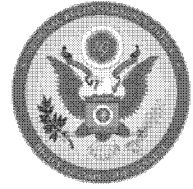




NATIONAL RECONNAISSANCE OFFICE

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



21 March 2016

MEMORANDUM FOR DIRECTOR, OFFICE OF CONTRACTS
EXECUTIVE OFFICER, OFFICE OF SECURITY AND
COUNTERINTELLIGENCE

SUBJECT: (U) Summary Report of Investigation: Cost Mischarging
(Case Number 11-0031 I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation based on information alleging that [redacted] mischarged time on an NRO contract. The attached Summary Report of Investigation details the investigation results.

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(U//~~FOUO~~) The OIG requests that the Executive Officer, Office of Security and Counterintelligence, place a copy of this report in the appropriate security file, along with a notation in the appropriate security databases. All other copies are for informational purposes only and should be returned to the OIG.

(U//~~FOUO~~) The OIG recommends that the Director, Office of Contracts (D/OC) determine whether debarment of [redacted] pursuant to the Federal Acquisition Regulation 9.406, is in the government's interest. The D/OC should report the result of his determination as well as any action taken or anticipated to the OIG within 45 days from the date of this report.

(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. Questions regarding this summary may be directed to Special Agent in Charge [redacted] (secure) or to the undersigned at secure [redacted]

(b)(3)

[redacted]
Eric Beatty
Assistant I General
for Investigations

Attachment:
(U) Summary Report of Investigation
(Case Number 11-0031 I) (U//~~FOUO~~)

cc:
GC

SUBJECT: (U) Summary Report of Investigation: Cost Mischarging
(Case Number 11-0031 I)

OIG 21 March 2016

(b)(3)

DISTRIBUTION:

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Director, Office of Contracts

General Counsel

Executive Officer, Office of Security and Counterintelligence

OIG Official Record

(b)(3)

*(U) National Reconnaissance Office
Office of Inspector General
Investigations Division*

**(U) SUMMARY REPORT OF
INVESTIGATION**

(U) (11-0031 I)

22 March 2016

(U) Section A – Subject:

1. ~~(U//FOUO)~~ Full Name:

Employer: Boeing Corporation

Contract Number: NRO00-08-C-0120

Job Title:

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(U) Section B – Predication:

2. (U//~~FOUO~~) On 23 August 2010, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) received a complaint alleging [redacted] was fraudulently recording the hours she claimed to have worked. At the time of the complaint, [redacted] was a staff analyst for Boeing Corporation (Boeing) at the [redacted] in Springfield, Virginia. As reported by the source, [redacted] alleged actions potentially violated 18 U.S.C. § 287, *False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent.

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(U) Section C – Investigative Findings:

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3. (U//~~FOUO~~) The OIG analyzed relevant, available records that pertained to [redacted] time and attendance from [redacted] through 30 June 2011. That analysis revealed that [redacted] recorded 2177 hours that she did not work as claimed. The evidence illustrated that [redacted] routinely arrived late, departed early, took extended mid-day breaks out of the [redacted] facility, and kept irregular work hours without making up the time. Furthermore, the evidence illustrated that [redacted] only satisfied the daily hours she claimed to the contract on four work days during the relevant period.

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4. (U//~~FOUO~~) During her OIG interview, [redacted] claimed that she always worked the hours she recorded. She explained to the OIG that the hours not reflected in the available records were attributable to times when she worked at home.¹ [redacted] claimed she had obtained her Boeing supervisor's verbal consent to work from home, and therefore worked on various projects at her residence.²

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5. (U//~~FOUO~~) The OIG examined the NRO00-08-C-0120 contract Statement of Work and found that the contract place of performance was limited to [redacted]. No other locations were identified. Subsequently, the OIG confirmed with the NRO Office of Contracts that under the terms of the contract [redacted] could not be given credit for work she and Boeing claimed was performed at her residence.

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(U) Section D – Conclusion:

6. (U//~~FOUO~~) The United States Attorney's Office, Eastern District of Virginia declined prosecution. The OIG briefed the facts of this case to the Office of Contracts who agreed to an administrative settlement with Boeing. Boeing reimbursed the NRO \$175,979.30 on 24 February 2016 for the full amount of [redacted] mischarging. Boeing subsequently re-assigned [redacted] to an unclassified program outside of the NRO. All investigative steps are complete.

¹ (U//~~FOUO~~) [redacted] assertion would account for approximately 45 percent of her billable hours.

² (U//~~FOUO~~) [redacted] Boeing supervisor confirmed [redacted] assertion that she had permission to work from home. However when presented with the badge evidence, [redacted] supervisor acknowledged that the amount of time she claimed to have worked from home not justifiable.

(U) Section E – Recommendation:

7. (U//~~FOUO~~) The OIG requests that the Executive Officer, Office of Security and Counterintelligence place a copy of this report in [redacted] security file, along with a notation in the appropriate security databases. All other copies are for informational purposes only and should be returned to the OIG.

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

8. (U//~~FOUO~~) The OIG recommends that the Director, Office of Contracts, determine whether debarment of [redacted] pursuant to the Federal Acquisition Regulation 9.406, is in the government's interest. The Director, Office of Contracts should report the result of his determination as well as any action taken or anticipated to the OIG within 45 days from the date of this report.

(b)(3)

[redacted]

Assistant Inspector General
for Investigations