

NATIONAL RECONNAISSANCE OFFICE

OFFICE OF INSPECTOR GENERAL

(U) SEMIANNUAL REPORT TO THE CONGRESS

1 October 2016 - 31 March 2017

28 April 2017

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MESSAGE FROM THE INSPECTOR GENERAL



28 April 2017

(U) On behalf of the National Reconnaissance Office (NRO) Office of Inspector General (OIG), I am pleased to submit this report on the OIG's activities for the period 1 October 2016 through 31 March 2017. This report highlights significant findings and recommendations identified during the course of the OIG's work, as well as OIG accomplishments, including organizational and procedural changes. The activities described in this report exemplify our continuing commitment to improving the efficiency and effectiveness of NRO programs and operations.

(U) This reporting period saw OIG achievements that support and facilitate our mission of assuring effective stewardship of taxpayer dollars and preventing and detecting fraud, waste, abuse and mismanagement in NRO programs. Highlights include actions to implement our OIG Strategic Plan, and outreach efforts to disseminate OIG results to a wider audience, to encourage NRO staff to voice their concerns, and to communicate the OIG mission and values across the NRO. For example, we conducted our [redacted] that builds on the success of our first effort in 2016. In addition, we issued our inaugural OIG Monthly Report to keep NRO management apprised of our work and accomplishments. In addition to these efforts, our Investigations Division is continually updating its case studies training courses to keep the NRO staff informed about the potential for fraud and its implications; creating posters designed to increase fraud awareness within the NRO workforce; and expanding its investigative network along the west coast of the United States.

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(U) We continue to enjoy 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 effect 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 '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) IMPLEMENTING THE OIG STRATEGIC PLAN1
 (U) EXPANDING OIG OUTREACH.....2
(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS..... 5
 (U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS FOR THE CURRENT REPORTING PERIOD5
 (U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS7
(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS 9
 (U) COMPLETED PROJECTS – RECOMMENDATIONS9
 (U) ONGOING PROJECTS - OVERVIEW17
 (U) ONGOING PROJECTS - OBJECTIVES.....17
(U) INVESTIGATIONS..... 21
 (U) SELECTED INVESTIGATION SUMMARIES23
(U) REVIEW OF LEGISLATION AND REGULATIONS 25
(U) FINANCIAL SYSTEMS COMPLIANCE..... 27
(U) PEER REVIEWS..... 29
 (U) PEER REVIEW OF THE NRO OFFICE OF INSPECTOR GENERAL29
 (U) PEER REVIEW OF OTHER AGENCIES’ INSPECTORS GENERAL.....29
(U) INDEPENDENCE 31
(U) APPENDIX A: SEMIANNUAL REPORTING REQUIREMENTS 33
(U) APPENDIX B: RECOMMENDATIONS OLDER THAN ONE YEAR..... 35

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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 24 projects, 11 of which were completed and 13 are ongoing. The projects derive from previous NRO OIG annual work plans; 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 NRO OIG had key internal accomplishments during this reporting period. For example, it began to carry out actions to implement its *Fiscal Year 2017-2021 Strategic Plan*; expanded its outreach initiative by visiting [redacted] initiated a monthly, internal OIG report; and expanded its efforts to increase NRO staff awareness of the potential for fraud and its implications. In addition to these accomplishments, the Inspector General (IG) advertised for and appointed a new Assistant Inspector General (AIG) for Audits when the long-time holder of that office retired.¹

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(U) IMPLEMENTING THE OIG STRATEGIC PLAN

(U) In early Fiscal Year (FY) 2017, the OIG finalized a new Strategic Plan covering fiscal years 2017 – 2021, and began actions to achieve its strategic goals. For example, to address the OIG goal of improving its organizational capabilities, the OIG established a Leadership Development Working Group. The Working Group has re-energized the Shadowing Program, which will offer OIG staff with short-, mid-, and long-term opportunities to work outside their assigned Division or Office and is intended to increase OIG staff job satisfaction, increase opportunities for staff to learn from OIG leadership, and expand OIG staff leadership capabilities. Similarly, to address its goal of improving NRO programs and processes, the OIG is revising its annual planning process to (1) broaden the groups of stakeholders that provide planning input to the OIG, and (2) use the results of its data analytics work to support annual audit and inspection project selection.

(U) Figure 1: OIG Strategic Plan

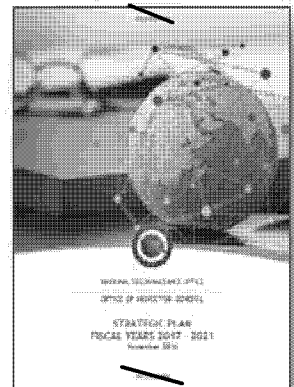


Figure 1: OIG Strategic Plan

[Redacted]

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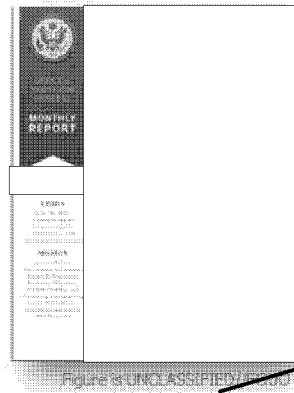
(U) EXPANDING OIG OUTREACH

(U) Building on the success of its outreach efforts in 2016, the OIG conducted a second outreach project [redacted] ² The outreach team consisted of the Deputy IG and representatives from the Audits, Investigations, and Inspections Divisions. The outreach promoted the OIG's mission and increased the frequency of OIG interaction with the NRO site personnel beyond the standard joint inspection cycle.³ Activities included an OIG mission overview briefing, focus group sessions, and private interviews with site employees. Due to the success of the prior outreach initiative, the National Security Agency (NSA) OIG asked to participate in the NRO OIG's 2017 outreach effort.

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(U) The OIG is also expanding its outreach efforts through a number of initiatives intended to disseminate OIG results to a wider audience, to encourage NRO staff to voice their concerns, and to communicate the OIG mission and values across the NRO. One initiative, a monthly report from the IG, included selected report highlights and encouraged staff to communicate with the OIG if they see something of concern, regardless of the scale of the concern.

(U) Figure 2: OIG Monthly Report

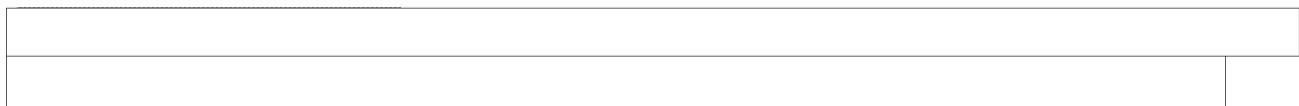


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(U) In addition, the OIG's Investigations Division has taken a number of actions to enhance its outreach efforts with the NRO community. For example, it updated its quarterly case studies training courses to keep the NRO staff informed about the potential for fraud and its implications. The courses are designed to have attendees think—not about policy, process, or requirements, but—about what fraud is, what to do when they see potential fraud, and most importantly, why it is so important for them to take action to combat fraud by contacting the OIG.

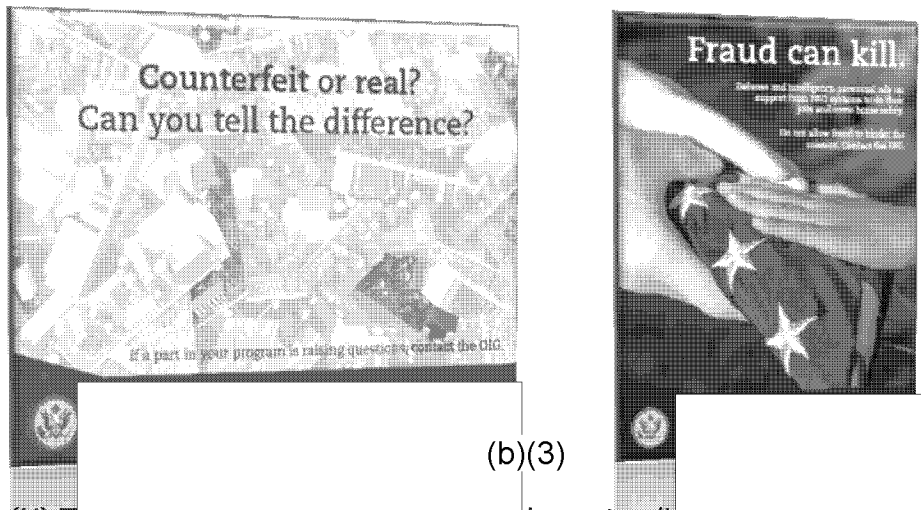
(U) The Investigations Division also created two posters designed to increase fraud awareness within the NRO workforce. One poster is general in messaging, and the other specifically addresses non-conforming parts. These posters are the first two of a series based on investigative trends and concerns within NRO programs that will be created and released over the next several years. The posters are available to all NRO personnel and offices to include contractor locations. Within NRO facilities, the posters are also featured as electronic signage in hallways and common areas.

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(U) Figure 3: OIG Outreach Posters



(U) The posters are one element of the long-standing and extensive outreach program managed by the Investigations Division. The program develops investigative leads and sources, increases awareness, and is intended to deter fraud. Other activities within this program include the regular use of internal communiqués to the workforce and significant liaison with other NRO components and many federal and local law enforcement agencies. During the course of this reporting period, the OIG's Los Angeles Field Office has greatly expanded its investigative network along the West Coast. The Investigations Division also holds membership in several task forces and investigative working groups to include the Internet Crime against Children Taskforce and Operation Chain Reaction.

(U) In addition to these outreach efforts, in March, 23 members of the OIG toured the Capitol and met with committee staff. NRO's Congressional Affairs Office provided tour guides and support. The purpose of the outreach was to better understand the issues and perspectives of our oversight committees' staffs and to deepen the OIG's understanding of the workings of Congress.

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(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS

(U) The *Inspector General Act of 1978*, as amended, requires OIGs to report on the agency's significant problems, abuses, and 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) The OIG reported one significant finding and made three significant recommendations during this reporting period. The significant finding and corresponding recommendations were associated with one report, *Inspection of NRO Supervisory Control and Data Acquisition Systems (SCADA)*.

(U//~~FOUO~~) Industrial Control Systems (ICS)/SCADA⁴ systems and networks are the cyber component to facility-related systems such as air, power, water, and fire suppression. ICS/SCADA systems and networks manage and control the foundational activities essential to mission success, and are critical infrastructure assets.⁵

[Redacted]

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(U//~~FOUO~~) Traditionally, ICS/SCADA systems and networks were

[Redacted]

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[Redacted]

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⁴ (U) ICS/SCADA systems are used in utility infrastructures as computer-based monitoring and control systems. ICS is the umbrella term. SCADA is a component of ICS, but is more widely recognized and used than ICS or other ICS terms. For standardization purposes, the report used the term ICS/SCADA.

[Redacted]

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(U) Third, NRO ICS/SCADA systems

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For example, national security systems may contain classified information or information that involves intelligence activities related to national security and require a high level of security; whereas, a federal information system, which does not contain classified information, may require a lower level of security.

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⁷ (U) The National Security Directive 42, *National Policy for the Security of National Security Telecommunications and Information Systems*, defines National Security Systems as those telecommunications and information systems operated by the U.S. Government, its contractors, or agents, that contain classified information or...that involves intelligence activities, involves cryptologic activities related to national security, involves command and control of military forces, involves equipment that is an integral part of a weapon or weapon system, or involves equipment that is critical to the direct fulfillment of military or intelligence missions. The National Institute of Standards and Technology Special Publication 800-18, *Guide for Developing Security Plans for Federal Information Systems*, defines federal information systems as information systems used or operated by an executive agency, by a contractor of an executive agency, or by another organization on behalf of an executive agency.

[Redacted]

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(U) **Table 1** includes details on Significant Recommendations #1, #2, and #4, which address these findings. The Director, NRO (DNRO) and Director, MS&O concurred with these recommendations.

**(U) TABLE 1: SIGNIFICANT RECOMMENDATIONS:
OCTOBER 2016–MARCH 2017**

Recommendation	Office	Status
(U//FOUO) Significant Recommendation #1 for the DNRO: [Redacted]	DNRO	CLOSED
(U//FOUO) Significant Recommendation #2 for the DNRO-appointed MS&O/COMM ICS/SCADA Working Group/Coordination Committee/Program: [Redacted]	MS&O	Estimated Completion Date (ECD): 25 May 2017
(U//FOUO) Significant Recommendation #4 for the DNRO-appointed MS&O/COMM ICS/SCADA Working Group/Coordination Committee/Program: [Redacted]	MS&O	ECD: 9 August 2019

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(U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS

(U) In its prior semiannual report, the OIG reported three significant findings and made four corresponding recommendations to address them. During this reporting period, the NRO completed actions to satisfy one significant recommendation in its entirety, and part of another recommendation.

(S//TK//REL TO USA, FVEY) Each of the significant findings and corresponding recommendations in the OIG's prior Semiannual Report was associated with one report, [Redacted]. The status of these prior recommendations is shown in **Table 2**.

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(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS

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

(U) TABLE 3: COMPLETED PROJECTS – OCTOBER 2016-MARCH 2017

Title	Date Completed	
(U) Final Memorandum Report: Audit of the Transition of the MOUNTAINVIEW Facility to the National Reconnaissance Office	21 November 2016	
(U) Final Report: Audit of Project Management within the Ground Enterprise Directorate	30 November 2016	
(U) Memorandum Report: Inspection of 222nd Command and Control Squadron	5 December 2016	
(U) Final Report: Audit of the NRO's Transition to an Enterprise IT Audit Capability	6 December 2016	
(U) Office of Inspector General Audit of the National Reconnaissance Office Fiscal Year 2016 Financial Statements	19 December 2016	
(U) Final Report: Inspection of NRO Supervisory Control and Data Acquisition Systems (SCADA)	28 December 2016	
(U) Memorandum Report: Office of Inspector General Audit of the Acquisition Strategy Council Process and Activities	18 January 2017	
(U) Joint Inspectors General Inspection Report: Aerospace Data Facility Colorado	8 February 2017	
(U) Final Report: Inspection of the NRO Defense Civilian Intelligence Personnel System Performance Management Process	17 February 2017	
[Redacted]	23 March 2017	(b)(1) (b)(3)
(U) Final Report: Inspection of the [Redacted]	31 March 2017	(b)(3)

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(U) COMPLETED PROJECTS – FINDINGS AND RECOMMENDATIONS

(U) Final Memorandum Report: Audit of the Transition of the MOUNTAINVIEW Facility to the National Reconnaissance Office.

(U//~~FOUO~~) The OIG found that [Redacted]

[Redacted]

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(TS//TK//NF) First, the OIG found that Industrial Control Systems/Supervisory Control and Data Acquisition (ICS/SCADA) systems

[Redacted]

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⁸ (U//~~FOUO~~) Matters of Concern – MOUNTAINVIEW Facility, 28 April 2016.

[Redacted]

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(U) The OIG recommended that the NRO

- (U//~~FOUO~~) document the determination of the NRO to

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[Redacted]

- (U//~~FOUO~~) contingent on the NRO's determination of the necessity of

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- (U//~~FOUO~~) implement coordination between the ADF-C Office of Security and Counterintelligence and

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[Redacted]

(U) Final Report: Audit of Project Management within the Ground Enterprise Directorate.

(U//~~FOUO~~) The OIG found that the Ground Enterprise Directorate (GED) project offices that adapted engineering, oversight, and monitoring practices to the complexity of their project development had positive interaction between the Government and contractor to attain project goals.

[Redacted]

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(U) The OIG recommended that the NRO

- (U//~~FOUO~~) (1) expand adaptive software development training such that GED staff maintains the knowledge necessary to verify and validate the contractor teams are appropriately applying the adaptive development, skills, tools, and techniques throughout the project; and (2) implement collaboration tools among GED project teams and contractors to verify and validate that the teams understand and properly apply the principles throughout the projects (OPEN);
- (U//~~FOUO~~) implement and document government pre-determined control gates that complement and align with the nature of the development and software development methodology (CLOSED).

- ~~(U//FOUO)~~ conduct and document a reassessment of selected projects' capability estimates and determine if adjustments of rate of progress and schedule are needed (OPEN); and
- ~~(U//FOUO)~~ assess and document the WBS format and content for selected projects to determine the best approach for maintaining visibility of the products, services, and mission applications and enable effective tracking of cost, schedule, and performance (OPEN).

~~(U//FOUO)~~ In addition, the OIG observed that the NRO

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[Redacted]

expectations for project offices;

- ~~(U//FOUO)~~ assess its groups' functional alignment and collaboration tools to ensure provisioning specifications are understood and properly applied; and
- ~~(U//FOUO)~~ establish government pre-determined control gates that complement and align to the project offices' capability development plans and procedures.

(U) Memorandum Report: Inspection of 222nd Command and Control Squadron.

~~(U//FOUO)~~ The OIG determined that (1) the 222nd Command and Control Squadron (CACS) is meeting or exceeding expectations; (2) the 222nd training program is robust, comprehensive, and surpasses NRO requirements; (3) the Memorandum of Agreement covering administrative support of the 222nd CACS is overdue for review;

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[Redacted]

The results of this inspection did not warrant any recommendations or considerations.

(U) Final Report: Audit of the NRO's Transition to an Enterprise IT Audit Capability.

[Redacted]

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and (3) limited resources challenge COMM, [redacted] accomplishment of activities and milestones.

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[redacted]

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- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

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(U) Office of Inspector General Audit of the National Reconnaissance Office Fiscal Year 2016 Financial Statements.

(U) The OIG contracted with the independent public accounting (IPA) firm of [redacted] to audit the financial statements of the NRO for FY 2016. For FY 2016, the NRO received an unmodified opinion on its financial statements. [redacted] also described one material weakness—inaccurate recording of funds to others expenditures—and made seven recommendations associated with that material weakness. NRO management concurred with the finding and recommendations.

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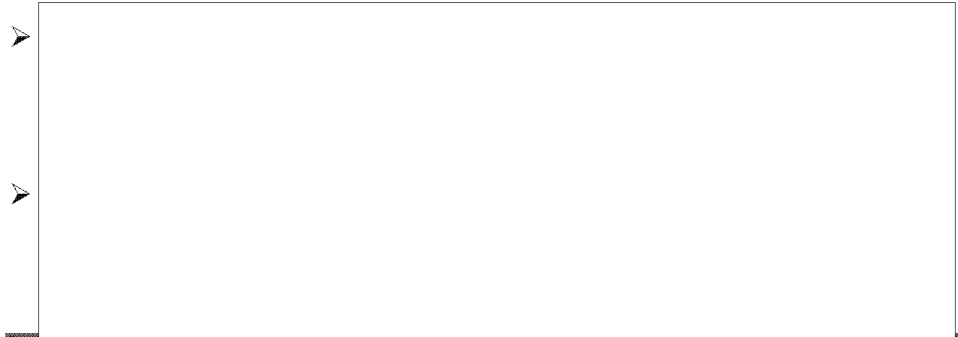
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(U) Final Report: Inspection of NRO Supervisory Control and Data Acquisition Systems (SCADA).

~~(S//NF)~~ In addition to the significant finding identified earlier in this report, the OIG found that [redacted]

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~~(U//FOUO)~~ The OIG issued five recommendations, three of which are significant, as reported earlier in the "Significant Findings and Recommendations" section of this report. The remaining two recommendations are to



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(U) Memorandum Report: Office of Inspector General Audit of the Acquisition Strategy Council Process and Activities.

~~(U//FOUO)~~ The OIG determined that the Acquisition Strategy Council (ASC) is executed in accordance with NRO guidelines by providing the NRO Acquisition Executive and NRO senior leadership with sufficient insight into the acquisition strategy to assess whether the acquisition strategy will meet user requirements. Accordingly, the OIG curtailed its fieldwork and issued a memorandum report to identify areas wherein the NRO Corporate Secretariat may enhance the effectiveness of the ASC's process and activities. As such, the OIG did not offer any recommendations.

(U) Joint Inspectors General Inspection Report: Aerospace Data Facility Colorado.

~~(U//FOUO)~~ Inspectors from the NRO OIG joined with Inspector General staffs from the NSA/Central Security Service; the National Geospatial-Intelligence Agency (NGA); the 25th Air Force; the U.S. Fleet Cyber Command; Director of National Intelligence; and the U.S. Army Intelligence and Security Command to conduct an inspection of the ADF-C, National Security Agency Colorado, and the National Geospatial-Intelligence Agency-Denver. This joint inspection included the evaluation of mission accomplishment, policy and guidance, and general climate. Functional review areas related to the NRO included command topics; intelligence oversight; mission systems and engineering; facilities and safety; resource programs; security; IT and systems; and training.

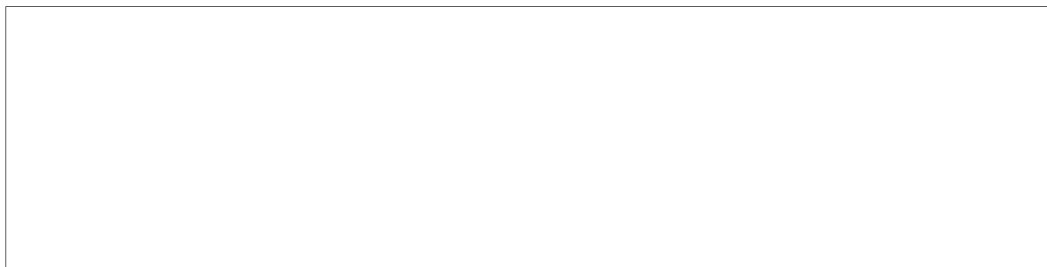
~~(U//FOUO)~~ With respect to the NRO, the OIG identified numerous findings as well as several commendable areas that other sites could emulate. It issued 60 NRO recommendations to the site, a number of which were closed prior to the issuance of the final report. The OIG also issued 40 recommendations to NRO headquarters elements.

(U) Final Report: Inspection of the NRO Defense Civilian Intelligence Personnel System Performance Management Process.

(U) The OIG found the NRO did not execute the FY 2015 Defense Civilian Intelligence Personnel System (DCIPS) End-of-Year Performance Evaluation Review or Reconsideration Processes in compliance with the Department of Defense (DoD) prescribed timelines. In addition, the OIG noted other matters of concern that may impact the overall effectiveness and value of the Performance Management Process including (1) a wide discrepancy between rating/reviewing officials and the NRO Performance Management Performance Review Authority (PM PRA) regarding consistency, understanding, and execution of the performance standards in rating decisions; (2) a lack of diversity representation on some Performance Review Boards (PRB) and Bonus Pool Panels, and (3) the lack of finalized NRO DCIPS performance management policies and procedures.

(U) The OIG recommended that the NRO

- (U) issue and/or update internal DCIPS policies and procedures to align with DoD's prescribed timelines and enforce those requirements (OPEN);
- (U) develop and document a process to enable the PRB and the rating and reviewing officials to address discrepancies prior to the PRB's finalization of a change of rating (OPEN);
- (U) establish a minimum mandatory training and refresher training program focused on consistency, understanding, and execution of the performance standards in rating decisions (OPEN);
- (~~U//FOUO~~) establish metrics to measure the delta between performance evaluation ratings and PM PRA approved ratings, develop a plan to reduce the delta, and track the progress, with a goal of eliminating the ratings gap (OPEN);
- (U) determine diversity representation requirements for Performance Review Boards and Bonus Pool Panels (OPEN);
- (U) update relevant performance management processes and procedures accordingly (OPEN); and
- (U) finalize NRO DCIPS performance management policies and procedures (OPEN).



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(U) Final Report: Inspection of

[Redacted]

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[Redacted]

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(U) The OIG recommended that the NRO

- (U) perform a desk audit of [Redacted] to determine appropriate staffing level and mix required to fulfill mission requirements and implement recommended staffing changes if warranted. Deliver a written report to the OIG documenting the results (OPEN);
- (U) assign a subject matter expert to provide a technical review of contract deliverables prior to Contracting Officer Representative approval (CLOSED);

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➤ [Redacted]

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- (U//~~FOUO~~) fill the Deputy Director [Redacted] position to ensure appropriate government oversight (CLOSED);

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- (U) update and publish COOP-related policy and guidance, to include a substantive update to the [Redacted] (OPEN);

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- (U) update and publish the [Redacted] Strategic Plan/NRO COOP [Redacted] ensuring changes are coordinated via TIER with the relevant NRO Directorates and Offices (OPEN);

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- (U/) (A) officially update [Redacted] title, organizational structure, roles and responsibilities, and other relevant information within the [Redacted]

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- website; (B) develop a written process to ensure that the [redacted] website is updated regularly on at least a semiannual basis (OPEN); (b)(3)
- (U) officially update the [redacted] position descriptions and associated NRO staffing documents (CLOSED); (b)(3)
- (U) update, coordinate, and publish the [redacted] Charter to reflect the current operating environment and requirements (OPEN); (b)(3)
- (U) implement and document a training program for [redacted] members, to include initial and periodic training as COOP processes evolve. Include a mandated standard template for component COOP plans in the training package (OPEN); (b)(3)
- (~~U//FOUO~~) develop and document a methodology to ensure [redacted] assessments of component plans consider an enterprise focus so that all plans are integrated, do not conflict with other plans, and gaps are identified, mitigated, and tracked. In addition, update the [redacted] office's internal procedures stating the [redacted] will provide assessment results within a specific timeframe after the completion of assessments (OPEN); (b)(3)
- (~~U//FOUO~~) evaluate and document the need for MS&O to contract for additional resources to support NRO components in continuity plan development and mitigation of issues identified in [redacted] assessments (OPEN); (b)(3)
- (U) implement and document a process for coordinating/documenting [redacted] meeting schedules/substantive agendas/minutes as well as continuity policy changes and continuity concerns/resolutions (OPEN); (b)(3)
- (~~U//FOUO~~) implement and document a process for the development of and follow-through for NRO continuity performance metrics (OPEN); and
- (~~U//FOUO~~) identify and address current concerns with the NRO MR/COOP Plan, to include (A) documenting a comprehensive process [redacted] that gaps and conflicts are mitigated: (b)(3)
(B) developing and documenting [redacted] (b)(3)

(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 – OCTOBER 2016 – MARCH 2017

Title	Date Initiated	
(U) Consolidated Facilities Operation and Maintenance Performance Audit	22 April 2016	
(U) Audit of the National Reconnaissance Office Insider Threat Program	4 November 2016	
[Redacted]	31 October 2016	(b)(1) (b)(3)
(U) Inspection of NRO Mission Resiliency	5 December 2016	
(U) Follow-up Inspection of the NRO Department of Defense Cadre	13 December 2016	
(U) Evaluation of NRO FY 2016 Improper Payment Compliance	26 January 2017	
[Redacted]	6 February 2017 ⁹	(b)(1) (b)(3)
[Redacted]	6 February 2017	
(U) Office of Inspector General Fiscal Year 2017 Independent Evaluation of National Reconnaissance Office Compliance with Federal Information Security Modernization Act	7 February 2017	
(U) National Reconnaissance Office GEOINT-Financials Service Organization Controls Examinations	7 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) Special Review of the National Reconnaissance Office Consolidated Facilities Operations and Maintenance Enterprise Procurement Contract	21 February 2017	
(U) Audit of National Reconnaissance Office Supply Chain Risk Management	10 March 2017	

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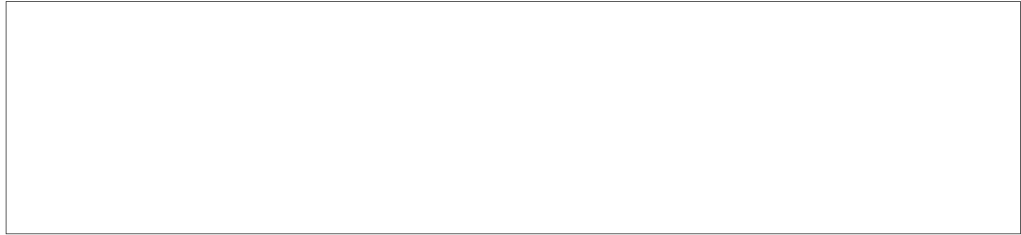
(U) ONGOING PROJECTS - OBJECTIVES

(U) Consolidated Facilities Operation and Maintenance Performance Audit. Objective: Evaluate NRO's oversight of the Consolidated Facilities Operation and Maintenance contractor performance; review how the NRO verifies the contractor's costs, staffing, and performance in accordance with contract requirements.

[Redacted]

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



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(U) Inspection of NRO Mission Resiliency. Mission resiliency—to include space protection and ground resiliency—will be examined in a series of inspections. The objective of this first inspection is to determine the process, if any, used by the NRO to identify threats and risks to NRO's two Mission Essential Functions (MEFs). The OIG will then, as appropriate, evaluate implementation of this process to determine its inclusiveness of the NRO enterprise and its effectiveness in identifying threats and risks that could inhibit execution of the two MEFs; and determine whether NRO programs are enhancing the enterprise's current end-to-end resiliency posture, as required by the Director, NRO's Strategic Program Brief.

(U) Follow-up Inspection of the NRO Department of Defense (DoD) Cadre. Objective: Assess the NRO's progress in such areas as the issuance of policies needed to provide necessary guidance and support to the NRO DoD Cadre and the determination of the NRO's future workforce composition, to include size and skills mix. In addition, the inspection team will evaluate NRO DoD Cadre career and professional development programs, recruitment and retention processes, mobility opportunities, and rank-in-position versus rank-in-person advantages and disadvantages.

(U) Evaluation of NRO FY 2016 Improper Payment Compliance. This evaluation is required by the *Improper Payments 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*. Objective: Fulfill requirements established by Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*, Appendix C, *Requirements for Effective Estimation and Remediation of Improper Payments*, and OMB Circular A-136, *Reporting Requirements*, for the fiscal year ended 30 September 2016.



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

(U) Office of Inspector General Fiscal Year 2017 Independent Evaluation of National Reconnaissance Office Compliance with Federal Information Security Modernization Act. Objective: Independently assess NRO compliance with Federal Information Security Modernization Act requirements, implementation regulations, and guidance; review compliance with laws and regulations related to the NRO information security program and practices; and follow up on the status of prior-year findings and recommendations related to information security.

(U) National Reconnaissance Office GEOINT-Financials Service Organization Controls Examinations. Objective: Report on the fairness of the presentation of management's description of the GEOINT-Financials application and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives included in the description.



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

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

(U) Audit of Management Oversight of Federally Funded Research and Development Centers throughout the National Reconnaissance Office. Objective: Determine whether the NRO implemented additional management oversight controls of Federally Funded Research and Development Centers (FFRDC) based on the findings and recommendations of prior audits.

(U) Special Review of the National Reconnaissance Office Consolidated Facilities Operations and Maintenance Enterprise Procurement Contract. Objective: Evaluate whether the Enterprise Procurement Contract provides the most economical method for NRO procurements of commercial goods.

(U) Audit of National Reconnaissance Office Supply Chain Risk Management. Objective: The objective of this audit is to determine whether NRO Supply Chain Risk Management procedures are designed and implemented to ensure the integrity of the NRO supply chain.

(U) INVESTIGATIONS

~~(U//FOUO)~~ The OIG Investigations Division conducts criminal, civil, and administrative investigations into alleged violations of federal law, regulation, and policies involving NRO funds, operations, and programs. During this reporting period, the Investigations Division produced 14 Reports of Investigation, 11 of which the OIG referred to the Department of Justice (DOJ). DOJ declined prosecution and/or litigation for each of the referred cases. The OIG referred one of the 11 cases to local authorities who also declined prosecution. In aggregate, these cases identified and/or supported the recovery of over \$1.4 million for the NRO or the United States Treasury.¹⁰ These investigative metrics were derived and compiled using the Investigation Divisions' [redacted]

[redacted] contains all electronic investigative records and is capable of providing the OIG with statistical reports regarding case categories, recoveries and actions, productivity, and other forms of compiled data used by managers.

(b)(3)

~~(U//FOUO)~~ Of the 14 Reports of Investigation reported to the NRO, seven involved contractor employees reported by the OIG to the Office of Contracts (OC) exclusively for suspension and debarment consideration. The OIG reported these seven cases as Summary Reports of Investigation, which do not require a response as the NRO had already acted to recover lost funds and/or to remove the employees as warranted. Summary reports commonly involve lower levels of labor mischarging by contractor employees where the NRO and the company have come to terms regarding resolution contemporaneous to the OIG's investigation. In these cases, the OIG only publishes the report after verifying that the NRO has been made whole. The summary reports provide OC with the necessary findings of fact to consider suspension and debarment. During this period, the OIG also issued an eighth summary report regarding a GS-13 government employee involved in time and attendance abuse. The details are provided further in this section.

~~(U//FOUO)~~ The OIG reported the remaining six investigations as follows:

- A senior Government employee¹¹ allegedly engaged in a conflict of interest; action pending before the NRO Office of General Counsel for determination. This case is detailed further in this section.
- A contractor employee involved in computer misuse and labor mischarging; action pending.
- A GS-12 government employee involved in time and attendance abuse; action pending.

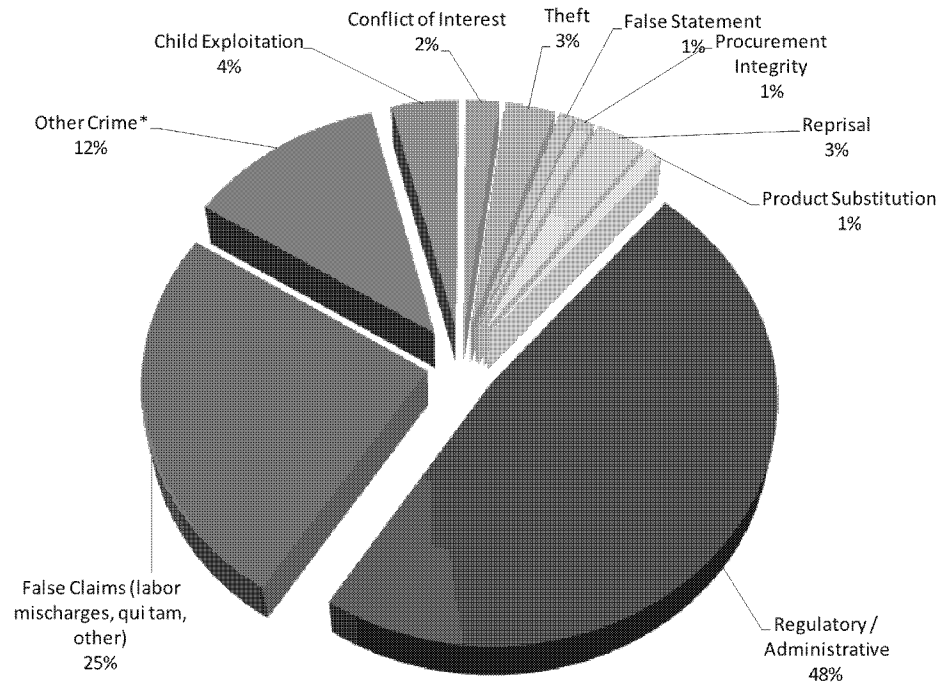
¹⁰ ~~(U//FOUO)~~ Approximately \$1.15 million recovered was related to investigations concluded during the previous period, but for which settlement and recovery was finalized during the first half of FY 2017.

¹¹ (U) For purposes of this reporting, the term "senior Government employee" means – (A) an officer or employee in the executive branch (including a special Government employee as defined in section 202 of title 18, United States Code) who occupies a position classified at or above GS-15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule; and "(B) any commissioned officer in the Armed Forces in pay grades 0-6 and above."

- Two claims filed by contractors under the Whistleblower Protection Act found to be without merit.
- A senior Government employee alleged to have violated the Fly American Act. The OIG investigation did not substantiate the allegations. The OIG provided the report to the employee's management for informational purposes only.

~~(U//FOUO)~~ In the first half of FY 2017, the Investigations Division responded to 155 allegations. **Figure 4** illustrates the types and percentages of these cases opened during this reporting period. These figures were generally consistent with the past reporting period with Regulatory/Administrative cases making up the majority of the complaints received. Many of these cases were addressed as referrals to NRO management when possible so that investigative resources could be applied to more critical matters such as *qui tams*, procurement integrity, public corruption, and non-conforming parts cases. While these significant investigations make up a small percentage of the total number of intakes, they are typically the most complex matters with the greatest potential impact to the NRO mission.

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



~~(U//FOUO)~~ "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.

Figure is UNCLASSIFIED//~~FOUO~~

(U) SELECTED INVESTIGATION SUMMARIES

~~(U//FOUO)~~ The Investigations Division completed seven investigations of false claims by NRO contractor personnel during this reporting period. The United States Attorney's Office (USAO) declined prosecution for each of these cases. Six of these cases were subsequently resolved as an administrative action by OC. In total, the six cases accounted for over \$253,000 returned to the NRO. The seventh case involved a subject who the OIG initially investigated for both misuse of an NRO computer system, which involved potential sexual enticement of a minor, and labor mischarging. The investigation did not produce information sufficient for criminal interest by the USAO or local law enforcement. As a result, the OIG reported its findings to OC with a recommendation for administrative settlement to account for the contractor employee's mischarging of labor to an NRO contract. The labor mischarging is valued at approximately \$64,000, and a recovery and settlement is pending further action by OC.

(U) Particularly significant investigations include the following:

- (U) The Investigations Division completed an investigation involving an NRO senior Government employee who allegedly engaged in a conflict of interest when he inappropriately provided assistance to a personal acquaintance who was seeking a contract from the NRO on behalf of the acquaintance's employer, a state university. The successful acquisition resulted in a personal benefit to the acquaintance valued at approximately [redacted] n salary. The university subsequently gave the NRO senior Government employee a non-monetary award citing the financial benefits of the NRO contract as a partial justification. The employee also received dinner accommodations for himself and his guests valued at \$281 and in excess of that which is permissible under the Code of Federal Regulations. The senior Government employee also failed to report that he had received an offer of employment from the university during the planning or performance of the contract. The OIG briefed the case to the Department of Justice, which declined interest in favor of administrative action by the NRO. The NRO Office of General Counsel's determination on this matter is pending. (b)(3)
- (U) The OIG completed an investigation of a GS-13 NRO Cadre employee working as a security officer who mischarged official time. The investigation identified that the employee had mischarged 652 hours from 2012 through 2015 with an aggregate value of approximately [redacted]. The NRO took action based on a preliminary review of the OIG's initial information, at a time when the case had been declined for prosecution by the USAO, but before the final report with recommendation was complete. The NRO issued the employee a letter of reprimand and required repayment of [redacted] to the government in the form of approximately 161 hours of annual leave. The employee was not required to reimburse the remaining [redacted]. (b)(3)
- (U) The OIG completed an investigation involving a GS-12 Central Intelligence Agency (CIA) officer assigned to the NRO as a project manager who mischarged time. The investigation identified that the officer had mischarged 868 hours from 2012 to 2106 with a value of approximately [redacted]. The USAO declined this case for prosecution. The employee has since [redacted] pending based on the OIG's recommendation for administrative action as appropriate. (b)(3)
(b)(6)
- (U) The OIG completed two investigations filed under the Intelligence Community Whistleblower Protection Act. Both cases involved contractor personnel whose claims were found to be without merit. The OIG advised the complainants of the OIG's findings and of their appeal rights.

(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 the Council of the Inspectors General on Integrity and Efficiency (CIGIE). For example, during this reporting period the NRO OIG reviewed all pertinent draft legislation to include the Inspector General Empowerment Act of 2015 and the Intelligence Authorization Act for Fiscal Year 2017. The OIG also submitted a legislative proposal for repeal of §8H(g)(1) of the Inspector General Act of 1978, as amended, which currently mandates annual reporting by the NRO OIG.

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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 2016, the NRO OIG contracted with [] 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 2016 Financial Statements*. [] assessment disclosed no instances in which the NRO's financial management systems did not comply substantially with the Federal financial management system's requirements, applicable Federal accounting standards, or application of the United States Standard General Ledger at the transaction level.

(b)(3)

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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 Comptroller General of the United States 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 includes having external quality assurance reviews of audits, investigations, inspections, evaluations, and other OIG activities.

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

(U) The CIA OIG, with assistance from the Defense Intelligence Agency OIG, is leading a peer review of the NRO OIG Audits Division. The objective of this peer review is to determine whether, for the period under review, the NRO OIG Audits Division's system of quality control is suitably designed and whether the audit organization is complying with its system of quality control to provide it with reasonable assurance of conformance with applicable professional standards. As applicable, the peer review will also determine whether controls over monitoring of contracted audits performed by IPAs, where the IPA serves as the auditor, are suitably designed and complied with.

(U) The peer review covers audit reports issued during the three-year period that ended 30 September 2016. Fieldwork has been completed, and the final report is expected to be issued during the next semiannual reporting period.

(U) PEER REVIEW OF OTHER AGENCIES' INSPECTORS GENERAL

(U) The NRO OIG did not conduct any peer reviews of other agencies' OIGs during this reporting period.

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(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,¹² and the Government Accountability Office (GAO) established guidance for evaluating and ensuring the statutory independence for each OIG organization as well as the independence of individual staff members.¹³ 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."¹⁴

(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 cooperative 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.

¹² (U) CIGIE, Quality Standards for Federal Offices of Inspector General, August 2012.

¹³ (U) GAO, Government Auditing Standards 2011 Revision, GAO-12-331G, December 2011.

¹⁴ (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 (OIG) 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

(U) Reporting Requirement	(U) Page
SEC 4(a)(2) <u>Legislation and regulation review</u>	25
SEC 5(a)(1-2) <u>Significant problems, abuses, and deficiencies; recommendations for corrective action</u>	5
SEC 5(a)(3) <u>Prior significant recommendations not yet implemented</u>	7
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>	9
SEC 5(a)(8-9) Tables showing questioned costs and funds that should be put to better use	N/A
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>	27
SEC 5(a)(14-16) <u>Peer review reporting</u>	29
SEC 5(a)(17-18) <u>Information about investigative reports, referrals for prosecution, indictments, and a description of the supporting metrics</u>	21
SEC 5(a)(19-20) <u>Investigations of employee misconduct and descriptions of whistleblower retaliation</u>	22
SEC 5(a)(21) <u>Descriptions, if any, of NRO interference with OIG independence</u>	31
SEC 5(a)(22) Descriptions of audits, inspections, evaluations, and investigations not disclosed to the public	N/A

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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 within a year of issuance. Details on each open recommendation are included in **Tables B2-B12**.

(U) TABLE B1: RECOMMENDATIONS OLDER THAN ONE YEAR

Report Title	Report Date	Total	Open
<u>(U) Audit of the Management of Information Systems Privileged Users</u>	19 November 2010	2	1
<u>(U) Audit of Chief Information Officer Management of National Reconnaissance Office Information Technology</u>	20 December 2013	7	3
<u>(U) Inspection of the Special Communications Office</u>	8 February 2014	12	1
<u>(U) Joint Inspection of Aerospace Data Facility East and National Geospatial-Intelligence Agency-Franconia</u>	11 February 2014	55	2
<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	5
[Redacted]	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
<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

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

Table is S//TK//REL TO USA, FVEY

(U) Table B4: Inspection of the Special Communications Office

Recommendation	Office	Status
(U// FOUO) Recommendation #12 for the Director, Special Communications Office (SCO): Review all External Agreements (EA) for currency and relevance. Work with OP&S to update and convert Memoranda of Agreement to Interagency Agreements as appropriate.	SCO	(b)(1) (b)(3)

Table is ~~SECRET//TK//NOFORN~~

(U) Table B5: Joint Inspection of Aerospace Data Facility East and National Geospatial-Intelligence Agency-Franconia

Recommendation	Office	Status
(U// FOUO) Recommendation ADF-E/NGA-F-12-131: Establish or update a written process for timely reporting and reimbursement for supplies and services in accordance with the NRO/National Geospatial-Intelligence Agency (NGA) [redacted] (b)(3)	Mission Operations Directorate (MOD)	(U// FOUO) The agreement is still in draft form. NRO and NGA are in the process of resolving one outstanding issue unrelated to this open recommendation. Resolution of the outstanding issue is anticipated in June. Initial ECD: July 2014 Updated ECD: June 2017
(U// FOUO) Recommendation ADF-E/NGA-F-12-205: Finalize and publish <i>NRO Directive (ND) 10-2, Facilities Acquisition Planning and Execution</i> and associated NRO Instructions.	OS&CI	(U// FOUO) NRO Directive 10-2 is undergoing hardcopy coordination for Principal Deputy Director, NRO signature. Coordination of the package is on hold due to the Office of General Counsel concerns with language. The associated NRO Instructions (NI) (NI 10-2-1, <i>Real Estate Acquisition and disposal</i> , and NI 10-2-2, <i>Maintenance, Repair, Improvement, and Construction Acquisition</i>) were submitted to Corporate Secretariat in January and are expected to be processed for action officer review late March. OIG expects formal approval process with Ds and Os to be completed by the summer of 2017. Initial ECD: July 2014 Current ECD: August 2017

Table is UNCLASSIFIED//~~FOUO~~

(U//~~FOUO~~) Table B6: Inspection of the Survivability Assurance Office (SAO)

Recommendation	Office	Status
(U// FOUO) Recommendation #3B for the DNRO: Task SED with the responsibility to ensure that protection and resiliency are addressed as a part of requirements/design reviews for each major system acquisition.	DNRO	(U) On 22 September 2016, SED completed NRO-wide review of the draft NRO Directive (ND) 130-6, NRO Architecture Resiliency. In its current form, some comments could not be adjudicated thus the draft document requires rewriting. An updated, draft ND will require another round of internal SED review. Once approved within SED, the updated, draft ND will be released for NRO review and approval. Estimated completion date to obtain NRO review and approval and to subsequently publish ND 130-6 is 31 December 2017. Initial ECD: March 2015 Current ECD: December 2017

Table is UNCLASSIFIED//~~FOUO~~

(U) Table B7: Audit of NRO Cyber Incident Detection and Response

Recommendation	Office	Status
(U//FOUO) Recommendation #2 for the Director, COMM: Ensure that [redacted] in accordance with Intelligence Community Standard (ICS) 502-01 and Intelligence Community Directive (ICD) 502.	COMM (b)(3)	(U) COMM has requested closure. The OIG is currently reviewing the documentation provided to determine whether COMM has met the intent of this recommendation. Initial ECD: March 2015 Current ECD: TBD
(U//FOUO) Recommendation #3 for the Director, COMM: [redacted]	COMM	(U//FOUO) The COMM/NISP [redacted] Initial ECD: December 2016 Current ECD: June 2017
(U//FOUO) Recommendation #6 for the Director, COMM: [redacted]	COMM	[redacted] Initial ECD: December 2015 Current ECD: TBD
(U//FOUO) Recommendation #7 for the Director, COMM: [redacted] ICD 502.	COMM (b)(3)	(U//FOUO) COMM is [redacted] Initial ECD: April 2015 Current ECD: March 2019
(U//FOUO) Recommendation #10 for the Director, COMM: [redacted]	COMM	(U) COMM has requested closure. The OIG is currently reviewing the documentation provided to determine whether COMM has met the intent of this recommendation. Initial ECD: April 2015 Current ECD: TBD

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(U) Table B9: Final Report Audit of the National Reconnaissance Office Management of the Silver Eagle Contract

Recommendation	Office	Status
<p>(U//FOUO) 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</p> <p>A. monitor Silver Eagle [redacted] activities; and</p> <p>[redacted]</p> <p>(b)(3)</p>	<p>COMM</p>	<p>(U//FOUO) The OIG met with COMM on 28 and 29 March 2017 to discuss the COMM actions to close the recommendations. COMM provided [redacted]</p> <p>[redacted]</p> <p>Initial ECD: June 2016 Current ECD: December 2017</p>

(b)(3)

Table is UNCLASSIFIED//FOUO

(U) Table B10: Joint Inspection of Aerospace Data Facility Southwest and National Geospatial-Intelligence Agency Southwest

Recommendation	Office	Status
[Redacted]	MOD/MS&O (b)(1) (b)(3)	(U) The ADF-SW Commander and the USAF continue to work in coordination with NRO/OP&S to update the [Redacted] (b)(3)
[Redacted]	[Redacted]	the OIG is due 19 April 2017. This recommendation remains open pending receipt of the finalized [Redacted] (b)(3) Initial ECD: March 2017 Current ECD: August 2017
(U//FOUO) Recommendation ADFSW-15-2002 for D/MOD: Develop and publish directorate-level guidance and/or policy for all of the NRO Innovation Centers for inclusion in the NBF 60 and/or ND 60-1.	MOD/MS&O	(U) MOD is working with the NRO Innovation Centers on the guidance to be included in NBF-60/ND 60-1. MOD's next status to the OIG is due 19 April 2017. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for all of the NRO Innovation Centers. Current ECD: March 2017
(U//FOUO) Recommendation ADFSW-15-2004 for D/MOD: Develop and publish directorate-level guidance and/or policy for [Redacted] for inclusion in the NBF 60 and/or ND 60-1. (b)(3)	MOD/MS&O	(U) [Redacted] continue to work with MOD to develop and publish directorate-level guidance and/or policy for NRO Enterprise Collaboration. [Redacted] is in the process of milestone development and anticipates an ECD NLT 31 December 2017. MOD's next status to the OIG is due 19 April 2017. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for [Redacted] (b)(3) Initial ECD: March 2017 Current ECD: December 2017
(U//FOUO) Recommendation ADFSW-15-2005 for D/MOD: In NI 60-1-1, clarify the definition and intent of the term "event awareness" in association with submitting written SITREPs.	MOD/MS&O	(U) NROC is currently rewriting the NI 60-1-1 document. MOD's next status to the OIG is due 19 April 2017. 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: July 2017
(U//FOUO) Recommendation ADFSW-15-2006 for D/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 is currently rewriting the NI 60-1-1 document. MOD's next status to the OIG is due 19 April 2017. Initial ECD changed to include time for coordination. 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: July 2017

Table is SECRET//TK//REL TO USA, FVEY

(U) Table B11: Inspection of the Mission Integration Directorate's Support to Users

Recommendation	Office	Status
(U//FOUO) Recommendation #1a for the Director, 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/assessing staffing levels and requirements).	MID	(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
(U//FOUO) Recommendation #1c for the Director, MID: Update NI 140-1-1 and NI 140-1-2 based on the evaluation of the CIS tool for continued use.	MID	(U) Director, MID signed NRO Business Function 140, <i>Customer Engagement and Support</i> , NBF 140 in November 2016. NBF 140 set the framework for updating the remaining governance documents, which are expected to be completed in June. Initial ECD: August 2016

Table is UNCLASSIFIED//~~FOUO~~

(U) Table B12: Suspension of Joint Inspection of the NRO SIGINT Compliance Program

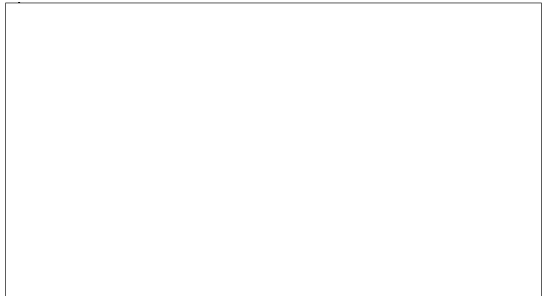
Recommendation	Office	Status
<p>(U//FOUO) Recommendation #1 (for NRO and NSA Offices of General Counsel, in coordination with Director, NRO/Office of Policy and Strategy and Chief, NSA [redacted] Clarify the concepts, terms, and phrases associated with the overhead SIGINT activities found in Annex A and outlined in Finding 1 of this memorandum.</p> <p>(U) FINDING 1: Various concepts, phrases, and terms addressed in Annex A need clarification.</p>	<p>OGC</p> <p>(b)(3)</p>	<p>(U) NSA OGC and NRO OGC collaborated and submitted a response to both agencies. OIG's return response indicated that the message requires further clarification and new terms need to be defined. NRO OGC will re-engage NSA OGC to initiate another clarification effort and respond in June 2017.</p> <p>Initial ECD: June 2018</p>
<p>[Redacted]</p>	<p>(b)(3)</p> <p>(b)(5)</p>	

(b)(3)
(b)(5)

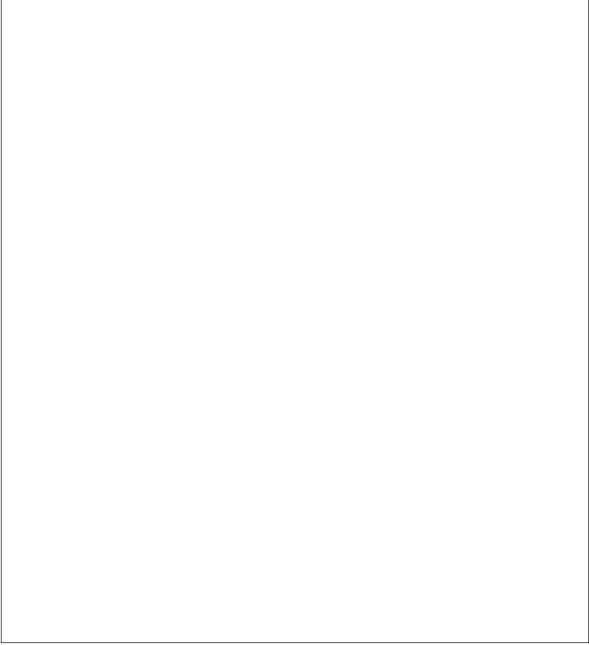
(U//FOUO) Recommendation #2 (for NRO and NSA Offices of General Counsel, in coordination with Director, NRO/Office of Policy and Strategy and Chief, NSA/) Add to Annex A (or supplemental documentation) explanations of the terms and phrases associated with overhead SIGINT activities outlined in Finding 2 of this memorandum.
(U) FINDING 2: Explanations of the following terms are not found in Annex A but are needed.

OGC

(b)(3)



June 2017.
Initial ECD: 30 December 2018



(b)(3)
(b)(5)

(U//FOUO) Recommendation #3 (for NRO and NSA Offices of General Counsel in coordination with Director, NRO/Office of Policy and Strategy and Chief, NSA/) Clarify the applicability of AG-approved procedures to overhead SIGINT activities as they apply to the NRO outlined in Finding 3 of this memorandum.
(U//FOUO) FINDING 3: Guidance regarding the applicability of AG-approved procedures to overhead SIGINT activities needs clarification.

OGC

(b)(3)

(U//FOUO) NSA OGC and NRO OGC collaborated and submitted a response to both agencies. OIG's return response indicated that clarification is required and that the guidance provided by Section 3.5 of the DoD 5240.M should be considered. NRO OGC will review this guidance and respond in June 2017.
Initial ECD: 30 June 2019



(b)(5)

B. (U//FOUO) Are the following SIGINT or non-SIGINT missions? Do the AG-approved procedures apply to these missions? Why?



(b)(3)

C. (U//FOUO) Is the NRO part of the USSS? If so, what are the circumstances under which this occurs? What effect does this have on NRO? On overhead SIGINT activities?

Table is UNCLASSIFIED//FOUO