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NATIONAL RECONNAISSANCE OFFICE

Office of Inspector General
14675 Lee Road
Chantilly, VA 20151-1715



9 September 2010

MEMORANDUM FOR DIRECTOR, OFFICE OF GLOBAL INFRASTRUCTURE,
DIRECTORATE OF SUPPORT, CENTRAL INTELLIGENCE
AGENCY

SUBJECT: (U) Report of Investigation: False Claims - Time and
Attendance (Case Number 2010-011 I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office
of Inspector General (OIG) initiated an investigation based on
allegations of false claims - time and attendance fraud by
[redacted], a Central Intelligence Agency (CIA)
Directorate of Support (DS) employee on rotation to the NRO.
Please see the attached NRO OIG Report of Investigation, which
details the investigation results.

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(U//~~FOUO~~) The Department of Justice declined prosecution of
[redacted] in favor of administrative action by the CIA.
Our report recommends that the Director, Office of Global
Infrastructure, DS, CIA, in consultation with the Chief, Special
Activities Staff, Office of Security, CIA determine what
administrative action should be taken with regard to [redacted].
We request that the Director, Office of Global Infrastructure
provide a written response to the OIG by 16 November 2010,
indicating what action has been taken on this matter.

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(U//~~FOUO~~) OIG investigation reports are to be read only by
the individuals to whom the OIG provides them, or to whom the
OIG specifically authorizes their release. If there are other
persons who you believe require access as part of their official
duties, please let us know, and we will promptly review your
request.

DECL ON: 20350909
DRV FROM: NRO CG 6.0, 21 May 05

UNCLASSIFIED//~~FOUO~~ when separated from
attachment

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SUBJECT: (U) Report of Investigation: False Claims - Time and Attendance (Case Number 2010-011 I)

(b)(3) 50 USC § 3024(i)

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(b)(7)(c) (U//~~FOUO~~) If you have any questions concerning this report,

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please contact [redacted], Lead Investigator, at [redacted] (secure); [redacted], CIA OIG Investigator, at [redacted] (secure); or [redacted], Assistant Inspector General for Investigations, at [redacted] (secure).

(b)(3)



Lanie D'Alessandro
Inspector General

Attachment:

Report of Investigation:
(Case Number 2010-011 I)

cc:

D/DS/CIA

D/BPO/NRO

AIG/INV/CIA

AIG/INV/NRO

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SUBJECT: (U) Report of Investigation: False Claims - Time and Attendance (Case Number 2010-011 I)

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DISTRIBUTION:

Director, Office of Global Infrastructure, Directorate of Support, Central Intelligence Agency

Director, Directorate of Support, Central Intelligence Agency

Director, Business Plans and Operations, National Reconnaissance Office

Assistant Inspector General for Investigations, Central Intelligence Agency

OIG Official Record ([])

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~~(U//FOUO)~~ **REPORT OF INVESTIGATION
FALSE CLAIMS - TIME AND ATTENDANCE
(CASE NUMBER 2010-011 I)**

(U) EXECUTIVE SUMMARY

~~(U//FOUO)~~ On 6 November 2009, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) received an allegation that [redacted] was recording fraudulent hours in her time and attendance (T&A) records and running a personal business while at work. At the time of the allegation being reported, [redacted] was assigned to the Business Plans and Operations Directorate. [redacted] is an employee of Central Intelligence Agency (CIA), Directorate of Support (DS), Office of Global Infrastructure, who was on rotation to the NRO between [redacted]

~~(U//FOUO)~~ OIG analysis of [redacted] T&A records compared to NRO facility ingress and egress records indicated that while assigned to the NRO she recorded 358 questionable hours on her T&A records. [redacted] is a GS-12 step 8 and at the 2009 pay rate the 358 questionable hours equates to [redacted]. The OIG conducted open source research and discovered two businesses with which [redacted] was associated: President of "[redacted]" and Vice President of the "[redacted]" (A social networking group). Analysis of [redacted] NRO telephone and e-mail records showed numerous contacts throughout the day to fellow business associates.

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~~(U//FOUO)~~ When interviewed, [redacted] made oral and written admissions that during her time in the NRO she would spend about an hour a day conducting personal work in support of her businesses and did not make up her time. She also reported that most days she would leave work early to beat the traffic and would take long lunches to run errands, and again, did not make up the time. [redacted] unsatisfactory work attendance was previously noted on [redacted] when her NRO supervisor placed her on a corrective plan.

~~(U//FOUO)~~ [redacted] admissions and the investigative findings support an OIG conclusion that her actions violated *United States Code Title 18, section 287, False, Fictitious, and Fraudulent Claims*, as well as CIA Agency Regulation [redacted]

(b)(3) 50 USC + 3024(i)

~~(U//FOUO)~~ The OIG briefed the United States Attorney's Office for the Eastern District of Virginia, Alexandria, Virginia, regarding the violation of USC Title 18, section 287. They declined prosecution in favor of agency administrative action.

~~(U//FOUO)~~ RECOMMENDATIONS

~~(U//FOUO)~~ The OIG recommends the Director, Office of Global Infrastructure, DS, CIA review the facts of this case and determine what type of disciplinary action is warranted. Further, we recommend consultation with the Special Activities Staff, OS, CIA to determine if a Personnel Evaluation Board should be convened with regard to [redacted]

~~(U//FOUO)~~ **REPORT OF INVESTIGATION
FALSE CLAIMS - TIME AND ATTENDANCE**

(U) BACKGROUND

~~(U//FOUO)~~ On 6 November 2009, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) received an anonymous complaint alleging that [redacted] was fraudulently recording hours worked and running a personal business while at work. The OIG initiated an investigation as [redacted] alleged actions would constitute a potential violation of *United States Code Title 18, section 287, False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a federal agency.

~~(U//FOUO)~~ [redacted] is a Central Intelligence Agency (CIA) employee with the Directorate of Support (DS) who was on rotation to the NRO between [redacted] [redacted] While at the NRO [redacted] was assigned to the Business Plans and Operations Directorate (BPO), [redacted]. She served as a [redacted] and handled system administration duties.

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(U) APPLICABLE STANDARDS

1. (U) *United States Code Title 18, section 287, False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a federal agency.

(b)(3) 50 USC ± 3024(i)

2. (U) CIA Agency Regulation [redacted]

~~(U//FOUO)~~ **QUESTION PRESENTED**

~~(U//FOUO)~~ Did [redacted] submit fraudulent time and attendance claims thereby violating United States Criminal Code, as well as Agency Regulations?

~~(U//FOUO)~~ Answer: Yes. The OIG investigation identified that between [redacted] [redacted] recorded 358 hours into her CIA time and attendance (T&A) records as hours worked, but in fact during that time she had departed work for personal reasons. The investigation further identified that [redacted] had recorded within her T&A an undetermined amount of time as work for the government, but was performing work for a personnel business. She acknowledged her responsibility to work 80 hours each pay period and admitted knowing that it was wrong to fraudulently report time as worked when it was not.

All redactions per (b)(3) and (b)(7)(c) unless otherwise indicated.

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IG Act

(U) INVESTIGATIVE FINDINGS

~~(U//FOUO)~~ Interview of [redacted]

~~(U//FOUO)~~ On 18 February 2010, the OIG interviewed [redacted] who [redacted] She reported that all of [redacted] work was in BPO at the NRO Westfields facility. She said that [redacted] would come in late, take long lunches, and leave early. She confronted [redacted] on several occasions about her behavior and even had her sign a job expectation letter, in where she advised [redacted] that she needed to work 8 hours a day, take 30 minutes for lunch, account for her time at work on her assigned tasks and inform her supervisor of any deviation in her work schedule. She said that she had advised [redacted], Director, [redacted], BPO, and [redacted], Deputy Director, [redacted], BPO, about [redacted] behavior.

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~~(U//FOUO)~~ Investigator's Note: The original signed memorandum could not be located. However, the OIG was able to locate an e-mail on the classified NRO Management Information System (NMIS) dated [redacted] had forwarded to [redacted], Director, [redacted], BPO, that was originally from [redacted] and contains the job expectations. In the forwarded e-mail, [redacted] acknowledges signing the job expectations and returning it to [redacted] (See Appendix 1).

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~~(U//FOUO)~~ Interview of [redacted]

~~(U//FOUO)~~ On 2 March 2010, the OIG interviewed [redacted] subsequent to [redacted]. He said that [redacted] work was at the NRO Westfields facility in BPO. He had no problems with [redacted]; she did her work and got the job done. He did not notice that she was frequently away from the office, but his office was not near her office so he did not know where she was going. He did have some people complain to him that [redacted] was away from her desk a lot, but he did not document those complaints and took no action. He could not remember who had complained to him about [redacted] nor did he explain to the OIG his reason for not taking any action. [redacted]

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IG Act

(U) Review of Available Records

(b)(7)(c)

~~(U//FOUO)~~ The OIG conducted open source research and discovered two businesses with which [redacted] was associated: President of "[redacted]" and Vice President of the "[redacted]" (A social networking group). Several associates of the two businesses were also identified by the OIG. The OIG obtained telephone records for [redacted] United States Government commercial line on her desk, information from her Unclassified Management Information System (UMIS), and classified NMIS accounts from the NRO Communications Systems Directorate (COMM). The OIG then reviewed the telephone records from [redacted] commercial line and found that [redacted] made, as well as received, numerous calls throughout the day to associates of the two businesses and to vendors. [redacted] UMIS e-mail traffic showed that she would visit the web site of the two businesses numerous times throughout the day and send e-mails to business associates.

All redactions per (b)(3) and (b)(7)(c) unless otherwise indicated.

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(U//~~FOUO~~) The OIG initially obtained ingress and egress records from the NRO Office of Security and Counterintelligence for [redacted]. These records reflect the times when [redacted] entered or exited an NRO facility. The OIG then obtained [redacted] time and attendance records from the CIA for the same period. The OIG compared the ingress and egress, [redacted] calendar (which contained travel and training records), and time and attendance records and identified 358 questionable hours. The 358 hours equates to 16 percent of her time. [redacted] is a GS-12 step 8 and at the 2009 pay rate the 358 questionable hours equates to [redacted].

(U//~~FOUO~~) Investigator's Note: The 358 questionable hours do not take into account the one hour a day that [redacted] admitted in her written statement to spending on the telephone and/or computer working on her personal businesses (See Appendix 2). This one hour a day would be additional time during which [redacted] was not doing official work.

(b)(7)(c) ~~(C)~~ The OIG conducted a review of [redacted] security and personnel files. The OIG discovered that [redacted] had reported her affiliation with the "[redacted]" but never reported her affiliation with the "[redacted]" to the Office of Security (OS). This is a potential violation of CIA Agency Regulation [redacted] (b)(3) 50 USC ± 3024(i)

Additionally, the OIG discovered a Memorandum for the Record (MFR) in her security file where the CIA OS had informed [redacted] about the [redacted] policy on 25 July 2007 (See Appendix 3). (b)(3) 50 USC ± 3024(i)

(U) Case Details

(U//~~FOUO~~) Before the OIG could interview [redacted], her rotation with the NRO ended and she accepted a DS assignment in the Directorate of Intelligence at the CIA. In accordance with current memorandum of understanding between the NRO and CIA once [redacted] returned to the CIA headquarters, investigative jurisdiction comes under the CIA/OIG. On 14 April 2010, the NRO OIG referred the case to the CIA OIG. On 14 May 2010, the CIA IG deferred their investigative jurisdiction and requested the NRO OIG continue with the required investigative process. The OIG then partnered with the CIA OIG to complete the investigation.

(U//~~FOUO~~) Interview of [redacted]

(U//~~FOUO~~) On 7 July 2010, the NRO and CIA OIG interviewed [redacted] at the CIA OIG offices. The OIG advised [redacted] of her rights, which she waived in writing (See Appendix 4). [redacted] admitted that she would spend about an hour a day conducting work in support of her businesses and that she did not make up her time. She also said that she would leave work early to beat the traffic to pick up her children and take them to sport activities. [redacted] said she would take long lunches to run errands, but did not make up the time. [redacted] stated that she would be willing to repay any money that she owed the government. [redacted] incorporated these admissions into a written statement (See Appendix 2).

All redactions per (b)(3) and (b)(7)(c) unless otherwise indicated.

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(U//~~FOUO~~) Additionally, [redacted] said she was part owner of the “[redacted]” She stated that she did not report her involvement with the “[redacted]” as an [redacted] because she was not making any money from that company. (b)(3) 50 USC ± 3024(i)

(U) Coordination

(U//~~FOUO~~) The OIG briefed the final results of the investigation to Mr. Jack Hanly, Assistant United States Attorney (AUSA) of the Department of Justice United States Attorney’s Office for the Eastern District of Virginia, Alexandria, Virginia, in accordance with Executive Order 12333. Mr. Hanly declined prosecution in favor of administrative action by the Agency.

(U) CONCLUSION

(U//~~FOUO~~) [redacted] own admissions and documentary evidence support an OIG conclusion that [redacted] false time and attendance submissions violated *United States Code Title 18, section 287, False, Fictitious, and Fraudulent Claims* as well as CIA Agency Regulation [redacted]. Given the AUSA’s declination of prosecution, the OIG is recommending consideration for disciplinary action by the CIA.

(b)(3) 50 USC ± 3024(i)

(U) CAREER SERVICE NOTIFICATION

(U//~~FOUO~~) On 28 July 2010, NRO Investigator [redacted] and CIA Investigator [redacted] briefed the facts of the investigation to [redacted] Deputy Director, DS, CIA. [redacted] requested that any OIG recommendation for consideration of disciplinary action of [redacted] be provided to the Director of the Office of Global Infrastructure (OGI). [redacted] specifically requested the identification of [redacted] manager who reported not taking any corrective action when complaints were brought to his attention. [redacted] was informed that she would receive a copy of our final Report of Investigation, which identified the manager’s interview. (b)(3) 50 USC ± 3024(i)

(U//~~FOUO~~) On 29 July 2010, Investigator [redacted] briefed the facts of the investigation to [redacted] Director, OGI, DS, CIA. The OIG informed [redacted] of [redacted] direction.

(b)(3) 50 USC ± 3024(i)

(U//~~FOUO~~) RECOMMENDATIONS

(U//~~FOUO~~) The OIG recommends that the Director, OGI, DS, CIA review the facts of this case and determine what disciplinary action is warranted. Further, we recommend consultation with the Special Activities Staff, OS, CIA, to determine if a Personnel Evaluation Board should be convened with regard to [redacted].

(U) APPENDIXES

1. (U//~~FOUO~~) [redacted] E-Mail
2. (U//~~FOUO~~) [redacted] Statement
3. (C) MFR – [redacted] (b)(3) 50 USC ± 3024(i)
4. (U//~~FOUO~~) [redacted] Rights Advisement

All redactions per (b)(3) and (b)(7)(c) unless otherwise indicated.

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