

UNCLASSIFIED//~~FOUO~~

# Closure Memorandum

<b>Case Number:</b> 14-0009-1	<b>Date of Entry:</b> 11/30/2015
<b>Primary Investigator:</b>	(b)(3)

## Allegation Information (b)(3)

**Narrative:**  
 On 14 August 2013, the National Reconnaissance Office (NRO), Office of Inspector General (OIG), developed information from its audit of Federally Funded Research and Development Corporations (FFRDCs) regarding the acquisition and funding of the new Aerospace Corporation complex under construction in Chantilly, Virginia, located at the southern edge of the NRO Headquarters property. In aggregate, the OIG audit developed concerns that Aerospace and NRO

Based on the information initially gathered by OIG auditors the business need for the new Aerospace facility

Given these concerns, the OIG Investigations Staff will initiate a case to test the premise (1.) that Aerospace may have made false claims and representations to the US Government or a financial institution to facilitate and fund the construction of its new building(s) in Chantilly, Virginia, (2.) that US Government officers may have been complicit in Aerospace's actions, and (3.) that the funding and construction of this facility was done in such a way as to hide it from Congress. Possible criminal violations include 18 §287, False, Fictitious, or Fraudulent Statements; 18 §1001, False Statements; and 18 §1344, Bank Fraud, among others.

**Last Investigative Step:**  
 Review Subpoena Responses

**Resolution:** (b)(3)  
 Unsubstantiated (b)(7)(d)  
 IG Act

## Case Closure Justification

**Summary**  
 Review of the subpoena documentation and the interview with [redacted] showed there was no false representation by Aerospace to the NRO or the banks from which it borrowed money to fund construction of the new Chantilly campus. Internal briefings to NRO and the loan paperwork to the banks both stated Aerospace's intention to repay the loans using depreciation on company assets and facilities capital cost of money.

There was also no withholding of information to Congress. NRO occupies space in the new Aerospace facility through a co-location agreement found in Aerospace's contract with the Government. As such, NRO had no new construction to report to Congress as required by law.

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