

Defense Intelligence Agency



Office of the Inspector General

SEMIANNUAL REPORT TO CONGRESS

October 1, 2021-
March 31, 2022



Defense Intelligence Agency Office of the Inspector General

Semiannual Report to Congress 1st and 2nd Quarters, FY 2022

The Defense Intelligence Agency Office of the Inspector General has strived to make this report as transparent as possible while safeguarding sensitive information. Where appropriate, we have removed or rephrased information to avoid disclosing classified material. Although we have worked to provide a comprehensive unclassified report, the classified addendum contains additional reports and details that are not publicly releasable.

This report with its classified addendum is posted on the Joint Worldwide Intelligence Communications System and on the Secret Internet Protocol Router Network. A copy of this report, excluding its addendum, can also be found on the Internet at <https://oig.dia.mil/> and at <http://www.oversight.gov>.

To request physical copies of this report, contact the DIA OIG at (202) 231-1010.

Send us Your Audit, Inspection, and Evaluation Suggestions

Defense Intelligence Agency
ATTN: Office of the Inspector General
7400 Pentagon
Washington, DC 20301-7400

**Are you aware of the fraud, waste,
or abuse in a DIA
program? If so, report it!**

DIA Inspector General Hotline

Via phone: (202) 231-1000

Via NIPR email: ig_hotline@dia.mil

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The DIA Office of the Inspector General

The Defense Intelligence Agency (DIA) Office of the Inspector General (OIG) is one of 75 Federal statutory Inspectors General (IGs) established by the IG Act of 1978, as amended. The IG Act requires OIG independence and objectivity, and contains safeguards against efforts to impair or hinder OIG operations.

Our Mission

Conduct independent, objective, and timely oversight across the DIA Enterprise to promote economy; deter and detect fraud, waste, abuse, and mismanagement; and inform DIA and Congress. We accomplish this through independent audits, inspections, evaluations, investigations, and the OIG Hotline Program.

Our Vision

Foster an inclusive and dynamic team of professionals that is a catalyst for accountability and positive change, compelling a more unified, adaptive, relevant, and agile DIA Enterprise.



Our Values

Teamwork

Collaboratively partner internally and across organizational boundaries to achieve common goals.

Integrity

Courageously adhere to the highest ethical principles and honor confidentiality, objectivity, and trustworthiness.

Excellence

Provide the highest quality products and customer service.

Accountability

Steadfastly commit to deliver solutions that meet the highest standards.

Initiative

Insightfully solve challenges and organize priorities.

A Message from the IG

Kristi M. Waschull

On behalf of the Office of the Inspector General of the Defense Intelligence Agency, I am pleased to present our Semiannual Report (SAR) covering October 1, 2021, through March 31, 2022. This report showcases our workforce's steadfast commitment to conducting independent, objective, and timely oversight across the DIA Enterprise and their employment of innovative approaches to promote economy and efficiency.

We started this fiscal year focusing on our OIG oversight activities that addressed DIA's Top Management Challenges and Emerging Risks identified in 2021. Over the last six months, we conducted audits, inspections, evaluations, and studies that provided awareness into the topics representing the greatest vulnerabilities to fraud, waste, abuse, mismanagement, or impair DIA's ability to achieve its mission and goals. In conjunction with our issued recommendations, Agency management continued to leverage this insight to address the concerns and shape the way forward.

We also made great strides in the development and prioritization of our key strategic focus areas, particularly in safeguarding and strengthening key foundational principles of our OIG independence. In all matters related to our investigations, audits, and inspections and evaluations, OIG must remain independent in fact and in appearance. During this reporting period, we deliberately assessed all aspects of our Office operations that rely on elements of Agency or Department administrative or services support. We captured the results of our efforts in a baseline statement of independence that we plan to review on an annual basis. The statement outlines matters that bear on our independence when obtaining services or leveraging Agency or Department processes, and the current and potential safeguards that mitigate or could further mitigate these concerns. It will help guide our Office enterprise risk management to further ensure our OIG is an objective and independent unit providing oversight of Agency programs and activities that keep the Director, DIA and Congress fully informed.

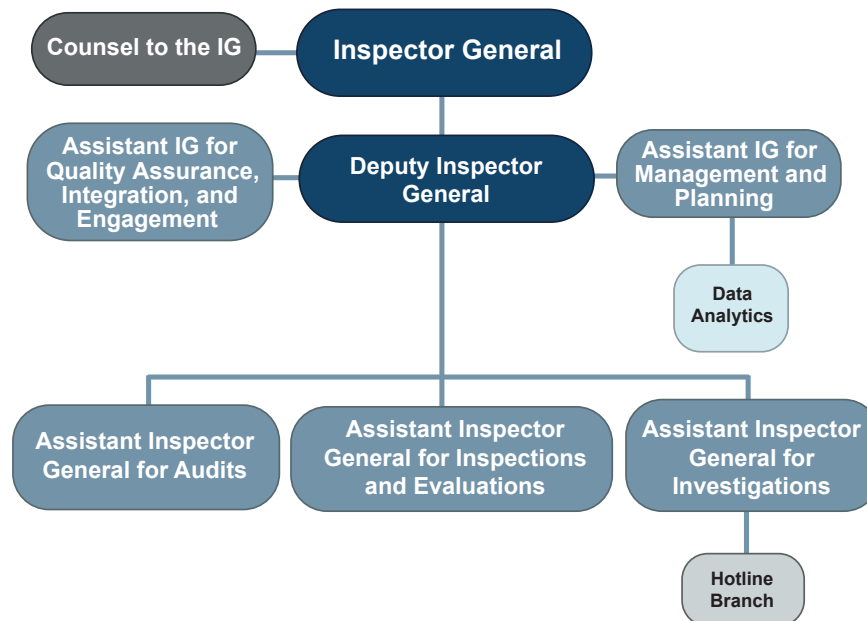
Additionally, as an ongoing effort to increase our transparency, more information related to our reports will be posted for public release. These products can be found on our DIA website, <https://oig.dia.mil>, and the IG community site operated by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), <https://www.oversight.gov>.

I am proud of the superior work my office accomplishes in defense of the Nation. I am also grateful for the continued trust and support of Congress; the Director, DIA, and the American taxpayers as we continue to look for efficient and innovative ways to reduce fraud, waste, and mismanagement within DIA programs.



Kristi M. Waschull
Inspector General

OIG Organizational Chart



Audits

The Audits Division audits all aspects of DIA operations, providing recommendations that reduce costs; improve operational efficiency and effectiveness; strengthen internal controls; and achieve compliance with laws, regulations, and policy. It also oversees the annual independent audit of the Agency's financial statements.

Inspections and Evaluations

The Inspections and Evaluations Division inspects and evaluates DIA organizations, programs, and functions by conducting in-depth reviews across the Agency that examine and assess processes, procedures, internal controls, performance measures, compliance with regulatory and policy guidance, interrelationships, and customer satisfaction.

Investigations

The Investigations Division conducts proactive and reactive administrative and criminal investigations to detect, deter, and report fraud, waste, and abuse within DIA; develops sufficient evidence to successfully resolve all allegations and facilitate successful criminal prosecution or management-directed disciplinary action; and identifies and reports internal control weaknesses that could render DIA programs and systems vulnerable to exploitation. The Investigations Division, at its discretion, reports and investigates questionable intelligence activities, as defined by Executive Order 12333, "United States Intelligence Activities," as amended.

Hotline Program

The Hotline Program is a confidential and reliable means for DIA employees and the public to report fraud, waste, mismanagement, and abuse of authority pertaining to DIA. The program's primary role is to receive and evaluate concerns and complaints and determine whether to investigate or refer to the agency or responsible element best suited to take appropriate action.

Management and Planning

The Management and Planning Division manages all administrative programs and services directly supporting OIG. The Division enables audit, inspection, evaluation, and investigation activities and facilitates timely production of oversight products for DIA senior leadership and congressional overseers. Management and Planning Division functions include, but are not limited to: manpower, budget, records management, correspondence, Freedom of Information Act and Privacy Act, security, planning, training, information systems, and data analytics in support of the OIG mission.



“It is through our diligent work and steadfast spirit that our organization continues to compel management action and keep Congress fully and currently informed.”

Kristi M. Waschull,
Inspector General

Whistleblower Protections

Our office continues to brief DIA personnel about the Hotline Program and the protections afforded to Whistleblowers – those who, in good faith, report fraud, waste, and abuse. One of our key priorities is encouraging employees to report wrongdoing, which is an essential service for the public and DIA. They should never be subject to or threatened with reprisal for coming forward with a protected communication or disclosure. Protecting employees when they report wrongdoing is also a key priority. We thoroughly review all allegations of reprisal and fully investigate when appropriate. When a case is substantiated, we issue recommendations for corrective action to the appropriate management officials. The facts developed during our investigations are the foundation for the Agency taking corrective actions. The results of individual investigations and corrective actions taken are reported on page 19 of this report.

We preserve the confidentiality of individuals who provide us with information unless those individuals consent to disclosure or disclosure is determined to be unavoidable during an investigation. We note that provisions of the recently passed Intelligence Authorization Act strengthen our ability to protect personnel in the Intelligence community by expanding the coverage of protections and ensuring consistent treatment of contract and government employees.

We received and took action on 23 complaints alleging reprisal or retaliation¹ during this reporting period:

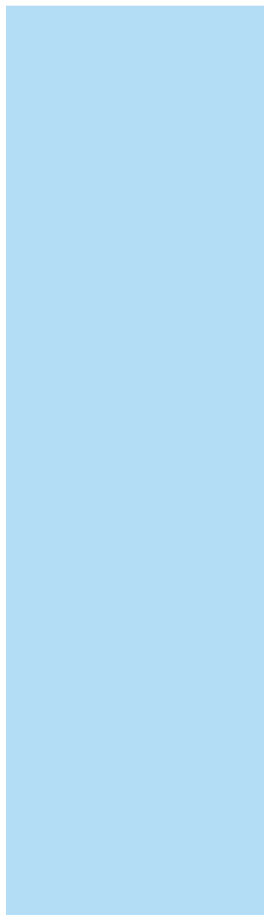
23 Complaints Alleging Reprisal or Retaliation:
5 Reprisal Investigations Initiated
4 Complaints Currently under Review to validate if they meet the <i>prima facie</i> elements of reprisal
14 Complaints Declined (total) <ul style="list-style-type: none">• 8 Complaints did not meet <i>prima facie</i> elements• 4 Complaints determined to have no nexus to DIA (including Agency personnel) – subsequently referred to appropriate OIG (e.g., DoD IG)• 1 Complaint determined to be under the Equal Employment Office (EEO) purview – subsequently referred to the DIA Equal Opportunity & Diversity Office (EO)• 1 Complaint required additional information/details, but was closed due to unresponsiveness of Complainant in providing requisite supplementary information

¹ Reprisal complaints are recorded when we receive and review them to determine if an investigation is warranted. When investigative activity is completed, allegations of reprisal or retaliation are substantiated or unsubstantiated. The results of our investigative activity is communicated to whistleblowers or complainants who are advised they may request further review of our findings by the Intelligence Community IG or DOD IG.

Statutory Reporting

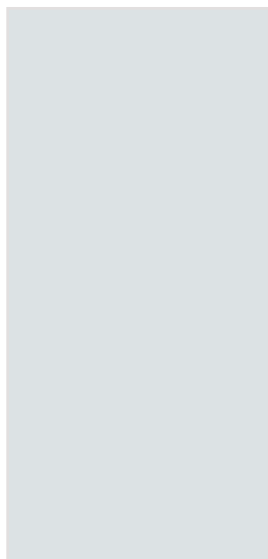
Reports to the Director of Refusal to Provide Information

Section 5(a)(5) of the IG Act of 1978 requires IGs to promptly report to the head of the establishment if the information requested is unreasonably refused or not provided. No such reports were made during this reporting period.



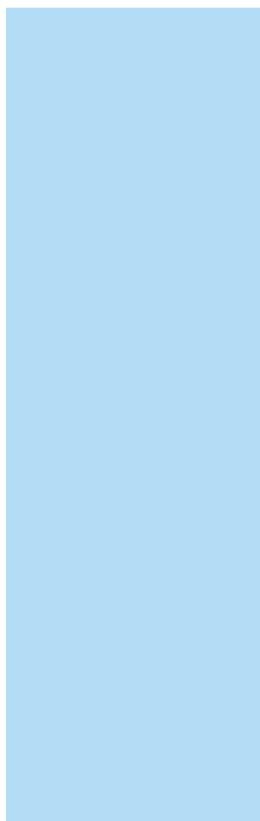
Reports Previously Issued That Lacked Management Comment Within 60 Days

Section 5(a)(10)(B) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide a summary of each audit, inspection, and evaluation report issued prior to the current reporting period for which no establishment comment was returned within 60 days of delivery of the report. No such reports were made during this reporting period.



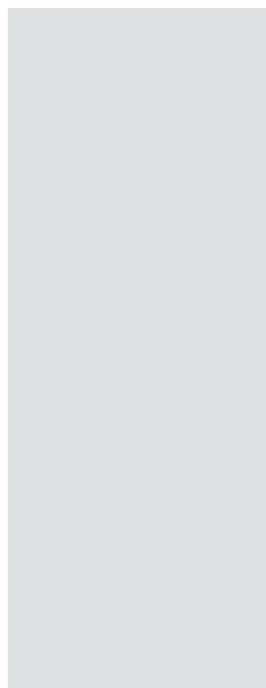
Significant Revised Management Decisions

Section 5(a)(11) of the IG Act of 1978 requires IGs to describe and explain the reasons for any significant revised management decisions made during the reporting period. We are not aware of revisions to any significant management decisions during this reporting period.



Significant Management Decisions With Which the IG Disagrees

Section 5(a)(12) of the IG Act of 1978 requires IGs to provide information concerning any significant management decisions with which they disagree. During this reporting period, there were no instances in which the IG disagreed with significant management decisions.



Federal Financial Management Improvement Act of 1996

Section 5(a)(13) of the IG Act of 1978 requires IGs to provide information described under section 804(b) of the Federal Financial Management Improvement Act of 1996. This information involves the instances and reasons when an agency has not met target dates within its remediation plan to bring financial management systems into compliance with the law. In this fiscal year (FY), the Agency assessed its noncompliance with Federal financial management system requirements, and developed and implemented updated remediation plans to address areas of noncompliance by FY 2023. The Agency has not missed any of its remediation plan target dates.



Statutory Reporting Cont'd

Attempts to Interfere With the IG's Independence

Section 5(a)(21) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide detailed descriptions of any attempts by their establishments to interfere with their independence. During this period, there were no noted instances involving interference with the IG's independence.

Public Disclosure

Section 5(a)(22) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide detailed descriptions of inspections, evaluations, audits, and investigations involving senior Government employees that were closed during the reporting period without being publicly disclosed. Summaries of all such work are included in the appropriate sections of this report.

Peer Reviews

Sections 5(a)(14–16) of the IG Act require IGs to report information about peer reviews that their offices have been subject to, including any recommendations that have not been fully implemented and a justification as to why.

On January 22, 2021, the National Geospatial-Intelligence Agency OIG completed a peer review of our Audits covering the preceding 3 years. They issued a pass rating and all recommendations have been implemented. Also, on November 6, 2017, the National Geospatial-Intelligence Agency OIG completed a peer review of our Inspections and Evaluations covering the preceding 3 years. They issued a pass rating and all recommendations have been implemented.

National Defense Authorization Act of Fiscal Year (FY) 2020

Section 6718(b) of the FY 2020 National Defense Authorization Act requires IGs to report the number of investigations regarding unauthorized public disclosures of classified information to congressional intelligence committees, including the number of reports opened, closed, and referred to the Attorney General for criminal investigation. We did not open, close, or refer any such investigations this reporting period.

Legislative and Regulatory Review

Section 4(a) of the IG Act of 1978 requires IGs to review existing and proposed legislation and regulations relating to the programs and operations of their respective organizations. We review legislation, executive orders, DoD and Agency policy, and other issuances. The primary purpose of our reviews is to assess the impact of proposed legislation or regulations on the economy and efficiency of programs and operations administered or financed by DIA, or the potential for fraud and abuse in these programs. During the reporting period, we reviewed proposed changes to the following:

14	Legislation
3	Department of Defense Issuances
9	Defense Intelligence Agency Issuances
0	Office of the Director of National Intelligence Issuances
1	Executive Orders

DIA Conference Reporting

Section 738 of the Consolidated Appropriations Act of 2019 requires the heads of executive branch organizations to provide certain details to the IG regarding the organization's involvement in conferences. The table below represents reported conference costs with totals that exceed the reporting threshold of \$20,000. Most reported costs are estimates. We have not verified the accuracy or completeness of the data reported below; calculations are done by the appropriate Agency points of contact. We have also not verified whether DIA employees hosted or attended these conferences—either in person or virtually.

Conference Name	Type	Estimated Cost	Actual Cost
2022 Defense Attaché Conference Europe Region	DIA-Hosted	\$78,133	Pending
2022 Defense Attaché Conference Eurasia Region	DIA-Hosted	\$58,885	Pending
2nd Annual DoD IC Underground Domain Symposium	DIA Jointly-Hosted	\$71,192	Pending
2021 Department of Defense Intelligence Information System Worldwide Conference	DIA-Hosted	\$817,100	\$508,023.16
DAS-7 Africa SDO/DATT Symposium	DoD Jointly-Hosted	\$79,268	Pending
2022 Annual J2X Conference	DIA-Hosted	\$162,909	Pending

Summary of Performance

For the Period October 1, 2021– March 31, 2022

**Expected Fraud
Recoveries \$147K**



Reports Issued

Audits: 3
Inspections & Evaluations: 2
Investigations: 8

Management Referrals Issued

Investigations: 13

Management Alerts Issued

Inspections & Evaluations: 1
Audits: 1

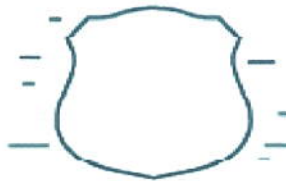


Recommendations Issued

Audits: 9
Inspections & Evaluations: 5

Recommendations Closed

Audits: 5
Investigations: 11

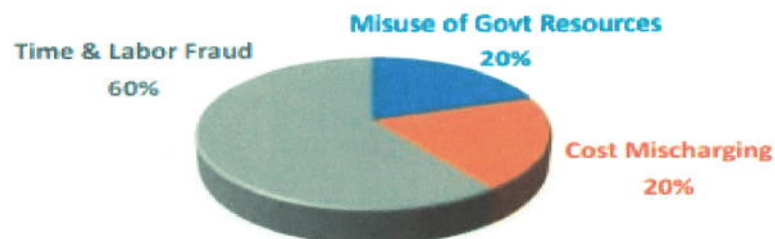


Investigative Activity

Hotline Contacts Received: 9,801²
Hotline Inquiries Opened: 161³
Investigative Cases Opened: 14
Management Referral Cases Opened: 17

**8 Reports of Investigation Issued–
5 with Substantiated Allegations**

Substantiated Allegation Breakdown:



²The term "contact" means an unevaluated complaint or request for information or assistance.

³When the DIA OIG Hotline evaluates a "contact" and determines it merits further action, an "inquiry" is opened so Hotline representatives can take additional action (e.g., directly address the matter itself, refer the matter to DIA management for information or action, or refer the matter to DIA OIG Investigations for further inquiry or investigation).



Summary of Audits Division Activity

As of March 31, 2022, the Audits Division completed three projects, and had seven ongoing projects. We entered the reporting period with 19 open recommendations, closed 5 recommendations, issued 9 new recommendations, and ended the reporting period with 23 open recommendations. We continued to coordinate with DIA management on the status of its corrective action plans for the remaining open recommendations.

COMPLETED PROJECTS

Evaluation of DIA's Compliance with the Federal Information Security Modernization Act, Project 2021-1008, Issued October 29, 2021

What We Did. We evaluated the effectiveness of DIA's overall information security program based on DIA's implementation of the Federal Information Security Modernization Act (FISMA).

What We Found. For more information on the project and results, please see the "Classified Summaries of Audit Division Activity" section on page 3 of the Classified Addendum.

What We Recommended. Our results can be found in the "Classified Status of Recommendations" table B-2 located on page 11 of the Classified Addendum.

Audit of DIA's Financial Statements for Fiscal Year 2021, Project 2021-1004, Issued November 15, 2021

What We Did. We engaged with an independent public accounting (IPA) firm to audit DIA's FY 2021 financial statements. We evaluated the reliability of data supporting the financial statements, determined the reasonableness of the statements produced, and examined disclosures in accordance with applicable guidance.

What We Found. For more information on the project and results, please see the “Classified Summaries of Audit Division Activity” section on page 4 of the Classified Addendum.

What We Recommended. Our results can be found in the “Classified Status of Recommendations” table B-3 located on page 14 of the Classified Addendum. The IPA’s findings and recommendations provided insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Financial Management.

Evaluation of DIA’s Government Travel Charge Card, Project 2021-1007, Issued February 14, 2022

What We Did. We evaluated the appropriateness and timeliness of DIA’s Government Travel Charge Card reimbursements.

What We Found. We found that the reimbursements reviewed were appropriate, but 19 percent of them were not timely. We also found that management did not design monitoring processes to track the timeliness of reimbursements.

What We Recommended. We made recommendations to DIA management that, upon implementation, will improve timeliness of DIA’s Government Travel Charge Card reimbursements. These results can be found in the “Classified Status of Recommendations” table B-5 located on page 18 of the Classified Addendum. Our findings and recommendations provided insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight. Management agreed with our recommendations.

OTHER COMPLETED WORK

Observations Relating to the Machine-assisted Analytic Rapid-repository System Data Environment Resulting from the Evaluation of DIA’s Compliance with the Federal Information Security Modernization Act

What We Did. As part of our annual evaluation of DIA’s implementation of FISMA, we reviewed the Machine-assisted Analytic Rapid-repository System (MARS) Data Environment for implementation of DIA and Chief Information Officer policies and procedures. In addition to reviewing MARS Data Environment as part of FISMA, we have an ongoing audit related to MARS; the next section provides more details about it.

What We Found. For more information on our observations, please see the “Classified Summaries of Audit Division Activity” section on page 5 of the Classified Addendum.

What We Recommended. Our results can be found in the “Classified Summaries of Audit Division Activity” section on page 5 of the Classified Addendum.

ONGOING PROJECTS

Audit of DIA's Machine-assisted Analytical Rapid-repository System Program, Project 2021-1006

Overview. Our objective is to determine whether MARS data will be maintained and structured to enable mission needs and security requirements. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight.

Status. The project is currently in the fieldwork phase.

Audit of DIA's Management of the Joint Worldwide Intelligence Communication System, Project 2022-1001

Overview. Our objective is to determine whether processes for the management of the current Joint Worldwide Intelligence Communication System network and its modernization plan are designed to maintain network resiliency by meeting present and future security and capability requirements. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The project is currently in the fieldwork phase.

Audit of DIA's Emergency and Extraordinary Expenses, Project 2020-1001

Overview. Our objective is to determine whether DIA's Emergency and Extraordinary Expenses are properly authorized and the reimbursement is properly supported. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. The project is currently in the fieldwork phase.

Audit of DIA's Financial Statements for Fiscal Year 2022, Project 2022-1004

Overview. We engaged with an IPA to conduct this audit. Our objective is to evaluate the reliability of data supporting the financial statements, determine the reasonableness of the statements produced, and examine disclosures in accordance with applicable guidance. The IPA will also review the reliability of financial systems, effectiveness of internal controls, and compliance with laws and regulations. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. The project is currently in the fieldwork phase.

Evaluation of DIA's Compliance with the Federal Information Security Modernization Act, Project 2022-1005

Overview. Our objective is to determine whether DIA's overall Information System Security Program is effective using the FY 2022 Inspector General FISMA reporting metrics. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The project is currently in the planning phase and will move into fieldwork shortly after March 31.

Evaluation of DIA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021, Project 2022-1003

Overview. Our objective is to determine whether DIA complied with the Office of Management and Budget (OMB) Memorandum (M-21-19), "Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement," March 5, 2021, which incorporates requirements from Public Law 116-117, "Payment Integrity Information Act of 2019." Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. This project is currently in the reporting phase.

Audit of DIA's Management of Privileged User Accounts, Project 2022-1002

Overview. Our objective is to determine if individuals using privileged user accounts are limited to only their required role assignments and functions and that these account privileges are revoked once no longer needed. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. In light of the Administration's acceleration of OIG FISMA reporting requirements this fiscal year, we paused this project with intent to resume later in the year.



Summary of Inspections and Evaluations Division

As of March 31, 2022, the Inspections and Evaluations Division completed two projects, and had five ongoing projects. We entered the reporting period with 44 open recommendations, closed 0 recommendations, issued 11 new recommendations, and ended the reporting period with 55 open recommendations. We continued to coordinate with DIA management on the status of its corrective action plans for the remaining open recommendations.

COMPLETED PROJECTS

Evaluation of DIA's Management of Reserve Military Intelligence Capabilities, Project 2020-2005, Issued October 29, 2021

What We Did. We evaluated DIA's management of the Department of Defense (DoD) Joint Reserve Intelligence Program across the Defense Intelligence Enterprise. We also evaluated DIA's administration and use of reserve military intelligence capabilities to meet mission requirements throughout DIA.

What We Found. We found opportunities for DIA to more effectively manage the DoD Joint Reserve Intelligence Program across the Defense Components. We also found opportunities for DIA to optimize its management, use, and oversight of reserve military intelligence capabilities within the Agency.

What We Recommend. We made recommendations to DIA management that, upon implementation, will improve the DoD Joint Reserve Intelligence Program, and DIA's use of reserve military intelligence capabilities. Our findings and recommendations provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenges—Leadership Controls and Oversight and Human Capital and Talent Management. Management agreed with our recommendations.

Evaluation of the Defense Attaché Training Program, Project 2021-2005, Issued January 19, 2022

What We Did. We evaluated development, governance, and oversight of the Defense Attaché Training Program.

What We Found. We found that the Joint Military Attaché School (JMAS) had paused pursuing a certification that could strengthen its training courses. We also found that JMAS did not consistently receive feedback intended to inform the relevancy and accuracy of its training because of unclear roles and responsibilities associated with information sharing and its governance board.

What We Recommend. We made recommendations to DIA management that, upon implementation, will strengthen the Defense Attaché Training Program. Our findings and recommendations provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight. Management agreed with our recommendations.

OTHER COMPLETED WORK

Closure Memo - Study of DIA's Response to the COVID-19 Pandemic and Impacts to Critical Mission Functions and Strategic Priorities, Project 2021-2001

Overview. We initiated the Study of DIA's Response to the COVID-19 Pandemic and Impacts to Critical Mission Functions and Strategic Priorities in October 2020 due to interest from Congressional stakeholders and DIA Management to report on COVID-19 impacts to DIA critical missions, information security, and workforce health and safety. We obtained and reviewed select data from Agency elements for calendar years 2018–2020 to identify mission impacts from COVID-19 and to capture the information for historical reference and potential future review.

What We Concluded. Due to the wide scope of this study and competing priorities, we did not complete the study and issued a closure memorandum. In spite of this decision, we reviewed all of the information obtained during the course of the study and outlined several observations for the Agency's consideration. The information gathered during this study also helped inform and reinforce conclusions from other oversight work to identify Continuity of Operations as a FY 2021 DIA Top Management Challenge.

Management Alert – Inconsistencies and Gaps in the Defense Open Source Intelligence Policy, Roles, and Authorities

Overview. While initiating our evaluation of DIA's Management of Defense Open Source Intelligence (OSINT), Project 2021-2004, we observed ambiguities in DIA's lines of authorities for executing its roles and responsibilities as the DoD Lead Component for OSINT. We also noted gaps between DoD and DIA policy on Defense OSINT and identified risks in DIA's OSINT collection management processes.

What We Concluded. We concluded that DIA lacked clear authorities and policy alignment to fully meet the Under Secretary of Defense for Intelligence and Security’s intent for DoD OSINT. We made three observations regarding these areas of concern. The identified areas of concern provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight.

ONGOING PROJECTS

Evaluation of Analytic Talent Management, Project 2021- 2003

Overview. Our objective for this project is to evaluate the effectiveness of DIA’s recruitment, hiring, and placement of officers in the analysis career field. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital and Talent Management.

Status. The evaluation was in the fieldwork phase at the end of the reporting period.

Evaluation of DIA’s Management of Defense Open Source Intelligence, Project 2021-2004

Overview. Our objective for this project is to evaluate DIA’s efforts to assess, standardize, and coordinate OSINT tools and data sets across DoD Components. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The evaluation was in the report writing phase at the end of the reporting period.

Review of DIA’s Enhanced Personnel Security Program, Project 2022-2001

Overview. In accordance with 5, United States Code (U.S.C.), § 11001, “Enhanced personnel security programs (2015) (amended 2019, effective 2020)”, our project objectives are to assess the effectiveness and fairness of the continuous evaluation and continuous vetting performance measures and standards established by the Director of National Intelligence for covered individuals⁴. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The review was in the fieldwork phase at the end of the reporting period.

⁴The term “covered individual” means an individual employed by an agency or a contractor of an agency who has been determined eligible for access to classified information or eligible to hold a sensitive position.

Fiscal Year 2022 Report on Classification, Project 2022-2002

Overview. In accordance with the National Defense Authorization Act for Fiscal Year 2020, our objectives are to assess the accuracy of the application of classification and handling markers on a representative sample of finished reports, including such reports that are compartmented and validate Agency progress on our FY 2021 recommendations. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The project was in the planning phase at the end of the reporting period.

Support to the Office of the Inspector General of the Intelligence Community Special Review of Intelligence Community Support to Screening and Vetting of Persons from Afghanistan, Project INS-2022-003

Overview. The project objective is to assess the IC's support to screening and vetting of persons from Afghanistan in August 2021. We are supporting this special review with the Office of the Inspector General of the Intelligence Community and the Department of Homeland Security Office of Inspector General.

Status. The special review was in the planning phase at the end of the reporting period.



Summary of Investigations Division Activity

As of March 31, 2022, the Investigations Division has closed 92 cases, published 8 Reports of Investigation (5 of which were substantiated violations), opened 31 new cases (consisting of 14 new investigations and 17 new management referral-related matters), and has a total of 63 ongoing cases, involving 59 active investigations and 4 management referral-related matters.

Reprisal Investigations

We completed two investigations involving allegations of reprisal and abuse of authority made during an earlier reporting period. We did not substantiate the allegations in either case.

During this reporting period, we received 23 reprisal complaints (21 from DIA personnel and 2 referrals from the Department of Defense Office of the Inspector General [DoD IG]):

- Five of the complaints are under active investigation by our office,
- Eight complaints did not meet the prima facie elements of reprisal,
- Four complaints, which were referred to the DoD IG, were determined to have no nexus to DIA (including Agency-related personnel),
- One complaint was determined to fall under the purview of DIA Office of Equal Opportunity (EO) and referred accordingly,
- One complaint was determined to require additional information from Complainant. However, the Complainant proved to be non-responsive to subsequent OIG requests for additional necessary information. As a result, DIA OIG closed the complaint and advised the Complainant that, should they wish to refile/resubmit their complaint, DIA OIG would work with them.
- The remaining four complaints are presently under review to validate if they meet the prima facie elements of reprisal.

When we determined that the reprisal complaints did not meet the prima facie elements of reprisal, we notified the employees in writing of our determination and of the employees right to an external view by the IC IG or in some instances the DoD IG. We also provided copies of the notifications to the DoD IG and IC IG for their awareness in those cases where the employees sought external review of our determination.

Summaries of Published Investigative Reports

SUBSTANTIATED CASES

Contractor Cost Mischarging Investigation, Case 2019-005030-OI, Issued October 8, 2021

What Was Alleged. We conducted a joint investigation with the Defense Criminal Investigative Service (DCIS) into allegations of contractor cost mischarging against a former contractor employee who had supported the U.S. Cyber Command at the National Security Agency, Ft. Meade, Maryland.

What We Found. We determined the former contractor employee violated 18, U.S.C., § 287, “False, Fictitious, or Fraudulent Claims”; and 18 U.S.C. § 641, “Theft of Public Funds” by having fraudulently prepared, signed, and submitted timesheets from January 1, 2017, to March 15, 2019, in which they claimed to have worked a total of 1,314 labor hours for which they could not account. The resultant loss to the Government was estimated at \$113,082.66.

What We Concluded. As the determination represented a violation of Federal statute, this case was initially referred to the Office of the Assistant U.S. Attorney, who accepted it to pursue federal criminal prosecution. On November 26, 2019, a Federal Grand jury indicted the former contractor employee with a five-count indictment. On August 20, 2020, the former contractor employee appeared before a U.S. Magistrate Judge at the U.S. District Court, District of Maryland and pled guilty to one of the five counts of the indictment against them (i.e. charge of fraudulent claims) and not guilty to the remaining four counts. The Judge accepted the plea. On September 2, 2021, the former contractor employee was sentenced to imprisonment for a total term of twelve months and one day. Upon release from imprisonment, the former contractor employee will be on supervised release for a term of three years. Also, the former contractor employee was ordered to pay a Special Assessment fee of \$100, and restitution in the amount of \$107,300. Additionally, on February 26, 2021, DIA management debarred the former contractor employee from future contracting with any agency in the Executive Branch of the U.S. Government, effective February 16, 2021, and continuing until February 1, 2024.

Time and Labor Fraud Investigation, Case 2020-005011-OI, Issued November 2, 2021

What Was Alleged. We investigated allegations of time and labor fraud involving a DIA civilian employee for having fraudulently prepared and submitted inaccurate time information to their supervisors that included claims of having worked hours that could not be accounted for.

What We Found. We determined the Agency civilian employee violated 18, U.S.C., §1001, “Statements or entries generally”; 18 U.S.C. § 287, “False, Fictitious, or Fraudulent Claims”; 18 U.S.C. § 641, “Theft of Public Funds”; and DIA Directive [DIAD] 1422.100, “Civilian Compensation, Work Hours, and Time and Labor Reporting,” February 29, 2020, by having fraudulently prepared, signed, and submitted timesheets from April 28, 2019, to March 14, 2020, in which they claimed to have worked a total of 225.62 labor hours for which they could not account. The resultant loss to the Government was estimated at \$11,152.77.

What We Concluded. As the determination represented a violation of Federal statute, this case was initially referred to the Office of the Assistant U.S. Attorney, who subsequently declined to pursue federal criminal prosecution. We also referred this case to DIA management for consideration of appropriate administrative actions, including potential disciplinary action and recovery of lost funds. Disciplinary and collection action pending.

Time and Labor Fraud Investigation, Case 2020-005007-OI, Issued November 19, 2021

What Was Alleged. We investigated allegations of time and labor fraud involving a DIA civilian employee for having fraudulently prepared and submitted inaccurate time information to their supervisors that included claims of having worked hours that could not be accounted for.

What We Found. We determined the Agency civilian employee violated 18, U.S.C. § 1001, “Statements or entries generally”; 18 U.S.C. § 287, “False, Fictitious, or Fraudulent Claims”; 18 U.S.C. § 641, “Theft of Public Funds”; DIA Instruction [DIAI] 1422.002, “Time and Labor Reporting,” August 23, 2013, and DIAI 1400.002, “Civilian Compensation and Work Schedules,” (change 1 incorporated), September 2, 2018, by having fraudulently prepared, signed, and submitted timesheets from December 24, 2018, through December 20, 2019, in which they claimed to have worked a total of 531.30 labor hours for which they could not account. The resultant loss to the Government was estimated at \$41,194.95.

What We Concluded. The Agency civilian violated the aforementioned statutes and Agency instructions. As the determination represented a violation of Federal statute, this case was initially referred to the Office of the Assistant U.S. Attorney, who subsequently declined to pursue federal criminal prosecution. We subsequently referred the matter to Agency management for disciplinary and collection action they deemed appropriate. On March 2, 2022, Agency management-initiated debt collection.

Misuse of Government Resources Investigation, Case 2021-000002-OI, Issued March 17, 2022

What Was Alleged. We investigated allegations of misuse of Government resources involving two DIA civilian employees, who allegedly used Government-issued equipment while conducting personal, recreational hunting activities after a legitimate Agency security training event at an off-site training facility.

What We Found. We determined the two Agency civilian employees violated title 5, Code of Federal Regulations (C.F.R.) Part 2635, § 704, “Misuse of Government Property,” when on October 15, 2020, they used Agency-owned night vision goggles (considered to be a “sensitive” item) and other various equipment to legally hunt feral pigs on private property, allegedly with the landowner’s permission. As well, we determined that the two civilian employees hunted with their own privately-owned weapons and ammunition, and not Government-issued weapons or ammunition.

What We Concluded. As the determination did not represent a violation of Federal statute, this case was not referred to the Office of the Assistant U.S. Attorney. We referred this case to DIA management for consideration of appropriate administrative actions, including potential disciplinary action. Management action is pending.

Time and Labor Fraud Investigation, Case 2021-000035-OI, Issued March 21, 2022

What Was Alleged. We investigated allegations of time and labor fraud involving a DIA civilian employee for having fraudulently prepared and submitted inaccurate time information to their supervisors that included claims of having worked hours that could not be accounted for.

What We Found. We determined the Agency civilian employee violated 18, U.S.C. § 1001, “Statements or entries generally”; 18 U.S.C. § 287, “False, Fictitious, or Fraudulent Claims”; 18 U.S.C. § 641, “Theft of Public Funds”; and DIA Directive [DIAD] 1422.100, “Civilian Compensation, Work Hours, and Time and Labor Reporting,” February 29, 2020, by having fraudulently prepared, signed, and submitted timesheets from March 4, 2019, through February 10, 2022, in which they claimed to have worked a total of 1,035.09 labor hours for which they could not account. The resultant loss to the Government was estimated at \$57,316.42.

What We Concluded. As the determination represented a violation of Federal statute, this case was initially referred to the Office of the Assistant U.S. Attorney, who subsequently declined to pursue federal criminal prosecution. We also referred this case to DIA management for consideration of appropriate administrative actions, including potential disciplinary action and recovery of lost funds. Management action is pending.

UNSUBSTANTIATED CASES

Abuse of Authority and Hostile/Toxic Work Environment Investigation, Case 2021-000013-OI, Issued November 1, 2021

What Was Alleged. We investigated allegations made against two DIA senior military officers (including a General Officer) for abusing their authority and creating a hostile and toxic work environment within their work center.

What We Found. Upon completion of our investigation, we determined that there was insufficient evidence to substantiate that either senior officer committed acts of abuse of authority or created a hostile and toxic work environment.

What We Concluded. The case was forwarded to DIA management for their information and awareness.

Reprisal and Employee Misconduct Investigation, Case 2020-005022-OI, Issued January 20, 2022

What Was Alleged. We investigated allegations made against a DIA civilian supervisory employee for reprisal and abuse of authority.

What We Found. Upon completion of our investigation, we determined that there was insufficient evidence to substantiate that the supervisory employee committed acts of reprisal or abuse of authority.

What We Concluded. The case was forwarded to DIA management for their information and awareness.

Reprisal, Abuse of Authority, and Discrimination Investigation, Case 2020-005036-OI, Issued January 25, 2022

What Was Alleged. We investigated allegations made against two DIA military officers (one of whom is a senior military officer) for unlawful discrimination, reprisal, abusing their authority, and making false and misleading statements.

What We Found. Upon completion of our investigation, we determined that there was insufficient evidence to substantiate that either of the two Agency military officers committed acts of discrimination, reprisal, abuse of authority, or making false statements.

What We Concluded. The case was forwarded to DIA management for their information and awareness.

Significant Management Referrals⁵

Security Matter, Case 2021-000062-OI, Issued January 28, 2022

What was Alleged. We received a complaint that a DIA contractor employee was allegedly subjected to several instances of undue scrutiny and harassment including having their personal vehicle illegally searched by the DIA security police force while conducting authorized work at an Agency worksite.

What We Concluded. Since the allegation involved the implementation of DIA security police force procedures, we referred the matter to DIA management for further inquiry and action it deemed appropriate. DIA management is conducting an inquiry into the allegation.

⁵We define Significant Management Referrals as items that reflect a potential degradation in Agency policy or could potentially pose a concern to the Agency. As such, we refer these matters to DIA management for specific action and required follow up with our Office.

Misuse of Government Resources

What was Alleged. We received 10 separate complaints citing various respective misuses of Government resources by Agency personnel (including one DIA civilian employee, two DIA military officers, three DIA military enlisted members, and four DIA contractor employees). Using Agency equipment and Government unclassified internet access, these individuals conducted a variety of unauthorized activities, including attempting to bypass security protocols, searching through a variety of websites containing explicit content, accessing and viewing a variety of unauthorized materials containing inappropriate content, and conducting sexually explicit internet message exchanges.

What We Concluded. In each of these cases, we referred the matter to DIA management for further inquiry and action as deemed appropriate. In two of the cases (one involving a DIA civilian employee and another involving a DIA military officer), DIA management counselled the respective individuals. However, action by DIA management is pending in the remaining cases.

Investigative Activity Support

Personnel Vetting

We completed 1,219 checks for derogatory information within OIG records in response to 132 requests, originating within DIA. These requests involved DIA military and civilians who are seeking job placement or advancement or are under consideration for awards.

Appendix A. Statistical Tables

Table A-1: Investigations Dollar Recoveries in Reporting Period

Investigation	Report Number	Effective Recovery Date	Dollars Recovered
Contractor Cost Mischarging	2019-005030-OI	October 6, 2021	\$107,355.90
Time and Labor Fraud	2020-005016-OI	January 24, 2022	\$ 17,144.73
Contractor Cost Mischarging	2020-005027-OI	February 18, 2022	\$ 21,662.26
TOTAL			\$146,162.89

Table is Unclassified

Table A-2: Audit, Inspection, and Evaluation Reports and Recommendations with Questioned and Unsupported Costs

Description	Number of Reports	Questioned Costs	Unsupported Costs
No management decision was made by March 31, 2021 ³	—	\$0	\$0
Issued during this reporting period	—	\$0	\$0
Costs disallowed by management	—	\$0	\$0
Costs allowed by management	—	\$0	\$0
No management decision was made by September 30, 2021	—	\$0	\$0

Table A-3: Audit, Inspection and Evaluation Reports with Recommendations that Funds be Put to Better Use

Description	Report Number	Funds to be Put to Better Use
No management decision was made by September 30, 2021 ^{6 7}	2	\$614,000
Issued during this reporting period	—	\$0
Dollar value of recommendations agreed to by management	—	\$0
Dollar value of recommendations not agreed to by Management	—	\$0
No management decision was made by March 31, 2022 ⁸	2	\$614,000

⁶Audit of Information Technology Services Contracts, Project 2018-1006, was published in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020). We found that more than \$438,000 in award fee payments could have been recommended.

⁷Audit of Unplanned Price Changes, Project 2019-1006, was published in DIA OIG Semiannual Report to Congress (October 1, 2020–March 31, 2021). We found that DIA could have saved \$176,000 for other mission priorities if it had analyzed and negotiated price escalation for option periods using data maintained by the Bureau of Labor Statistics.

⁸All \$614,000 for which no management decision was made by March 31, 2021, was overdue by 6 months or more.

Table A-4: Investigative Activities⁹

Description	Quantity
Cases Opened in Reporting Period	31
Cases Closed in Reporting Period	92
Cases Still Open at End of Reporting Period ¹⁰	85
Investigation Reports Issued in Reporting Period ¹¹	8
Management Referrals in Reporting Period ¹² (Number of Cases)	13
• Referred to Agency Management (Number of Cases)	21
• Referrals resulting from Reports of Investigation in Reporting Period ¹³	8
Referrals resulting from direct referral of evaluated complaints	13
Referred to Prosecutorial Authority (Number of Cases) ¹⁴	4
Number of Persons Referred to State or Local Prosecuting Authorities for Criminal Prosecution (includes military authorities)	0
Total Number of Indictments and Criminal Prosecution Resulting from Prior Referral to Prosecuting Authorities	0

⁹Description of Metrics: All metrics provided were developed as a result of reviewing all relevant individual cases (including Investigations and Management Referral-related matters), including those opened and closed during the reporting period and cases remaining open at the end of the previous reporting period (April 1, 2021–September 30, 2021).

¹⁰This figure represents the sum of:

- (a) The number of cases in which an active OIG investigation is still in process (i.e., 63), plus
- (b) The number of cases for which OIG is awaiting final DIA management action in response to an earlier-published OIG Report of Investigation or Management Referral (i.e., 22).

¹¹A summary of these cases can be found in the unclassified “Summaries of Published Investigative Reports” section of this report.

¹²See previous footnote.

¹³Referral to Prosecutorial Authority cited in DIA OIG Case #2019-005030-OI summary (see page 20 of this report) was reported in Table A-4 of the previous DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021).

¹⁴Indictment and Criminal Prosecution cited in DIA OIG Case #2019-005030-OI summary (see page 20 of this report) was reported in Table A-4 of the previous DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021).

Table A-5: Investigative Activities

Description	Quantity
Hotline Program	
DIA OIG Hotline Contacts Received in Reporting Period ¹⁵	9,801
DIA OIG Hotline Contacts Closed in Report Period ¹⁶	9,640
DIA OIG Hotline Contacts Not Yet Viewed	0
DIA OIG Hotline Inquiries Opened in Reporting Period ¹⁷	161
DIA OIG Hotline Inquiries Closed in Reporting Period	137
Intelligence Oversight	
Cases Opened in Reporting Period	0
Cases Closed in Reporting Period	0
Cases Still Open at End of Reporting Period	0
Reports of Investigation Issued in Reporting Period	0
Referred to Management	0
Management Referrals	
Referrals in Reporting Period (external)	0
Referrals in Reporting Period (DIA management)	21
Referrals resulting from published Reports of Investigation	8
Referrals Resulting From Direct Referral Of Evaluated Complaints (I.E., DIA OIG Hotlines Inquiries/Not COVID-19 Related) To DIA Management	13
Referrals Resulting From Direct Referral Of Evaluated Complaint(s) (I.E., DIA OIG Hotline Inquiries/COVID-19 Related) To DIA Management	0

¹⁵The term “contact” means an unevaluated complaint or request for information or assistance.

¹⁶A “contact” is closed when the DIA OIG Hotline evaluates it and determines it did not merit further action.

¹⁷When the DIA OIG Hotline evaluates a “contact” and determines it merits further action, an “inquiry” is opened so Hotline representatives can take additional action (e.g., directly address the matter itself, refer the matter to DIA management for information or action, or refer the matter to DIA OIG Investigations for further inquiry or investigation).

Table A-6: Summary of Recommendations as of September 30, 2021¹⁸

Description	Audits	Inspections and Evaluations	Investigations	Total
Open Recommendations	23	55	0	78
Closed Recommendations	5	0	1	6
Overdue Recommendations	16	34	0	50
Percentage Overdue of Open Recommendations	70%	62%	0%	

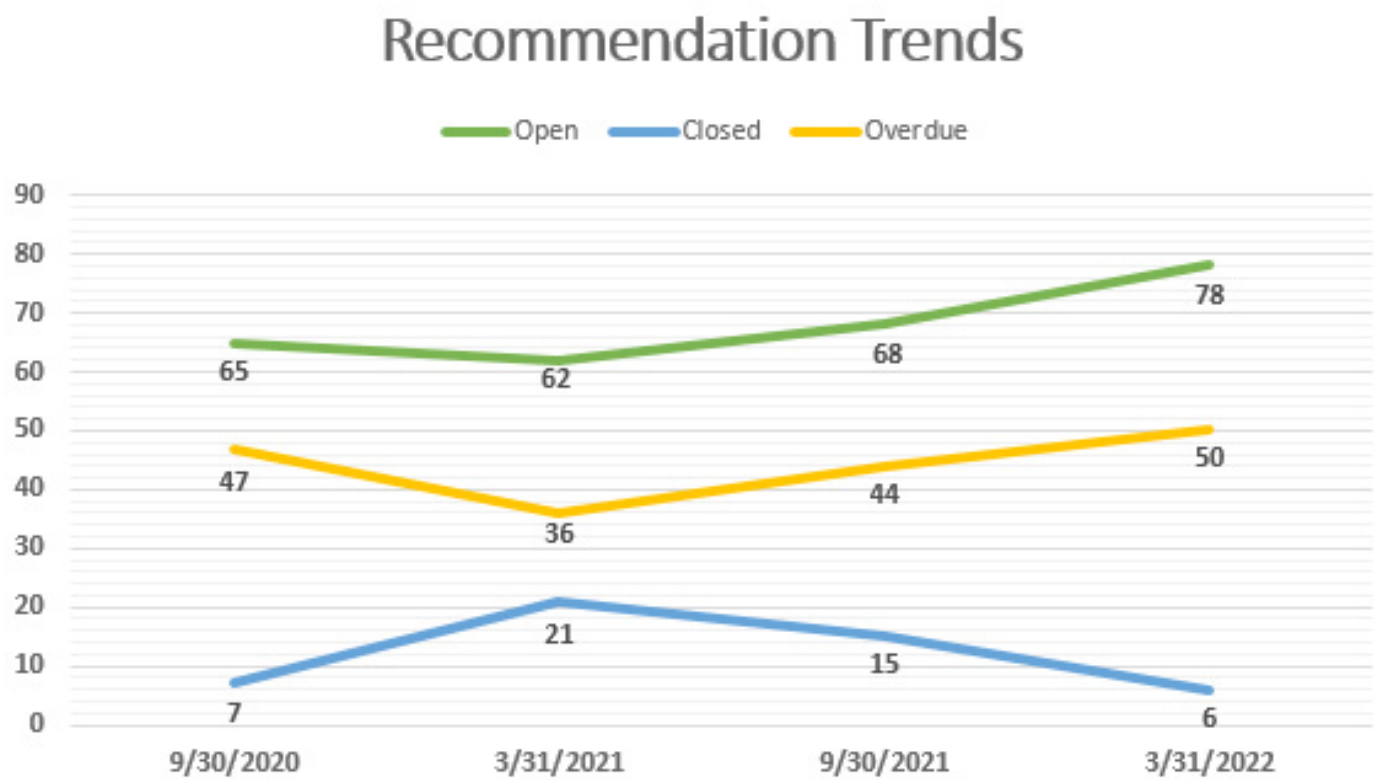
Table A-7: Overdue Recommendations Breakdown as of September 30, 2021

Description	Audits	Inspections and Evaluations	Investigations	Total
Less than 180 days	4	8	0	12
181-365 days	2	4	0	6
Greater than 365 days	10	22	0	32
Total	16	34	0	

¹⁸“Overdue recommendations” refers to those recommendations that DIA management has not addressed within established timelines.

Appendix B. Status Recommendation Tables

Table B-1: Recommendation Trends September 30, 2020 – March 31, 2022



Audits Division Recommendations

Table B-2: Audit of DIA’s Contract Requirements (2017-1005)

Overview. We audited whether DIA’s acquisition planning process resulted in complete and timely contract requirements. We found that DIA’s acquisition planning efforts did not always start soon enough. Only 1 of the 14 contracts we reviewed met its planning milestone; the others missed the milestone by an average of 160 days, resulting in missed requirements, service gaps, and limiting time for contracting personnel to negotiate the best deal and comply with regulations. For example, in the process of replacing an expiring software contract, DIA missed a \$4.1 million discount because mission requirement owners began planning too late. Acquisition planning record (APR) preparation and review also needed improvement; 20 of the 29 APRs we reviewed had missing or non-compliant documentation, which increased the risk of untimely or incomplete requirements. Project results provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. We made four recommendations, three of which were closed in previous periods. DIA management is currently acting on the remaining open recommendation.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	<p>The Office of the Chief Financial Officer, account for contract files by taking the following actions:</p> <p>a) Within 120 days of the final report, perform a risk assessment based on criteria, including Federal Acquisition Regulation, section 4.805, “Storage, handling, and contract files,” to determine the appropriate scope for conducting an inventory of contract files.</p> <p>b) Within 1 year of the final report, perform the contract file inventory to determine what contract files are missing and take action to locate and account for them.</p>	<p>Management agreed with recommendations, completed part A of the recommendation, and is in the process of addressing part B.</p> <p>Status: Open</p>

Table B-3: Audit of DIA’s Incoming Reimbursable Orders (2018-1004)

Overview. We audited whether DIA’s incoming reimbursable orders were valid, aligned with Agency roles and missions, completed per agreement terms, and recorded accurately and in a timely manner. We found that DIA processed valid incoming orders and senior leaders approved role and mission alignment. However, while Agency records agreed to the approved funding documents, we found some issues with cost estimates requirement definitions. Specifically, 42 orders, totaling approximately \$99 million, had no cost estimate or the estimate was inaccurate by an average of 99 percent of the order value. In addition, 25 orders, totaling almost \$31 million, did not specify DIA and customer requirements for fulfilling the agreement terms, including 13 orders where work began before receiving funding documents. Finally, 24 percent of the sampled orders took more than 60 days to process. DIA management was partially responsive to both our recommendations. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. The final recommendation was closed this period.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Office of the Chief Financial Officer, within 180 days of the final report, revise and implement Agency policy and procedures for accepting orders, to include standards for developing, approving, and documenting cost estimates and customer requirements.	Management has addressed the intent of the recommendation. Status: Closed

Table B-4: Audit of DIA’s Information Technology Services Contracts (2018-1006)

Overview. We audited whether information technology services acquired by DIA, as a service provider of IC Enterprise Management (EMT), were cost effective, properly funded, and administered in accordance with the IC IT Enterprise strategy. We found that Chief Financial Officer (CFO) awarded four task orders, totaling \$224 million, that were not within the scope of the IC EMT contract, as required by regulation. Contracting officers made incorrect scope determinations, and none of CFO’s contract review processes were designed to detect or prevent out-of-scope work. Additionally, DIA did not properly administer the award fee, awarding payment of \$550,187, or 86 percent, of the total award fee, even though the contractor did not meet requirements for the amount it received. Finally, DIA did not collect and analyze award and incentive fee data, as required by regulation. These internal control issues limited competition, reduced DIA’s leverage in negotiating contract prices, and did not meet the intended objective of the award fee, which is to enhance contractor performance. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. We made three recommendations, and two recommendations were closed in previous reporting periods. Management is in the process of acting on the remaining open recommendation.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Office of the Chief Financial Officer, within 180 days of the final report, design and implement a process to collect and analyze relevant data on award and incentive fees paid to contractors. This should include, at a minimum, using the results of such analysis to evaluate the extent, use, and effectiveness of award and incentive fees in improving contractors’ performance and achieving desired program outcomes in accordance with with Federal Acquisition Regulation 16.401(f).	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-5: Audit of DIA’s Unplanned Price Changes, Project 2019-1006

Overview. We audited whether DIA performed appropriate and timely analysis to support unplanned price changes on DIA contracts between FYs 2018 and 2020, including changes in response to the COVID-19 pandemic. We found that DIA policies, procedures, and reviews were not designed to assure proper proposal analyses for unplanned price increases, and DIA’s contracting system did not have the capability to identify and track said changes. DIA did not perform appropriate and timely analysis to confirm that 9 of 11 price increases (82 percent) we reviewed (totaling \$11.2 million) were fair and reasonable. Additionally, DIA could have saved \$176,000 for other mission priorities if it had analyzed and negotiated price escalation for option periods using data maintained by the Bureau of Labor Statistics. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. We closed one recommendation during this reporting period, and DIA management is in the process of acting on the other open recommendations.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Office of the Chief Financial Officer, within 180 days of the final report, update and implement policies and procedures to consolidate regulatory and other requirements for contract modifications that result in unplanned price changes. At a minimum, the policy and procedures should address appropriate and timely completion and documentation of required proposal analysis, preparation of Government estimates that are independent, and requirements and guidance for analyzing and negotiating escalation rates. Examples of implementation may include training, formal communication of updated policy and procedures, alerts, or other methods.	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open
02	The Office of the Chief Financial Officer, within 180 days of the final report, design and implement controls to monitor the appropriateness and timeliness of proposal analysis and associated supporting documentation for modifications that result in unplanned price changes. Actions could include additional procedures for independent contracting officer reviews for contract modifications, or other methods.	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-5: Audit of DIA’s Unplanned Price Changes, Project 2019-1006, Con’t

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Office of the Chief Financial Officer (CFO), within 180 days of the final report, develop and implement a capability to identify and track unplanned modifications that result in unplanned price changes. This capability could assist CFO with monitoring unplanned price changes as part of their Managers’ Internal Controls Program, in accordance with Government Accountability Office (GAO) publication, GAO 14 704G, “Standards for Internal Control in the Federal Government,” September 2014.	Management has addressed the intent of the recommendation. Status: Closed

Table B-6: Evaluation of DIA’s Implementation of CARES Act—Section 3610, Project 2020-1006

Overview. We evaluated whether DIA’s contractor reimbursements under section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act were appropriate and governed by language authorizing Federal agencies to reimburse contractors for leave given to keep their employees and subcontractors ready to ensure a timely return to work. We found that DIA’s contractor reimbursement under section 3610 of the CARES Act did not meet all the requirements of the Act, as well as implementation guidance from the U.S. OMB and DoD. For all 17 reimbursements we reviewed, DIA did not document how the pandemic affected a contractor’s status and did not modify the contracts to allow for reimbursements under section 3610 as required. DIA could not show that the 17 reimbursements we reviewed, totaling \$1.5 million, were appropriate, meaning all \$10.7 million CARES Act, section 3610 contractor reimbursements made through January 31, 2021, may not have been appropriate. Agency policies and procedures implementing section 3610 did not include the requirements for documenting contractors’ status as affected by the pandemic and modifying the contracts to authorize the reimbursements. We performed this evaluation in response to the COVID-19 pandemic.

Status of Recommendations. We made three recommendations, and closed two recommendations during the previous reporting period. Management is in the process of acting on the remaining open recommendation.

Table B-6: Evaluation of DIA’s Implementation of CARES Act—Section 3610, Project 2020-1006, Con’t

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Office of the Chief Financial Officer, within 90 days of the final report, update policies and procedures to require contracting officers to document contractors’ affected status in the contract file, and to modify the contract when implementing section 3610 of the Coronavirus Aid, Relief, and Economic Security Act.	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-7: Evaluation of DIA’s Compliance with the Improper Payments

Overview. We evaluated DIA’s compliance with the Improper Payments Elimination and Recovery Act (IPERA) for FY 2020. IPERA requires each Federal agency to report improper payments in its Agency Financial Report (AFR) and assess risks once every 3 years for susceptible programs. We found the Agency reported improper payments in its annual AFR, but also identified that the Agency did not perform a risk assessment for all improper payment programs. This occurred because DIA management relied on a risk assessment for the Managers’ Internal Control Program (MICP) to satisfy IPERA requirements. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendation. We made one recommendation, and it was closed during this reporting period.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Office of the Chief Financial Officer, within 90 days of the final report, conduct a program-specific risk assessment that meets OMB requirements for payment programs due for reassessment in FY 2020 and based on the results of the risk assessments, take appropriate action to address all other improper payment requirements listed in the previous bullets.	Management has addressed the intent of the recommendation. Status: Closed

Inspections and Evaluations Division Recommendations

Table B-8: Evaluation of DIA’s Human Capital Services, Project 2017-2008

Overview. We evaluated the integrity of systems related to DIA’s human capital services, including processes, controls, and business rules, to assess their efficiency and effectiveness in managing human capital. We found that Office of Human Resources (OHR) needs to develop and communicate a comprehensive human capital strategy to show customers and stakeholders how OHR enables the DIA mission and provides employee services. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital Strategy and Talent Management.

Status of Recommendation. We closed this evaluation on October 1, 2018; however, we reopened this evaluation in 2019 because the Agency had not developed and implemented a human capital strategy. We reissued and reassigned one recommendation, which remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	Chief of Staff (CS), establish, document, and implement a human capital strategy that aligns with DIA missions, readiness needs, and strategic objectives. Additionally, CS should establish an implementation and management plan that facilitates increased effectiveness, understanding, and accountability of human capital services delivery and processes.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-9: Inspection of Personnel Accountability in Conjunction with Natural and Manmade Disasters, Project 2018-2001

Overview. We inspected the effectiveness of personnel accountability plans, procedures, reporting, and oversight of personnel accountability systems, including controls to monitor program compliance with DoD governance. We found that DIA personnel accountability policies and practices effectively accounted for DIA civilian employees, assigned military members, and DoD-affiliated contractors in the event of a manmade or natural disaster. Additionally, we observed that the Agency successfully accounted for its personnel in affected locations during 44 real-world personnel accountability events and 2 exercises in 2017. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital Strategy and Talent Management.

Status of Recommendations. We issued three recommendations, two were closed in previous reporting periods and one remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
02	The Directorate for Mission Services (Office of Human Resources), in coordination with the Deputy Director for Strategic Intelligence, should develop and codify guidance for accounting for personnel in the event of evacuation to a safe haven.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-10: Evaluation of DIA’s Personnel Security Program, Project 2018-2002

Overview. We evaluated adjudication policies, processes, and practices for assessing, validating, and certifying applicant eligibility for access to national security information. We also evaluated Personnel Security Program interdependencies with other programs and offices that provided information for “whole person” consideration in adjudication decisions. Our evaluation did not address processes associated with periodic reinvestigations. We found opportunities to enhance the Agency’s program and improve the effectiveness and efficiency of determinations on eligibility for access to sensitive compartmented information and other controlled access program information. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status of Recommendations. We issued four recommendations and closed two in previous reporting periods. Two recommendations remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Directorate for Mission Services (Office of Security), develop and apply a quality control process for all security adjudication cases.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open
04	The Directorate for Mission Services (Office of Security), in coordination with the Office of Human Resources, the Directorate for Operations (Office of Counterintelligence), and the Office of the Chief Financial Officer, should develop an end-to-end Personnel Security Program process focused on the onboarding process of new hires that identifies all security requirements, and roles and responsibilities.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-11: Fiscal Year 2021 Report on Classification, Project 2021-2002

Overview. For more information on the project, please see the “Classified Inspections and Evaluations Division Recommendations” section on page 32 of the Classified Addendum.

Status of Recommendations. We issued seven recommendations, all of which remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Directorate for Mission Services, in coordination with the Deputy Director for Global Integration and the Directorates for Analysis (DI), Operations, Intelligence (J2), and Science and Technology, review and update classification policy and internal controls to ensure uniform application of classification and handling markers across DIA finished intelligence reports. Certification Program against the program’s purpose and goals.	Management agreed with the recommendation and has provided an action plan. Status: Open
02	The Directorate for Analysis, in coordination with J2, develop and implement processes and procedures to standardize pre-publication quality assurance reviews for classification and handling markers.	Management agreed with the recommendation and has provided an action plan. Status: Open
03	The Directorate for Analysis (DI), in coordination with the Directorate for Mission Services, update the DI security classification guides to meet current Executive, Federal, and IC requirements.	Management agreed with the recommendation and has provided an action plan. Status: Open
04	The Directorate for Mission Services, develop and implement a scalable declassification strategy, with surge capacity, to achieve and maintain a baseline declassification review functionality and address DIA’s 28-year backlog of records overdue for automatic declassification review records, metrics, budgets, and contracts.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-11: Fiscal Year 2021 Report on Classification, Project 2021-2002,
Cont'd

Rec. No.	Summary of Recommendation	Action Planned/Status
05	The Directorate for Mission Services, establish a Systematic Declassification Program in accordance with Executive, Federal, and DoD requirements.	Management agreed with the recommendation and has provided an action plan. Status: Open
06	The Directorate for Mission Services, establish guidance for declassification priorities, review and update guidance for mandatory declassification review procedures, and establish internal controls to address risk to DIA's Mandatory Declassification Review Program.	Management agreed with the recommendation and has provided an action plan. Status: Open
07	The Directorate for Mission Services, establish a process to periodically update the current list of authorized declassification personnel, and ensure that all declassification personnel are trained every 2 years, in accordance with applicable Federal law and IC, DoD, and DIA policy.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-12: Evaluation of DIA’s Management of Reserve Military Intelligence Capabilities (2020-2005)

Overview. A summary of this product appears in the “Summary of Inspections and Evaluations Division Activity” section on page 15 of this report.

Status of Recommendations. We issued six recommendations, all of which remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Military Integration Office, develop and implement codified processes and procedures to comprehensively guide strategic program implementation, coordination efforts, and oversight of the Agency’s management of the DoD on Joint Reserve Intelligence Program, in alignment with DoD and DIA policy.	Management agreed with the recommendation and has provided an action plan. Status: Open
02	The Military Integration Office, in coordination with the Deputy Director for Global Integration, develop and implement codified procedures for consistent engagement with all DoD Components, including Combatant Commands, Integrated Intelligence Centers, Combat Support Agencies, and Military Services on Joint Reserve Intelligence Program participation and use of Reserve Military Intelligence Capabilities in alignment with DoD and DIA policy.	Management agreed with the recommendation and has provided an action plan. Status: Open
03	The Military Integration Office, in coordination with the Chief Information Office and the Office of the Chief Financial Officer, develop and implement codified processes to conduct quarterly budget execution reviews in alignment with DIA policy requirements.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-12: Evaluation of DIA’s Management of Reserve Military Intelligence Capabilities (2020-2005), Con’t

Rec. No.	Summary of Recommendation	Action Planned/Status
04	The Military Integration Office, in coordination with the Chief of Staff and the Directorate for Mission Services, develop a Reserve Military Human Capital Strategy in alignment with DIA’s Human Capital Strategy to refine reservist workforce integration.	Management agreed with the recommendation and has provided an action plan. Status: Open
05	The Military Integration Office, develop and implement codified roles and responsibilities for management and use of reserve military intelligence capabilities across the Agency.	Management agreed with the recommendation and has provided an action plan. Status: Open
06	The Military Integration Office, conduct a Reserve Military Force Structure Study to ensure effective allocation and alignment of reserve billets throughout the Agency.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-13: Management Alert on the Service Element Pay and Support for Personnel Assigned to the Defense Attaché Service, Project 2021-2005

Overview. We completed a research project on the Defense Attaché Service (DAS) in response to concerns brought to our attention about leadership, culture, and management. The research project was designed to identify areas most in need of our attention for a 90-day follow-on evaluation. On September 14, 2021, we initiated our follow-on evaluation of the Defense Attaché Training Program. However, through our research we also learned that service members assigned to Defense Attaché Offices experienced systemic delays and disruptions to essential administrative actions. This caused an undue burden to some service members and negatively influenced their morale. As a result, we issued a management alert related to service element pay and support for personnel assigned to the DAS, and we requested that the Agency provide corrective actions or a plan of action to address the identified issues.

Status of Recommendations. Given the criticality of the identified issues, we requested DIA management provide us with corrective actions and/or a plan of action, including activity milestones, they intend to take to address the issues. That action remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	Directorate for Operations (DO), in coordination with the Military Integration Office, provide us with corrective actions and/or a plan of action, to include activity milestones, they intend to take to address the issues. We also request notification when the Identified actions are complete.	Management's response is pending. Status: Open

Investigations Division Recommendations

Table B-14: Reprisal and Abuse of Authority Investigation, Case 2019-5043-OI

We investigated and substantiated allegations of reprisal and abuse of authority made by a DIA employee against three supervisory employees, one of whom was a DIA senior official. During our investigation, we identified two management deficiencies that, if addressed, could have precluded the involuntary reassignment of the DIA employee (a contributing factor in considering the complaint to represent reprisal and abuse of authority). Of note, although we identified two management deficiencies, we issued one recommendation, which has been closed.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Directorate for Mission Services, ensure that the Office of Security personnel reassignments and Personnel Management Panel follow DIA instruction (DIAI) 1400.008, "Employment and Placement," April 24, 2015, and DIAI 1404.010, "Civilian Career Assignment Programs," November 23, 2015.	Management has addressed the intent of the recommendation. Status: Closed

Appendix C. Audits, Inspections, Evaluations, and Investigations Closed Since October 1, 2021

Table C-1: Audits Closed Since October 1, 2021

Report No.	Date Closed	Summary
2021-1005	12/23/2021	Evaluation of DIA's Compliance with the Improper Payments Elimination and Recovery Act for Fiscal Year 2020. A summary of this report can be found in the "Status of Recommendations" section of the Main Report. We issued one recommendation which is closed.
2018-1004	02/22/2022	Audit of DIA's Incoming Reimbursable Orders. A summary of this report can be found in the "Status of Recommendations" section of the Main Report. We issued 2 recommendations, each of which are closed.

Table C-2: Inspections and Evaluations Closed Since October 1, 2021

Report No.	Date Closed	Summary
2021-2001	10/21/2021	Study of DIA's Response to COVID-19 Pandemic and Impacts to Critical Mission Functions and Strategic Priorities. A summary of this closure memo can be found in the "Other Completed Work" section on page 16 of this report.

Table C-3: Investigations Closed October 1, 2021

Report No.	Date Closed	Summary
2018-005066-OI	11/03/2021	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2019–September 30, 2019), we did not substantiate allegations of reprisal made by a DIA employee against three DIA supervisory senior officials. The Complainant alleged that after having made two protected communications, the senior officials rated them poorly on their annual appraisal. Additionally, the Complainant alleged the senior officials assigned the Complainant to a new position not aligned with their grade, training, or experience. We determined the Complainant’s appraisal was consistent with their performance during the rating period. Further, we determined that the Complainant’s assignment was in response to a priority requirement and was reflective of the complainant’s grade, training, and experience. This report of investigation was forwarded to DIA management for their awareness.</p>
2019-005010-OI	11/03/2021	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate allegations of reprisal made by a former DIA annuitant employee. The Complainant (an annuitant employee) claimed they were subject to retaliatory acts by three supervisory DIA employees after having made a protected communication to the DIA Office of Oversight and Compliance. Specifically, the Complainant alleged that their appointment was not renewed because they made the protected communication. The Complainant also stated that their rating on their performance appraisal (for FY 2018) was lower than any other rating they received as an annuitant. We subsequently determined that the actions taken by the supervisory employees were within management authority and DIA policy. This report of investigation was forwarded to DIA management for their awareness.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005020-OI	11/03/2021	Misuse of Government Systems Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2019–September 30, 2019), we did not substantiate an allegation that a DIA contractor employee, who accessed a DIA OIG investigative report from an OIG database, violated DIA directives. However, we identified an internal management control deficiency that demonstrated the DIA Chief Information Office failed to follow DIAD 8500.400, “Privileged User System,” May 22, 2014. DIA management subsequently successfully addressed the deficiency as part of implementing corrective action.
2019-005026-OI	11/03/2021	Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate an allegation of continued reprisal committed by two supervisory DIA senior officials against a DIA employee. However, we did determine that one of the senior officials abused their authority by requesting a review of the employee’s work to prevent the employee from returning to their former organization. The senior official who abused their authority retired from Federal service prior to the publication of our report of investigation.
2019-005062-OI	11/03/2021	Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate multiple allegations of reprisal made by a DIA employee, who alleged that a supervisory DIA senior official retaliated against them with a letter of counseling and a letter of reprimand for having earlier suggested to their office leadership about an Agency work initiative. Upon further examination of the complaint, we could not determine whether the employee had made a “protected communication.” We subsequently determined there was insufficient evidence to conclude that the DIA supervisory senior official engaged in reprisal, abused their authority, or harassed the employee. This report of investigation was forwarded to DIA management for their awareness.

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2020-005037-OI	11/03/2021	Potential Impeding of a DIA OIG Evaluation investigation. As reported in DIA OIG Semiannual Report to Congress with Classified Addendum (October 1, 2020–March 31, 2021), we investigated an allegation made by a DIA employee that DIA management officials attempted to impede an OIG evaluation. While conducting an independent OIG evaluation of the Certified Defense All-Source Analyst program, DIA management officials, including a DIA senior official, compiled a document containing questions and answers representing a compilation of information from previous OIG interviews. OIG representatives noted this appeared to influence the information they collected. We ultimately determined that although DIA management officials prepared and shared this document, there was insufficient evidence to conclude that DIA management intended to obstruct or impede the evaluation.
2018-005072-OI	11/04/2021	Reprisal and Abuse of Authority Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate an allegation of reprisal made by a DIA employee against two supervisory DIA employees, including a DIA senior official. The Complainant alleged that they received two significantly poor appraisals, without explanation, after they earlier had expressed concerns to DIA management regarding their performance objectives. Additionally, the employee alleged that they were bullied and harassed by the two supervisory DIA employees as well as by a third DIA supervisory employee. We determined that the personnel actions against the employee did not meet the elements of reprisal. Further, there was insufficient evidence to conclude that the three supervisory DIA employees (including the senior official) engaged in abuse of authority. However, we did identify a management deficiency that DIA management failed to follow Agency guidance for processing Joint Duty Assignment requests. As a result, we issued a recommendation to DIA management, which they subsequently implemented as part of a corrective business process.

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2017-005089-OI	11/04/2021	<p>Travel Fraud and Abuse of Authority Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2018–March 31, 2019), we substantiated allegations of false official statements, false claims, and theft of Government funds by two former DIA civilian employees. We determined that between January 19, 2015, and September 2, 2017, the employees fraudulently submitted timesheets while on recurring temporary duty to DIA Headquarters from their permanent overseas duty station. During that same period, they also received unauthorized per diem entitlements and overseas cost-of-living allowance. We estimated a \$100,260.86 loss to the Government, and we referred this case to the U.S. Attorney’s Office for the District of Columbia (USAO DC) since it represented a violation of Federal law. However, they declined to pursue criminal or civil prosecution.</p> <p>We also substantiated allegations of abuse of authority and violation of the Joint Travel Regulation by their supervisory DIA civilian employee. We determined the supervisory civilian employee grossly mismanaged Government funds by failing to prevent the travel fraud. Furthermore, we determined that two of the three employees failed to comply with the basic obligation of public service, including the duty to protect and conserve Government resources as defined by 5 C.F.R. § 2635.101(b)(9), “Basic Obligation of Public Service.” Of note, the two former DIA civilian employees retired from Federal service prior to completion of our investigation. Consequently, although DIA management was unable to take disciplinary action against them, they were able to recover the earlier-lost funds (\$100,260.86) from the former employees. DIA management subsequently issued an official Letter of Reprimand to the supervisory civilian employee.</p> <p>In addition to the above, we also identified three internal management control deficiencies that could have originally prevented this failure to follow proper time and labor and travel procedures. DIA management subsequently implemented corrective procedures and processes to address these deficiencies.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005015-OI	11/04/2021	Time and Labor Fraud Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2019–September 30, 2019), we substantiated allegations of time and labor fraud, false official statements, false claims, and theft of Government funds by a DIA employee. We determined that between August 1, 2015, and August 31, 2018, the employee knowingly prepared, signed, and submitted fraudulent time and labor records. We estimated a \$25,637.26 loss to the Government. We referred this case to the U.S. Attorney’s Office for the Western District of Virginia, since it represented a violation of Federal law. However, the office declined to pursue criminal or civil prosecution. Notwithstanding, DIA management subsequently terminated Federal employment of the (now former) employee. As well, DIA management recovered the lost funds.
2019-005063-OI	11/04/2021	Privacy Act Violation Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate multiple allegations from a DIA employee, who alleged that two DIA senior officials (assigned to two separate Combatant Command [CCMD] Directorates for Intelligence) violated the Privacy Act by sharing the Complainant’s security clearance information and security-related information with select CCMD personnel. We determined there was insufficient evidence to conclude that either senior official violated the Privacy Act. The report of investigation was forwarded to DIA management for their awareness.
2021-000013-OI	11/04/2021	See report summary on page 22 of this report.
2019-005032-OI	11/05/2021	Time and Labor Fraud Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we substantiated allegations of time and labor fraud, false official statements, false claims, and perjury by a DIA employee. The employee fraudulently prepared, signed, and submitted medical documentation from 2017 to 2019, and wrongfully received credit for claimed leave hours totaling 1,135.95 hours. We estimated a \$78,657.24 loss to the Government. Since this case represented a violation of law, we referred this case to the U.S. Attorney’s Office for the District of Columbia, who declined to pursue criminal or civil prosecution. Notwithstanding, DIA management subsequently terminated Federal employment of the (now former) employee. As well, DIA management recovered the lost funds.

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005040-OI	11/05/2021	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate an allegation of reprisal made by a military enlisted member against a supervisory DIA employee. Specifically, the military member alleged that the supervisory employee provided unfavorable comments to the member’s military rater about their work performance in retaliation for the member having shared concerns to leadership about comments the supervisory employee made, which the military member perceived as racist and unprofessional. Furthermore, the military member claimed that as a result they received an annual evaluation that included a promotion recommendation of “Not Ready Now.” We determined that there was insufficient evidence to conclude that the supervisory DIA employee engaged in the prohibited personnel practice of reprisal, abuse of authority, or gross mismanagement. We also found that the military member’s annual evaluation was consistent with documented performance issues throughout their rating period, which occurred before the protected communication. This report of investigation was forwarded to DIA management for their awareness.</p>
2019-005064-OI	11/05/2021	<p>Fraud and Unauthorized Personnel Action Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate an allegation that a DIA military enlisted member committed fraud when they moved from Washington, DC, to Miami, FL without official orders. We determined there was insufficient evidence to conclude that the military member’s actions were fraudulent or represented criminal intent. Furthermore, we determined that the military member moved at their personal expense, with no cost to the Government, and that the move served an official Government purpose. However, we also discovered an inconsistency in the accrual of their basic allowance for housing. Consequently, we made three recommendations to DIA leadership to address three internal management control deficiencies identified during our investigation. DIA management subsequently successfully addressed the recommendations as part of reviewing and implementing corrective business processes.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2020-005015-OI	11/05/2021	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2020–March 13, 2021), we substantiated allegations of reprisal made by a DIA employee against a DIA supervisory employee for reporting the supervisor’s disruptive, in-office relationship with a junior DIA employee to another DIA supervisory employee, who was a senior official. The Complainant said that after they reported the relationship to the senior official, they received a low score on their annual closeout performance evaluation and reassigned to a junior position. We determined there was insufficient evidence to conclude the senior official’s comments on the employee’s annual evaluation and reassignment occurred as retaliation. However, we determined the supervisory DIA employee (non-senior official) violated PPD-19, “Protecting Whistleblowers with Access to Classified Information,” October 10, 2012, and 50 U.S.C. § 3234, “Prohibited Personnel Practices in the Intelligence Community,” by downgrading the employee’s annual performance score from the previous year. This case was not referred to the appropriate Assistant U.S. Attorney for prosecution because we did not substantiate any violation of Federal criminal law. Of note, shortly after completing our investigation, the supervisory DIA employee transferred from DIA to the Office of the Director of National Intelligence (ODNI). As a result, DIA forwarded the report of investigation to ODNI who provided the former supervisory employee with a written counseling that was also placed in their official employment record.</p>
2020-005030-OI	11/05/2021	<p>Unfair Hiring Practice Investigation. As reported in DIA OIG Semiannual Report to Congress with Classified Addendum (October 1, 2020–March 31, 2021), we received a complaint alleging a DIA office executed improper hiring practices when it selected a retiring senior DIA military member for a DIA senior civilian position. We initiated an investigation to establish if the selection was improper. During our initial assessment, we found that the DIA office did not adhere to Agency policy when executing the hiring action; therefore, the Agency rescinded its employment offer. Since the hiring was not completed, we offered that DIA management consider a review the office’s hiring practices and also coordinate refresher training for its human resources personnel.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005052-OI	11/09/2021	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate an allegation made by a DIA employee who claimed they were subject to retaliation by five DIA supervisory employees, three of whom were senior officials. The Complainant alleged that the supervisory employees retaliated against them after having earlier reported security-related issues to the DIA Office of Security. The Complainant believed that they were treated disparagingly and unfairly, worked in a hostile environment, and subjected to verbal abuse and threats for having earlier reporting the security-related issues. We determined that there was insufficient evidence to conclude that any of the supervisory employees engaged in the prohibited personnel practice of reprisal, created a hostile work environment, or abused their authority. This report of investigation was forwarded to DIA management for their awareness.</p>
2018-05043-OI	11/08/2021	<p>Abuse of Authority Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2018–March 31, 2019), we investigated allegations that a DIA military senior official created a hostile work environment, misused Government funds and vehicles, abused his authority, mismanaged office operations, and retaliated against subordinate DIA military members. First, we reviewed the allegation of retaliation and determined it did not meet two of the elements of reprisal as defined by 10 U.S.C. § 1034, “Protected communications; prohibition of retaliatory personnel actions,” as implemented by DoD Directive 7050.06, “Military Whistleblower Protection.” Specifically, there was insufficient evidence to determine that the complainant made a protected communication or was subject to an adverse personnel action. Further, we found insufficient evidence to conclude the military senior official created a hostile work environment, abused authority, or mismanaged office operations. However, we did determine that the military senior official violated “Standards of Ethical Conduct for Employees of the Executive Branch,” 5 C.F.R. § 2635.101(b) (14), specifically, “Basic obligation of public service,” July 1, 2011, by appearing to misuse Government funds and vehicles. Because the subject was an active duty officer, we referred our findings to the Commanding General, U.S. Army Military District of Washington (MDW) for review and consideration and not the U.S. Attorney. As a result, the senior military officer subsequently received a General Officer Memorandum of Reprimand from the Commanding General, MDW.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005058-OI	11/12/2021	<p>Reprisal Investigation. The Department of Defense Office of the Inspector General referred an investigation to DIA OIG that substantiated allegations made by a former DIA military reserve member against two supervisory DIA employees (including a DIA senior official). The Complainant alleged, after having made earlier protected communications, the two supervisory employees suspended the Complainant's access to classified information and also reported derogatory information about the Complainant to the Department of Defense Consolidated Adjudication Facility (DoD CAF). These actions resulted in an incident report being entered into the Complainant's DoD CAF file that affected their eligibility for access to classified information. As a result of the investigation findings, the senior official subsequently served a 5-day suspension (without pay), and the other supervisory employee served a 10-day suspension (without pay). As well, DoD CAF subsequently adjudicated the Complainant's clearance and closed the security incident in their files.</p>
2018-005052-OI	11/17/2021	<p>Reprisal and Abuse of Authority Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2019–September 30, 2019), we did not substantiate allegations of reprisal made by a DIA employee against two supervisory DIA senior officials. However, we did substantiate allegations of abuse of authority against three separate DIA employees, one of whom was a supervisory senior official. Specifically, we determined that all three abused their authority when they prevented the Complainant from obtaining a part-time position with a DIA contract company. DIA management documented the violations in the Agency personnel security database, and disciplinary action by DIA management is pending. DIA management subsequently issued a Letter of Reprimand to each of the three DIA employees.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005069-OI	11/22/2021	<p>Abuse of Authority and Misuse of Government Resources (Prohibited Personnel Practices) Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2019–March 31, 2020), we substantiated allegations of prohibited personnel practices and abuse of authority against a DIA senior official. We determined the senior official leveraged their position of authority and advocated for DIA to hire a member of their family. Further, we determined the senior official abused their authority and developed personal and business relationships for private gain by establishing an Agency outreach program that benefited that same family member’s university and a private organization that the member led. Since this case represented a violation of law, we referred it to the Assistant U.S. Attorney, who declined to prosecute. Notwithstanding, the DIA senior official retired from Federal service, in lieu of termination of Federal employment. Additionally, the Agency established guidance regarding nepotism and the employment and placement process.</p>
2020-005010-OI	12/08/2021	<p>Conflict of Interest and Misuse of IT Systems Investigation. As reported in the DIA OIG Semiannual Report to Congress with Classified Addendum (October 1, 2020–March 31, 2021), we determined that a DIA employee did not commit a conflict of interest by serving as a contract program manager (PM) while their spouse was a contract employee on that same contract. Prior to the DIA employee’s assignment, they sought counsel from the DIA Office of General Counsel and obtained supervisory approval to be the contract PM. The perception of conflicting financial interests and partiality were considered in the decision. Although the DIA employee’s spouse participated on at least two task orders, it was in a limited capacity with no evidence that the spouse billed DIA for work hours related to the task orders. However, we did find evidence that the DIA employee violated DoD Instruction 8550.01, “DoD Internet Services and Internet-Based Capabilities,” September 11, 2012, when the DIA employee used their personal email account, which they shared with their spouse, for official Government business related to the contract. The DIA employee was subsequently counseled by their management and completed remedial training.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005034-OI	12/09/2021	<p>Time and Labor Fraud and Misuse of Government Resources Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we substantiated allegations of time and labor fraud, false official statements, false claims, theft of Government funds, and misuse of Government resources against a DIA employee. We determined that the employee fraudulently prepared, signed, and submitted timesheets from May 13, 2018, to May 25, 2019, totaling 186.54 regular and overtime work hours that they did not work. We estimated a \$7,569.62 loss to the Government. As this represented a violation of law, we referred this case to the U.S. Attorney's Office of the District of Maryland (Southern Division) who declined to prosecute. Notwithstanding, the employee subsequently served a 25-day suspension without pay. As well, DIA management recovered the lost funds.</p>
2014-500058-OI	02/09/2022	<p>Reprisal Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2015–March 31, 2016), we did not substantiate an allegation of reprisal by two DIA supervisory employees against a subordinate employee for having made an earlier protected communication to the DIA OIG Hotline. The Complainant alleged reprisal when they were removed from a supervisory position. We determined the DIA management activities to have been legitimate and to have been made independent of the Complainant's earlier communication to DIA OIG. This report of investigation was forwarded to DIA management for their awareness.</p>

Table C-3: Investigations Closed Since October 1, 2021, Cont'd

Report No.	Date Closed	Summary
2019-005066-OI	03/07/2022	Misuse of Government Resources Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2019–March 31, 2020), we substantiated allegations of misuse of Government resources against a DIA senior official employee. Specifically, the employee used official Government IT systems to complete work for their real estate business and to access sexually explicit and violent content while on official duty. We also determined the employee violated Agency policy that requires employees to report and obtain approval for outside employment. As a result, the employee served a 14-day suspension (without pay). As well, the employee submitted and received approval documenting their outside employment.
2019-005030-OI	03/07/2022	See report summary on page 20 of this report.

Appendix D. Index of Reporting Requirements

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