



NATIONAL RECONNAISSANCE OFFICE

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



8 March 2011

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE
OFFICE
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, MISSION OPERATIONS DIRECTORATE
DIRECTOR, OFFICE OF SECURITY AND COUNTERINTELLIGENCE
DIRECTOR, OFFICE OF CONTRACTS

SUBJECT: (~~U//FOUO~~) Investigative Summary: False Claims
(Case Number 2010-115 I)

(~~U//FOUO~~) On 1 June 2010, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on an allegation that a former Scitor Corporation employee had engaged in labor mischarging by submitting false time and attendance records. Please see the attached NRO OIG investigative summary report, which details the investigation results.

(~~U//FOUO~~) We request that the Director, Office of Security and Counterintelligence, place a copy of this report in the security file of the individual identified within along with a notation in the appropriate security databases. All other copies of this report are for informational purposes and should be returned to the OIG.

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

(~~U//FOUO~~) Please direct any questions regarding this summary to Special Agent at secure or to , Assistant Inspector General for Investigation, at secure .

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Lanie D'Alessandro
Inspector General

Attachment:
(~~U//FOUO~~) Investigative Summary Report

SUBJECT: (U//~~FOUO~~) Investigative Summary: False Claims
(Case Number 2010-115 I)

OIG, [redacted] 8 Mar 11

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DISTRIBUTION:

Director, National Reconnaissance Office
Principal Deputy Director, National Reconnaissance Office
Deputy Director, National Reconnaissance Office
Director, Mission Operations Directorate
Director, Office of Security and Counterintelligence
Director, Office of Contracts
Lead Investigator - [redacted]

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

Investigative Summary
False Claims – [redacted]
(Case Number 2010-115 I)

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(U) INVESTIGATIVE FINDINGS

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) completed an investigation regarding allegations of labor mischarging by [redacted] [redacted], a former Scitor Corporation (Scitor) employee, who worked as an administrative assistant on an NRO contract in Imagery Intelligence Systems Acquisition Directorate (IMINT)

(b)(3) [redacted] The OIG investigation found that from [redacted] [redacted] mischarged approximately 861 hours, resulting in a [redacted] loss to the NRO. [redacted] resigned prior to being terminated by Scitor. She was debriefed of her NRO clearances and the company credited [redacted] to the NRO contract on which the fraudulent hours were billed.

(U//~~FOUO~~) Upon being presented with evidence illustrating the breadth of her mischarging, [redacted] provided a written statement to OIG wherein she admitted to time mischarging. The evidence of [redacted] actions is sufficient to support a conclusion that she violated *Title 18 United States Code, section 287, False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a department of the United States. On 4 August 2010, Mr. Jack Hanly, Assistant United States Attorney (AUSA) for the Eastern District of Virginia, declined prosecution based on the fact that Scitor reimbursed the NRO for the loss. The NRO OIG considers this case closed.

(U) INVESTIGATIVE DETAILS

(U//~~FOUO~~) On 1 June 2010, the OIG received a complaint from [redacted] [redacted] regarding [redacted] a Scitor employee. [redacted] alleged that [redacted] was fraudulently recording labor hours to an NRO contract. The OIG initiated an investigation as [redacted] alleged actions would constitute a potential violation of *Title 18 United States Code, section 287, False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a department of the United States.

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IG Act

(U//~~FOUO~~) At the time of the allegation, [redacted] was employed by Scitor to provide administrative support to the [redacted] under contract [redacted] [redacted] about her hours after noticing that she appeared to leave early on most days. [redacted] claimed that she divided her time between her assigned desk at NRO Headquarters and at a nearby Scitor facility in Chantilly, Virginia. [redacted] considered the answer suspicious and reported his concerns to a Scitor manager as well as to the OIG.

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(U//~~FOUO~~) As a result of [redacted] dual reporting, Scitor had already initiated an internal review of [redacted] action by the time the OIG initiated its investigation on [redacted]

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[redacted] chose to resign from the company in lieu of a pending termination. Her clearances and access to NRO were suspended at that time. The OIG initiated its investigation in a manner separate from any actions taken by Scitor.

(U//~~FOUO~~) The NRO OIG conducted a review of [redacted] NRO badge access records and her submitted timesheets. The review found that from [redacted] [redacted] recorded 861 hours for which she was not in the NRO Headquarters facility. These hours were ultimately billed to the NRO contract. [redacted] received approximately [redacted] (unloaded rate) for the mischarged hours, and the NRO suffered a [redacted] (loaded rate) loss. Most of the mischarged hours were due to [redacted] arriving to work late, leaving early, and taking extended lunch breaks.

(U//~~FOUO~~) The OIG interviewed [redacted] who also worked for Scitor. [redacted] explained that he had oversight of approximately [redacted] employees engaged in two contracts with NRO, one at Westfields and one at [redacted]. He said he relied heavily on the team leads to work closely with the employees; [redacted] was [redacted] team lead. [redacted] explained that he interviewed [redacted] on two occasions in [redacted] after hearing from [redacted] that she may be inaccurately recording her time. He said she originally told him that she left one half hour early daily to go to the Scitor facility to record her daily hours. In the second interview, [redacted] told [redacted] that she worked eight hours per day, but her government customer did not see her when she arrived at work. [redacted] also informed the OIG that [redacted] should understand correct time keeping procedures because Scitor employees received timecard training twice per year.

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IG Act

(U//~~FOUO~~) The NRO OIG interviewed Scitor's [redacted] [redacted] explained that she learned of [redacted] possible inaccurate time card recording from the NRO government customer before OIG was involved. [redacted] said that Scitor had initiated an independent investigation, which included an initial interview with [redacted]. On [redacted] was given the details of the allegation and the potential ramifications, which included termination. She was asked to return for a subsequent interview one week later. Instead, [redacted] chose to resign in lieu of facing potential termination.

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(U//~~FOUO~~) The OIG interviewed [redacted] She said that in [redacted] she began working as the lead, a position that included [redacted] also provided Systems Engineering and Technical Assistance support on an IMINT contract and physically worked in a different location than [redacted]. [redacted] or talk to them on a daily basis.

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(U//~~FOUO~~) The OIG interviewed [redacted] who tasked [redacted] but did not supervise her (because [redacted] was a contract employee, not a government employee). [redacted] said she began working in IMINT [redacted] in [redacted] and a few months later, she noticed that [redacted] did not seem to be at work eight hours per day as required. [redacted] arrived and left through a "back door," so she was

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IG Act

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unaware of the exact times of [redacted] arrival and departure. [redacted] did not attend office social events and normally kept to herself. [redacted] believed that [redacted] normally ate lunch at her desk. When shown the analysis of [redacted] time hours, which showed that she often left the building for extended times around lunchtime, [redacted] recalled a time when she returned from a meeting and noticed [redacted] leaving the building. She concluded that [redacted] would leave when she believed no one would notice her absence.

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IG Act

(U//~~FOUO~~) On [redacted] agreed to meet OIG investigators at the NRO Visitors Facility to discuss the allegation. When shown the OIG analysis of her time and attendance, [redacted] agreed with the 861 hour time discrepancy. At the conclusion of the interview, [redacted] provided a written statement wherein she admitted her actions.

(U) CONCLUSION

(U//~~FOUO~~) The OIG investigation revealed that [redacted] mischarged a total of 861 labor hours between [redacted] to NRO contract [redacted] with a fully burdened cost of [redacted]. During the course of an independent investigation conducted by Scitor, [redacted] decided to resign on [redacted] rather than face potential termination. She was subsequently removed from the NRO and debriefed of her clearances. Scitor agreed to reimburse the NRO the full amount of [redacted]. This amount was verified as a credit to the contract on 12 November 2010.

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(U//~~FOUO~~) On 4 August 2010, the OIG presented the facts of this case to Mr. Jack Hanly, Criminal Division, United States Attorney's Office for the Eastern District of Virginia, who declined prosecution given the company's pledge of reimbursement and [redacted] removal from the NRO.

(U//~~FOUO~~) The evidence developed in this case is sufficient to support a conclusion that [redacted] actions constituted a violation of *Title 18 United States Code, Section 287, False, Fictitious, and Fraudulent Claims*. Given the declination of prosecution, the reimbursement to the NRO for the mischarged hours, and [redacted] resignation, there is no further investigative action required. The OIG considers this investigation closed.