): Review all External Agreements (EA) for currency and relevance. Work with the Office of Policy and Strategy (OP&amp;S) to update and convert Memoranda of Agreement to Interagency Agreements as appropriate.</p>	<p>SCO</p>	<div style="border: 1px solid black; height: 100px; width: 100%;"></div> <p>Initial Estimated Completion Date (ECD): December 2014 Current ECD: December 2017</p>

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**(U//FOUO) Table B3: Inspection of the Survivability Assurance Office (SAO)**

Recommendation	Office	Status
<p>(U//<del>FOUO</del>) Recommendation #3B for the Director, NRO (DNRO): Task the Systems Engineering Directorate (SED) with the responsibility to ensure that protection and resiliency are addressed as a part of requirements/design reviews for each major system acquisition.</p>	<p>DNRO</p>	<p>(U) The updated draft NRO Directive (ND) 130-6, <i>Enterprise Resiliency</i>, is currently undergoing SED internal review. Once complete, the draft ND will be released for NRO review and approval.</p> <p>Initial ECD: March 2015 Current ECD: December 2017</p>

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**(U) Table B4: Audit of NRO Cyber Incident Detection and Response**

Recommendation	Office	Status
<p>(U//<del>FOUO</del>) Recommendation #2 for the Director, Communications Systems Directorate (COMM): Ensure [redacted] in accordance with Intelligence Community Standard (ICS) 502-01 and Intelligence Community Directive (ICD) 502.</p>	COMM	<p>(U) COMM is drafting an annual threat assessment in accordance with standards. [redacted]</p> <p>Initial ECD: March 2015 Current ECD: November 2017</p>
<p>(U//<del>FOUO</del>) Recommendation #3 for the Director, COMM: [redacted]</p>	COMM	<p>(U//<del>FOUO</del>) COMM reported it [redacted]</p> <p>Initial ECD: December 2016 Current ECD: December 2017</p>
<p>(U//<del>FOUO</del>) Recommendation #7 for the Director, COMM: [redacted] ICD 502.</p>	COMM	<p>(U//<del>FOUO</del>) COMM is [redacted]</p> <p>Initial ECD: April 2015 Current ECD: March 2019</p>
<p>(U//<del>FOUO</del>) Recommendation #10 for the Director, COMM: [redacted]</p>	COMM	<p>[redacted]</p> <p>Initial ECD: April 2015 Current ECD: TBD</p>

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**(U) Table B6: Final Report Audit of the National Reconnaissance Office Management of the Silver Eagle Contract**

Recommendation	Office	Status
(U// <del>FOUO</del> ) Recommendation #10 for the Director, COMM in coordination with the Director, OS&CI: Develop and implement a risk mitigation plan to comply with NRO and contract requirement to <div data-bbox="207 411 672 443" style="border: 1px solid black; height: 15px; width: 286px; margin-top: 5px;"></div>	COMM	<div data-bbox="963 289 1539 531" style="border: 1px solid black; height: 115px; width: 355px;"></div> (b)(3)

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**(U) Table B7: Joint Inspection of Aerospace Data Facility Southwest and National Geospatial-Intelligence Agency Southwest**

Recommendation	Office	Status
	MOD/MS&O	
		Initial ECD: March 2017 Current ECD: March 2018
(U// <del>FOUO</del> ) Recommendation ADFSW-15-2002 for Director, MOD: Develop and publish directorate-level guidance and/or policy for all of the NRO Innovation Centers for inclusion in the NRO Business Function (NBF) 60 and/or ND 60-1.	MOD/MS&O	(U) NBF 60 is currently in revision and ND 60-1 will be reviewed subsequent to the NBF 60 rewrite. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for all of the NRO Innovation Centers.  Current ECD: September 2018
(U// <del>FOUO</del> ) Recommendation ADFSW-15-2004 for Director, MOD: Develop and publish directorate-level guidance and/or policy for the [redacted] for inclusion in the NBF 60 and/or ND 60-1.	MOD/MS&O	(U) The [redacted] continues to work with MOD [redacted] to develop and publish directorate-level guidance and/or policy for NRO Enterprise Collaboration. [redacted] is currently in the process of milestone development and anticipates completion in December 2017. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for [redacted].  Initial ECD: March 2017 Current ECD: December 2017
(U// <del>FOUO</del> ) Recommendation ADFSW-15-2005 for Director, MOD: In NRO Instruction (NI) 60-1-1, clarify the definition and intent of the term "event awareness" in association with submitting written situational reports.	MOD/MS&O	(U) The National Reconnaissance Operations Center (NROC) completed rewriting the NI 60-1-1 document and it is in the coordination process. This recommendation remains open pending receipt of the approved updated NI 60-1-1 that contains the clarified definition and intent of the term "event awareness."  Initial ECD: February 2017 Current ECD: October 2017
(U// <del>FOUO</del> ) Recommendation ADFSW-15-2006 for Director, MOD: In NI 60-1-1, define a long-term system outage, the frequency of required updates, and to whom the updates will be reported.	MOD/MS&O	(U) NROC completed rewriting the NI 60-1-1 document and it is in the coordination process. This recommendation remains open pending receipt of the approved definition of a long-term system outage, the frequency of required updates, and to whom the updates will be reported contained in finalized NI 60-1-1.  Initial ECD: February 2017 Current ECD: October 2017

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**(U) Table B8: Inspection of the Mission Integration Directorate's Support to Users**

Recommendation	Office	Status
<p><del>(U//FOUO)</del> Recommendation #1a for the Director, Mission Integration Directorate (MID): Establish and document measures of program performance that are important to identifying program risks and successfully achieving the user engagement mission (e.g., monitoring and/or assessing staffing levels and requirements).</p>	<p>MID</p>	<p>(U//FOUO) MID delivered a consolidated NRO response to the House Permanent Select Committee on Intelligence request regarding the Intelligence Authorization Act for Fiscal Year 2017 actions on Support to Users. MID also provided OIG with NRO Outreach and Engagement Goals and Objectives to satisfy the qualitative needs. MID intends to develop a detailed plan for quantitative metrics development including schedule, budget, and deliverables by the end of this year. Initial ECD: December 2017</p>
<p>(U//FOUO) Recommendation #1c for the Director, MID: Update NI 140-1-1 and NI 140-1-2 based on the evaluation of <span style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em; vertical-align: middle;"></span> for continued use.</p>	<p>MID</p>	<p>(U) The DNRO and Director, MID signed NBF 140, <i>Customer Engagement and Support</i>, on 22 February 2017. Administrative delays experienced in coordinating and obtaining signatures on NBF 140 caused a delayed ripple effect on the remaining instructions requiring revisions. Initial ECD: August 2016 Current ECD: March 2018</p>

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**(U) Table B9: Suspension of Joint Inspection of the NRO SIGINT Compliance Program**

Recommendation	Office	Status
<p>(U//<del>FOUO</del>) Recommendation #1 for NRO Office of General Counsel (OGC) and NSA OGC, in coordination with Director, NRO OP&amp;S and Chief, NSA [redacted] Clarify the concepts, terms, and phrases associated with the overhead signals intelligence (SIGINT) activities found in Annex A (<i>Overhead Signals Intelligence Sharing for Research and Development Activities at the NRO</i>) to Memorandum of Understanding Between the National Security Agency/Central Security Service and the National Reconnaissance Office for Overhead Signals Intelligence Activities, 25 February 2012 and outlined in Finding 1 of this OIG memorandum (<i>Suspension of Joint Inspection of the National Reconnaissance Office Signals Intelligence Compliance Program</i>, 12 February 2016).</p>	OGC	<p>(U) NRO OGC continues to work with NSA OGC on processes being jointly developed (NRO and NSA) to add NRO research, development, and sustainment facilities to the Annex A, Appendix A list of NRO contractor facilities approved for SIGINT access. This recommendation remains open pending an agreed upon process to add NRO contractor facilities to the Annex A.</p> <p>Initial ECD: June 2018</p>
<p>(U//<del>FOUO</del>) Recommendation #2 for NRO and NSA Offices of General Counsel, in coordination with Director, NRO OP&amp;S and Chief, NS [redacted] Add to Annex A (or supplemental documentation) explanations of the terms and phrases associated with overhead SIGINT activities outlined in Finding 2 of this OIG memorandum.</p>	OGC	<p>(U//<del>FOUO</del>) NSA OGC and NRO OGC met with OIG to clarify expectations. NSA produced additional policy, which further complicated the original recommendation's objective. This recommendation remains open pending receipt of the updated Annex and OIG validation that it contains explanations of the terms and phrases associated with overhead SIGINT activities as outlined in the report.</p> <p>Initial ECD: March 2017 Current ECD: December 2018</p>
<p>(U//<del>FOUO</del>) Recommendation #3 for NRO and NSA Offices of General Counsel in coordination with Director, NRO OP&amp;S and Chief, NSA [redacted] Clarify the applicability of Attorney General-approved procedures to overhead SIGINT activities as they apply to the NRO outlined in Finding 3 of this OIG memorandum.</p>	OGC	<p>(U//<del>FOUO</del>) NSA OGC and NRO OGC met with the OIG to clarify expectations. This recommendation remains open pending receipt of clarification of the applicability of approved procedures to overhead SIGINT activities as they apply to the NRO outlined in Finding 3 of the subject report.</p> <p>Initial ECD: 30 June 2019</p>

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**(U) Table B10: Audit of the NRO Aerospace Data Facility Colorado Facilities Infrastructure**

Recommendation	Office	Status
<p>(U) Recommendation #1 for Director, MOD in coordination with the Director, MS&amp;O and Commander, Aerospace Data Facility Colorado (ADF-C): Review and modify guidance to ensure the distinction between the MOD, MS&amp;O, and ADF-C Commander roles and responsibilities for facility oversight and maintenance is identified and uniformly documented.</p>	MOD	<p>(U//<del>FOUO</del>) MOD is updating NBF 60, <i>Mission Operations</i>, which establishes guidance detailing distinct MOD, Mission Ground Station Commanders, and MS&amp;O roles, responsibilities, and authorities regarding facilities infrastructure maintenance to align with the NRO Governance Plan. MOD's corrective actions are now dependent on a more extensive NRO effort to clarify roles and responsibilities at mission ground stations resulting from the NRO's Operations Transformation initiative. MOD has revised its expected completion date to September 2018.</p> <p>Initial ECD: December 2017 Current ECD: September 2018</p>

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**(U) Table B11: Inquiry of Extended Paid Administrative Leave for Department of Defense Cadre Personnel**

Recommendation	Office	Status
<p>(U) Recommendation #1: Director, Office of Human Resources (OHR), in coordination with the Executive Director, NRO Department of Defense (DoD) Cadre, finalize all appropriate governing documents to include NBF-70, <i>NRO DoD Cadre</i>, and NI 70-7-2, <i>Personnel Evaluation Board</i> (PEB).</p>	<p>OHR/ DoD Cadre</p>	<p>(U//FOUO) In August, OHR reported the NBF-70 was completed and it is working on associated NRO Instructions. Consistent with revision of existing policies and instructions and addition of new policies and instructions resulting from movement from Rank in Position to Rank in Person, completion is anticipated in 2018. This recommendation remains open pending receipt of all finalized governing documentation to include NBF-70, <i>NRO DoD Cadre</i>, and NI 70-7-2, <i>Personnel Evaluation Board</i>.</p> <p>Initial ECD: September 2017 Current ECD: September 2018</p>
<p>(U) Recommendation #2: Director, OHR, in coordination with the Executive Director, NRO DoD Cadre, in the course of implementing Recommendation 1, clarify responsibilities and procedures for the PEB and document in NI 70-7-2, <i>Personnel Evaluation Board</i>.</p>	<p>OHR/ DoD Cadre</p>	<p>(U//FOUO) In August, OHR reported the NBF-70 was completed and it is working on associated NRO Instructions. Consistent with revision of existing policies and instructions and addition of new policies and instructions resulting from movement from Rank in Position to Rank in Person, completion is anticipated in 2018. This recommendation remains open pending receipt of evidence indicating that the responsibilities and procedures for the PEB have been clarified and documented in NI 70-7-2.</p> <p>Initial ECD: September 2017 Current ECD: September 2018</p>
<p>(S//NF) Recommendation #4: Director, MS&amp;O, and Executive Director, NRO DoD Cadre, [redacted] Document the determination and provide appropriate clarification.</p>	<p>MS&amp;O</p>	<p>(U//FOUO) OIG worked with OGC to assist with aligning expectations regarding the intent of this recommendation. This recommendation remains open pending receipt of the [redacted]</p> <p>Initial ECD: October 2017</p>
<p>(S//NF) Recommendation #5: Director, MS&amp;O, update [redacted]</p> <p>(b)(1) (b)(3) (b)(5)</p>	<p>MS&amp;O</p>	<p>(U//FOUO) OIG worked with OGC to assist with aligning expectations regarding the intent of this recommendation.</p> <p>(S//NF) This recommendation remains open pending the outcome of Recommendation #4. If the NRO [redacted]</p> <p>Initial ECD: October 2017</p>

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**(U) APPENDIX C: ACRONYMS AND ABBREVIATIONS**

(U) The terms in Appendix C are unclassified unless otherwise noted.

ADF-C	Aerospace Data Facility Colorado
ADF-E	Aerospace Data Facility East
AS&T	Advanced Systems and Technology Directorate
CFOAM	Consolidated Facilities Operations and Maintenance
CIA	Central Intelligence Agency
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CLC	Cover and Liaison Center
CMTS	Case Management and Tracking System
COMM	Communications Systems Directorate
DIA	Defense Intelligence Agency
DNRO	Director, National Reconnaissance Office
DoD	Department of Defense
EA	External Agreements
ECD	Estimated Completion Date
ESO	Environmental Safety Office

[Redacted]

EVSS	Enterprise Vulnerability Scanning Service
F&ISD	Facilities and Information Security Division
FFMIA	Federal Financial Management Improvement Act of 1996
FISMA	Federal Information Security Modernization Act
FY	Fiscal Year
GAO	Government Accountability Office
GEO-F	GEOINT Financials
GEOINT	Geospatial Intelligence

(b)(3)

[Redacted]

IC	Intelligence Community
ICD	Intelligence Community Directive
ICS	Intelligence Community Standard
IC IG	Office of the Inspector General of the Intelligence Community
IGs	Inspectors General

[Redacted]

(b)(1)  
(b)(3)

MID	Mission Integration Directorate
MOA	Memorandum of Agreement
MOD	Mission Operations Directorate
MS&O	Management Services and Operations
NBF	NRO Business Function

[Redacted]

ND	NRO Directive
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NGA	National Geospatial-Intelligence Agency
NI	NRO Instruction
NIE	NRO Information Environment
NRO	National Reconnaissance Office
NROC	National Reconnaissance Operations Center
NSA	National Security Agency
O&M	Operations and Maintenance
OGC	Office of General Counsel
OHR	Office of Human Resources
OIG	Office of Inspector General
OMB	Office of Management and Budget
OP&S	Office of Policy and Strategy
OPR	Office of Primary Responsibility
OPSEC	Operational Security
OS&CI	Office of Security and Counterintelligence
PEB	Personnel Evaluation Board



(b)(3)

PDS	Protected Distribution System
SCADA	Supervisory Control and Data Acquisition
SCIF	Sensitive Compartmented Information Facility
SAO	Survivability Assurance Office
SOP	Standard Operating Procedure
SCO	Special Communications Office
SED	Systems Engineering Directorate
SIGINT	Signals Intelligence
SOW	Statement of Work
USAO	United States Attorney General