

# Closure Memorandum

Case Number: 11-0035 I	(b)(3)	Date of Entry: 10/31/2013
Investigator:		(b)(1)

## Allegation Information

### Narrative:

~~(S//TK//NF)~~ On 18 January 2011, the National Reconnaissance Office (OIG) initiated an investigation regarding potential labor mischarging by a Northrop Grumman employee [redacted]. A proactive survey identified individuals whose badge records reflected less than 25 hours per week on site for five weeks or more of a nine week period. From 26 July 2010 through 26 September 2010, [redacted] was out of the facility 49 percent of the time despite his status as a full-time employee. [redacted] worked [redacted] and directly charged NRO contracts [redacted]. If [redacted] knowingly submitted false hours on his timecards, he would have violated 18 U.S.C. §287, *False, Fictitious, and Fraudulent Claims*. (b)(3) (b)(7)(c)

~~(U//FOUO)~~ The OIG examined [redacted] time at the facility for two full work years from 1 January 2009 through 31 December 2010. The OIG compared the hours [redacted] charged to NRO contracts with facility access records [redacted] and travel records, and access records for contractor facilities [redacted]. The comparison revealed 1,283 mischarges. (b)(3) (b)(7)(d).  
IG Act

~~(U//FOUO)~~ On 24 January 2011, the OIG interviewed [redacted] supervised [redacted] from 2003 to the present. Mr. Gomez relayed [redacted] worked from 9:00AM to 5:00PM or 8:00AM to 4:00PM, five days a week with occasional shift work. As a salaried employee [redacted] recorded 80 hours every two weeks. Employees completed time cards daily and submitted them to their supervisor every two weeks. Mr. Gomez approved [redacted] time cards. (b)(3) (b)(7)(c)

~~(U//FOUO)~~ The OIG provided Mr. Gomez a list of 24 days which [redacted] claimed hours on his timecard, but where no badge records existed. [redacted] verified that [redacted] claimed those hours, but provided no explanation for [redacted] whereabouts. [redacted] believed [redacted] smoked, but was unsure of the number of breaks allowed. [redacted] stated no issues existed with [redacted] time card accounting or hours worked. (b)(3) (b)(7)(c)

~~(U//FOUO)~~ On 8 March 2011, the OIG interviewed [redacted] Northrop Grumman Technical Lead. [redacted] supervised [redacted] daily activities, but did not approve [redacted] timecards. [redacted] typically worked 7:00AM to 4:00PM Monday through Friday and occasionally worked at other contractor facilities.

~~(U//FOUO)~~ On 26 May 2011, the OIG interviewed [redacted] who provided the following: [redacted] worked for Northrop Grumman from [redacted] to the present. [redacted] stated he arrived at work between 7:00AM and 8:00AM and left work between 3:00PM and 4:00PM and took lunch between 11:00AM and 1:00PM. [redacted] took breaks during the day to go to the deli for a snack, talk to the gate guards, or smoke. [redacted] averaged six smoke breaks per day lasting less than five minutes each. [redacted] worked 80 hours in a two week period and activities not directly supporting the contract could not be charged to the contract. [redacted] never charged time not worked, but claimed he did not accurately account for hours worked. In approximately January 2010, [redacted] received counselling for not properly charging time to the contract. Each year, [redacted] received computer based training (CBT) regarding time charging policies. [redacted] stated he had no intention of defrauding anyone for the time he worked and understood timecard fraud as charging time for hours he did not intend to work. [redacted] owned a [redacted] but claimed he never used work time to perform work related to his personal company. (b)(3) (b)(7)(c)

~~(U//FOUO)~~ Early in the investigation the NRO OIG determined that at least some of [redacted] time was charged to contract line items funded by NSA. The NRO OIG notified NSA OIG and it was agreed that NRO OIG would continue to work the case. NRO OIG periodically informed NSA OIG of the status of the case. (b)(3)

~~(U//FOUO)~~ On 6 July 2011 [redacted] NRO Ombudsman, contacted OIG and relayed that [redacted] informed that his last day with Northrop Grumman was [redacted]. The OIG verified in [redacted] that [redacted] was debriefed of all clearances on 1 July 2011. [redacted] clearances pending for [redacted] with no further information available. (b)(3)

~~(U//FOUO)~~ On 24 August 2011, the OIG reviewed [redacted] work e-mail account. During the 2009 to 2010 time period, [redacted] sent 46 e-mails which discussed his personal business. [redacted] The amount of work time [redacted] spent on personal business emails was minimal, therefore this time was not included in the the total of mischarged hours. (b)(3) (b)(7)(c)

~~(U//FOUO)~~ Northrop Grumman performed an independent analysis and disputed 30 of the 1,283 mischarged hours identified by the OIG. The OIG took no exception to Northrop Grumman's calculations resulting in 1,253 hours mischarged and a fully burdened loss of [redacted]. (b)(3)

(U//FOUO) [redacted] attended [redacted] Indoctrination. Site Personnel Security verified [redacted] attended as a new NSA civilian employee.

(U//FOUO) As a result of the OIG investigation, Northrop Grumman implemented [redacted] (b)(4)  
[redacted] (b)(3)  
[redacted] (b)(7)(c)

(U//FOUO) On 9 November 2012, at the request of the United States Attorney's Office (USAO) [redacted] the OIG analyzed badge records and the time cards for [redacted] for the time period 12 May 2012 to 5 October 2012. The time period covered [redacted] recent employment as an NSA civilian. Analysis revealed approximately 42 hours or 5.3% of unaccounted for time. The OIG presented the facts of this case to the USAC [redacted] which declined prosecution due to Northrop Grumman's cooperation, full reimbursement to the government, improved internal controls, and no evidence of continued mischarging by [redacted] as a government employee.

(S//TK//NF) The investigation revealed sufficient evidence to support the conclusion that [redacted] actions constituted a violation of 18 U.S.C. § 287, *False, Fictitious, and Fraudulent Claims*, by mischarging 1,253 hours to NRO contracts, resulting in a loss to the government of [redacted] Northrop Grumman reimbursed [redacted] to contract [redacted] and issued a Treasury check for [redacted] for the (b)(3) loss to contract [redacted] The NRO OIG completed a Report of Investigation dated 6 February 2014. There are no further actions required by this office. It is recommended that the case be closed as substantiated.

Last Investigative Step:

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

Resolution:  Substantiated  Unresolved  Unsubstantiated  Referred

Case Closure Justification

Additional Information:

OIG Management Approval		
Effective Date	Signature	Notes
04/01/2014		(b)(3)

OIG Management Approval		
Effective Date	Signature	Notes

IG Counsel Approval		
Effective Date	Signature	Notes