

~~SECRET//TK//NF~~

Closure Memorandum

Case Number: 12-0097-I	Date of Entry: 29 May 2014
Primary Investigator: [redacted]	(b)(3)

Allegation Information

Narrative:
(U//~~FOUO~~) On 27 April 2012, the National Reconnaissance Office (NRO), Office of Inspector General (OIG), [redacted] received information from an anonymous source reporting protocol funds designated specifically for distinguished visitor events supported a [redacted]. This may violate Title 18 U.S.C. §663 *Solicitation or Use of Gifts*.

Last Investigative Step:
(U//~~FOUO~~) On 7 January 2014, the OIG received the signed copy of ADF-C Standard Operating Procedure for the "ADF-C Distinguished Visitor Cash Fund".

Resolution:
Unsubstantiated

Case Closure Justification

(U//~~FOUO~~) This closure memorandum summarizes the action taken during the investigation into the allegation regarding the misuse of DV Host account funds by [redacted] Air Force Civilian. (b)(3)

(U//~~FOUO~~) On 6 July 2012, the OIG interviewed [redacted] (b)(6)
[redacted] Circa 2008, [redacted] created an Operating Instruction (OI) outlining the use of funds within the protocol office, [redacted] and [redacted] who are both government employees, have primary oversight of the DV Host account. [redacted] maintained spreadsheets showing expenditures within the account and then provided them to [redacted] maintained copies of receipts for monies spent on Distinguished Visitor (DV) visits. (b)(7)(c)

(U//~~FOUO~~) On several occasions [redacted] expressed concern about the balance in the account and believed the balance to be \$4,000 when she believed there should only be \$1500. [redacted] stated she and [redacted] balanced the account in the past, but believed [redacted] currently completed this task alone. [redacted] previously performed audits of the account, but [redacted] is unsure of the last audit conducted.

(U//~~FOUO~~) On 26 April 2012, the [redacted] held a social at Newtch's Den, but as no DV's attended, Protocol's only involvement included expending funds requested by the front office. According to [redacted], an unwritten rule allowed for expending funds from the DV Host account for events such as Family Day, the 40th Anniversary, and Change of Command ceremonies, in addition to DV events.

(U//~~FOUO~~) On 4 June 2012, the OIG interviewed [redacted], FLS. The

~~SECRET//TK//NF~~

(b)(3)
IG Act
(b)(7)(c)

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

~~SECRET//TK//NF~~

DV Host account should be a "break-even" account. The protocol office provided support for DV events and helped with conferences hosted by the site. During conferences, the protocol office typically ended up with considerable excess funds deposited into the DV Host account. The Protocol office established a specific process to collect cash for events. [redacted] and [redacted] had access to the DV Host account and Petty Cash box containing funds. The protocol office (b)(3) collected funds during conferences, placed all money in envelopes, and then verified funds by the Government POC (GP(b)(7)(c) According to [redacted], the front office requested and approved the use of all funds. When the protocol office moved under [redacted] control, there appeared to be more oversight of the account. [redacted] previously conducted audits of the DV Host account, but is unsure of the current audit process. [redacted] relayed to [redacted] (b)(3) her concern regarding the amount of money in the DV Host account. Although not in writing, if an event benefits every (b)(7)(d) financial support may come from DV Host account. (b)(3) IG Act

(U//~~FOUO~~) On 9 July 2012, the OIG interviewed [redacted] Public Affairs Officer, [redacted] previously worked in the Protocol office during which time Protocol employees collected and expended funds. [redacted] prior Contracting Officer on the [redacted] contract, stated contractors should not be handling funds and suggested the process change. Following the change in policy, [redacted] both government employees, took control of the DV Host acco (b)(3) When protocol moved from [redacted] under the Director of Staff in approximately August 2011, [redacted] became the (b)(7)(c) primary on the account with [redacted] as the backup. [redacted] stated the balance in the account should be around \$2,000, but believed the balance to be closer to \$4,000. Although the primary on the account, [redacted] stated [redacted] handled all aspects of the account since approximately April of 2012. [redacted] knew of the [redacted] social in April 2012, but did not attend. Funds expended for this event should not have come from the DV Host account. (b)(3)

(U//~~FOUO~~) On 26 July 2012, the OIG interviewed [redacted] Lead, Protocol Office, [redacted] worked in the (b)(7)(c) protocol office since December 2008 and became the lead over the other Lockheed Martin protocol employees. When questioned about the Standard Operating Procedure (SOP), "Resource Management Process", dated September 2010, [redacted] stated she did not create the document and merely signed it. According to [redacted] funds from the DV Host account supported DV visits only. The protocol office established an account for funds at [redacted] with an additional petty cash box maintained in the Command Section. [redacted] believed the DV Host account to be a "break-even" account; however, [redacted] heard there is approximately \$6,000 in the account and no one knew what to do with the excess money. The majority of funds in the account came from an Army conference in January 2010 and two big conferences held back-to-back in March 2012. [redacted] and [redacted] dealt with petty cash maintained in the Command Section. [redacted] used the (b)(3) petty cash for the purchase of consumable/perishable items for DV visits. [redacted] and [redacted] reconciled the (b)(7)(d) cash box monthly. When protocol moved underneath the Command Staff [redacted] and [redacted] became IG Act responsible for the DV Host account. [redacted] is unaware of the last audit conducted on the DV Host account. DV Host account funds helped pay for Col Saltzman's change of command ceremony. (U//~~FOUO~~) On 30 July 2012, the OIG reviewed the, "2012 ADF Funds Distinguished Visitors (DV)" financial spreadsheet for the period 10 January-12 July 2012. In April 2012, \$265 expended for the [redacted] Social and in July 2012, \$1,320.50 expended for the ADF-C Change of Command. The protocol office and front office staff discussed where the funds should come from for both of these events and the Director of Staff approved funds from the DV Host account.

(U//~~FOUO~~) On 28 January 2013, [redacted] provided a copy of the check issued to the U.S. Treasury in (b)(3) amount of (b)(7)(d) \$5,102.47 for conference fee overage from 2005-2012. IG Act

(U//~~FOUO~~) The ADF Operating Instruction for ADF Distinguished Visitor Host Account (ADF-OI-1011), dated 16 January 2008, states that the ADF DV Host Account will operate as a "break-even" account, the account balance will not exceed an average of \$1500 and quotes from to BPO Note dated 28 Nov 07 which states cash collections which exceed actual costs must be turned over to BPO for deposit to Treasury, and cannot be retained or applied towards other functions/activities. However, the lower level SOP, Resource Management Process dated September 2010 contained no instruction on returning excess funds to BPO.

~~SECRET//TK//NF~~

~~SECRET//TK//NF~~

(U//~~FOUO~~) On 6 January 2014, the protocol and front staff office implemented ADF-C SOP, "ADF-C Distinguished Visitor Cash Fund", signed by the Chief of Staff. The SOP defined roles and responsibilities for both the protocol and front office staff regarding the expenditure of funds supporting DV visits and conferences. If the DV Funds account exceeds \$2,800 over a three-month period, the [redacted] sends a check to BPO in the form of a Treasury check. (b)(3) Additional internal controls such as quarterly audits by [redacted] ensure the completeness and accuracy of account records.

(U//~~FOUO~~) There is no evidence to support a violation of Title 18 U.S.C. §663 *Solicitation or Use of Gifts*, therefore there are no further actions required of this office. Investigator recommends case closed as unsubstantiated.

SECRET//TK//NF