



Defense Intelligence Agency Office of the Inspector General



SEMIANNUAL REPORT TO CONGRESS

OCTOBER 1, 2023 - MARCH 31, 2024

Defense Intelligence Agency

Office of the Inspector General

Semiannual Report to Congress

1st and 2nd Quarters, Fiscal Year 2024

Additional Information and Copies

The Defense Intelligence Agency (DIA) Office of the Inspector General (OIG) 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 our websites located on the classified systems. 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>.

For more information, report summaries of our audits, evaluations, inspections, investigations, and announcements of ongoing work are also available online at <https://oig.dia.mil/> and at <http://www.oversight.gov>. Full reports are posted on our classified systems.

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Defense Intelligence Agency
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A Message from the IG

Jeremy Kirkland

I am pleased to present the Defense Intelligence Agency (DIA) Office of the Inspector General (OIG) Semiannual Report (SAR) to Congress covering the period from October 1, 2023 to March 31, 2024.

We submit this report at a time of heightened threats to U.S. national security, with the international security environment having deteriorated in recent years due in large part to the actions of strategic competitors. Over the last three years, DIA has made significant organizational changes across the enterprise and with our partners in order to sharpen focus on strategic competition. Lieutenant General (Lt Gen) Jeffrey Kruse became the Agency's 23rd Director on February 2, 2024. During my initial deep dive with Lt Gen Kruse and in our subsequent meetings, I emphasized our commitment to being a good partner in helping DIA maximize its resources to fulfill its mission. In my continued, regular engagements with DIA Senior Leaders, I witness the importance of maintaining strong partnerships and getting the right information to decisionmakers to ensure the Agency is postured for success.

The DIA OIG has recognized the need to review its own organizational structure, and we have had ongoing discussions concerning what an OIG future state should look like in terms of budget and resources. We need to posture ourselves to provide the right oversight at the right time, especially in a resource-constrained operating environment. This self-reflection and refinement will enable us to continue our mission of effective oversight of DIA operations, in turn helping the Agency focus on the right priorities.

One of the goals in the OIG 2023-2028 Strategic Plan is to cultivate a diverse, inclusive, and inspired workforce with the skills to anticipate and resolve future challenges. During this fiscal year, we are focusing on formalizing our OIG Talent Management Program to grow and retain a workforce with the right skills. To this end, we are continuing the dialogue with DIA's Office of Human Resources to strengthen OIG independence in hiring actions. It is important to have the authority to hire the candidates we deem necessary, especially in this highly competitive federal labor market.

Another of DIA OIG's goals is to maximize the value of our oversight for stakeholders and partners through impactful and relevant work. During this reporting period, we continued outreach efforts to our congressional oversight committees, holding very constructive discussions covering significant projects as well as the importance of budget and resource independence. We also initiated bimonthly engagements with the Office of Management and Budget's DIA Monitor.



As we mentioned in our Fall 2023 SAR, DIA OIG has shifted to a risk-based, agile approach to identifying new projects. During this reporting period, we received requests from key stakeholders to look into specific DIA activities. Using the agile approach, we assessed the risk to OIG's overall project portfolio as we shifted resources in order to staff the projects resulting from these inquiries. We were able to minimize the overall impact to OIG's work by sustaining efforts on the other high priority projects as we undertook these new efforts.

In addition to the above, since our last SAR, our Audits and Inspection and Evaluations (I&E) Divisions completed 3 projects, issued 10 recommendations, and closed 12 recommendations. Our Investigations Division closed 16 cases in this reporting period.

- The Audits Division continued their work on DIA's ability to adopt and implement artificial intelligence capabilities; and management and optimization of DIA's research, development, testing, and evaluation funds. These efforts support DIA's strategic objective of mastery of emerging technologies to provide organizational resilience for the rapidly changing operational environment.
- The I&E Division continued the multi-phased evaluation of the leadership, culture, and accountability of the Defense Attaché Service, addressing an FY 2023 Top Management Challenge—Leadership Controls and Oversight.
- The Investigations Division continued its investigative efforts involving the detection and investigation of improperly obtained funds from the Coronavirus Aid, Relief, and Economic Security Act, including suspected instances of identity theft in the 38 inquiries (i.e., cases) that were still open at the time of the last SAR.

I am proud of the excellent work conducted by the entire OIG staff, and I would like to take this opportunity to share some external recognition received by OIG personnel:

- On September 28, 2023, a member of the Investigations Team received a Public Service Award from the U.S. Attorney for the Eastern District of Virginia for a joint investigation (with the Defense Criminal Investigative Service) into labor mischarging allegations against a contracting company, which resulted in a successful civil case.
- On November 26, 2023, eight members of the Audit Team received an audit award for excellence from the Council of the Inspectors General on Integrity and Efficiency (CIGIE) for the audit of DIA's Machine-assisted Analytic Rapid-repository System Program, DIA's first major system acquisition program of record.

These awards reflect OIG staff's commitment to our core values of integrity, excellence, accountability, initiative, and teamwork. Equally important, these awards demonstrate the value we provide to stakeholders. I could not be more proud of the OIG team!

This report, along with other unclassified summaries and reports, can be found on our DIA website, <https://oig.dia.mil>, and the IG community site operated by CIGIE, <https://www.oversight.gov>.



Jeremy Kirkland
Inspector General

Table of Contents

Defense Intelligence Agency	2
A Message from the IG	3
About the Agency	6
About DIA OIG.....	8
Mission, Vision, Values	8
Strategic Goals and Objectives	9
Office of the Inspector General Organization	10
Summary of Audits Division Activity.....	13
Summary of Inspections and Evaluations Division Activity.....	16
Investigative Activity Overview	18
Appendix A. Reports with Recommendations Pending Corrective Actions.....	19
Appendix B. Projects Closed Since October 1, 2023	21
Appendix C. Statutory Reporting Requirements	22
Peer Reviews	25
Federal Financial Management Improvement Act of 1996.....	26
Whistleblower Protections.....	27
Summary of Legislative and Regulatory Review	29
Appendix D. Glossary of Acronyms	30
Appendix C. Source List.....	31

Defense Intelligence Agency

About the Agency



Mission Statement - Provide intelligence on foreign militaries to prevent and decisively win wars.

Defense Intelligence Agency's Strategic Lines of Effort

- **Intelligence Advantage** - Enable global and functional insights in the competition space to understand and illuminate opportunities for warfighters, policymakers, and the acquisition community, to disrupt, degrade, deter, and defeat the adversary's willingness and ability to compete and fight. Integrate planning, collection, and analysis to secure Department of Defense (DoD) first-mover advantage.
- **Culture of Innovation** - Institutionalize an anticipatory environment incorporating risk acceptance, a forward-leaning mindset, and the systems necessary to field advanced interoperable and innovative methods to address the challenges posed by strategic competitors in the current and future operational and technological landscape.
- **Allies and Partnerships** - Develop and strengthen alliances and partnerships to serve as force multipliers that generate strategic and operational advantage across the competition continuum, enabling DIA to outpace U.S. adversaries.

- **Adaptive Workforce** - Develop a trusted workforce through recruitment, development, and retention of vetted, diverse, inclusive, digital-ready, and proactive officers postured for the global operating environment.

Defense Intelligence Agency's Strategic Objectives

1. Agile, integrated, and resilient organization that operationalizes tradecraft-compliant defense intelligence for warfighters, decisionmakers, policy makers, and the acquisition community in order to outpace our strategic competitors and enable integrated deterrence.
2. Sustained global overwatch to identify, track, and provide timely strategic indication and warning on evolving threats to national interests.
3. Innovative and modernized management processes that direct mission-focused activities and investments for DIA and the broader Defense Intelligence Enterprise.
4. Mastery of emerging technologies to provide organizational resilience for the rapidly changing operational environment.
5. Expanded and impactful integration with international allies and partners, other Federal agencies, industry, and academia.
6. Inclusive, diverse, equitable, adaptive, and resilient workforce; strategically recruited, adept in their tradecraft, and skilled in leadership.

About DIA OIG

Mission, Vision, Values



Mission – To promote the efficiency, effectiveness, and integrity of DIA operations and activities through transparent and independent oversight.

Vision – Deliver impactful oversight that drives accountability and positive change in defense of the Nation.

Values –

- Integrity: Courageously adhere to the highest ethical principles, confidentiality, objectivity, and trustworthiness.
- Excellence: Provide the best services, products, and oversight.
- Accountability: Take pride in meeting commitments and hold each other to those commitments.
- Initiative: Take ownership to solve problems and challenges and identify opportunities to better the organization.
- Teamwork: Collaborate internally (working together) and across organizations to achieve common goals.

Strategic Goals and Objectives

OIG Strategic Goal 1: Maximize the Value of OIG Oversight for Stakeholders and Partners Through Impactful and Relevant Work

- Objective 1.1. Strengthen Relationships to Increase Trust.
- Objective 1.2. Increase Capability to Do the Right Oversight Work at the Right Time.
- Objective 1.3. Improve Timeliness and Quality of Work to Enhance Oversight Value.

OIG Strategic Goal 2: Cultivate a Diverse, Inclusive, and Inspired Workforce with the Skills to Anticipate and Resolve Future Challenges

- Objective 2.1. Adapt, Formalize, and Implement Our Talent Management Program to Grow and Retain a Highly-Skilled Workforce.
- Objective 2.2. Increase Mission Literacy, Digital Literacy, and Core Competencies to Create a Ready and Agile Workforce.
- Objective 2.3. Inspire a Culture of Innovation to Meet Future Challenges.

OIG Strategic Goal 3: Optimize OIG Business Operations

- Objective 3.1. Adapt the Organization and Mature Repeatable Processes to Meet the Challenges of a Dynamic Environment.
- Objective 3.2. Enhance OIG's Use of Technology and Data to Improve Organizational Efficiency and Performance.
- Objective 3.3. Align Strategic and Resource Planning to Meet Current and Future Requirements.

Office of the Inspector General Organization



Audits

The Audits Division conducts independent, objective, and nonpartisan oversight of the stewardship, performance, or cost of DIA's operations, programs, and policies. Audits provide essential accountability and transparency over government programs and enable decision makers to improve program performance and operations, reduce costs, facilitate decision making by parties responsible for overseeing or initiating corrective action, and contribute to public accountability.

Inspections and Evaluations

The Inspections and Evaluations Division conducts systematic and independent assessments of the design, implementation, and outcome of DIA's operations, programs, and policies. The division provides a flexible and effective mechanism for conducting oversight with a multi-disciplinary staff and multiple data gathering and analysis methodologies. Inspections and evaluations provide factual and analytical information, measure performance, assess internal controls, assess allegations of fraud, waste, abuse, and mismanagement, as well as identify savings opportunities, highlight best practices, and determine compliance with applicable law, regulation, and policy.

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, may support Agency Intelligence Oversight interests that are grounded in Executive Order 12333, "United States Intelligence Activities," (as amended), which establishes broad principles for the appropriate conduct of intelligence activities.

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. The program's primary role is to receive and evaluate concerns and complaints and determine whether an investigation, audit, inspection, or evaluation is warranted, and, if not, refer the matter to the Agency or another responsible office or agency that is best suited to take appropriate action.

Management and Administration

The Management and Administration (M&A) Division provides advisement, guidance, and integrated institutional support on key mission-critical functions that enable OIG components to conduct their work efficiently and effectively. This responsibility includes providing management of budget and acquisition, human resources, space, information technology, and staff operations, such as administrative support services, production, and editorial support. M&A strives to create and improve administrative and business processes to meet the challenges of a dynamic working environment.

Headquarters

In addition to the Inspector General (IG) and Deputy IG, Headquarters is comprised of those functions that directly support the IG and Deputy, as well as all OIG activities: Counsel to the IG (IGC), Strategy and Performance Management, and Data Analytics Team (DAT). The IGC provides independent and objective legal advice and counsel to the IG directly and all OIG elements on a variety of legal and policy issues that impact the OIG mission. The IGC is also responsible to respond to all requests for OIG records submitted pursuant to the Freedom of Information Act or the Privacy Act. The Strategy Team manages the office's strategic planning process that implements the IG's priorities, to include the office strategy and implementation plans, annual guidance, programming, branding, messaging, and outreach with stakeholders. DAT applies business analytics to analyze historical data, gain new insights, improve strategic decision-making, and drive process improvements within OIG.



Summary of Audits Division Activity

COMPLETED PROJECTS

Audit of DIA's Financial Statements for Fiscal Year 2023, Project 2023-1003, issued November 15, 2023

What We Did: We engaged an independent public accounting (IPA) firm to audit DIA's Fiscal Year (FY) 2023 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 33 of the Classified Addendum.

What We Recommended: Our recommendations can be found in the "Classified Status of Recommendations" table A-8 located on page 43 of the Classified Addendum. Our results continue to provide insight to Agency decision makers as they address risks and gaps related to our FY 2023 DIA Top Management Challenge—Financial Management.

ONGOING PROJECTS

Audit of DIA's Financial Statements for Fiscal Year 2024, Project 2024-1003

Overview. Our objective is to evaluate the reliability of data supporting DIA's financial statements, determine the reasonableness of the statements produced, and examine disclosures in accordance with applicable guidance. We engaged an IPA to conduct this audit. 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 address risks and gaps related to our FY 2023 DIA Top Management Challenge—Financial Management.

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

Audit of DIA's Research, Development, Testing, and Evaluation Funds, Project 2023-1002

Overview. Our objective is to determine whether DIA managed its research, development, testing, and evaluation funds to align with Agency mission priorities and to optimize their use. Project results will provide insight to Agency decision makers to address risks and gaps related to our FY 2023 DIA Top Management Challenges—Leadership Controls and Oversight, and Financial Management.

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

Audit of DIA's Efforts to Adopt and Implement Artificial Intelligence (AI) Capabilities for Intelligence Collection and Analysis, Project 2023-1008

Overview. Our objective is to determine the extent to which DIA's strategic efforts to timely develop, acquire, adopt, and maintain secure and reliable artificial intelligence (AI) capabilities improve intelligence collection and analysis in accordance with applicable policies, standards, and requirements. Additionally, we will assess whether there are any administrative or technical barriers to DIA's accelerated adoption of AI capabilities. Project results will provide insight to Agency progress in applying AI to their intelligence mission in accordance with the Intelligence Authorization Act for FY 2023.

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

Evaluation of DIA's Compliance with the Federal Information Security Modernization Act Project 2024-1002

Overview. This evaluation is an annual statutory requirement, as outline in the Federal Information Security Modernization Act (FISMA) of 2014, as amended (44 U.S.C. § 3551-3558). Our objective is to determine whether DIA's overall information system security program is effective using the FY 2024 Inspector General FISMA reporting metrics. Project results will provide insight to Agency decision makers to use as they address risks and gaps relating to our FY 2023 Top Management Challenge—Information Technology Modernization and Cybersecurity.

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

Audit of DIA's Utilization of Funds, Project 2024-1001

Overview. Our objective is to determine whether DIA continuously applied strategies to optimize the use of funds and took timely monitoring actions to maximize funding of mission requirements. Project results will provide insight to Agency decision makers to address risks and gaps related to our FY 2023 DIA Top Management Challenge—Financial Management.

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

Evaluation of DIA's Compliance with the Payment Integrity Information Act for Fiscal Year 2023, Project 2024-1004

Overview. This evaluation is an annual statutory requirement, as outline in the Payment Integrity Information Act of 2019, as amended (44 U.S.C. § 3351-3358). Our objective is to determine whether, for FY 2023, DIA complied with the requirements of the Payment Integrity Information Act and related implementation guidance for FY 2023. Project results will provide insight to Agency decision makers to address risks and gaps related to our FY 2023 DIA Top Management Challenge—Financial Management.

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



Summary of Inspections and Evaluations Division Activity

COMPLETED PROJECTS

There were no unclassified projects completed by our Inspections and Evaluations division this reporting period. Summaries of the classified projects completed by our Inspections and Evaluations Division can be found in the “Classified Summary of Inspections and Evaluations Division Activity” located on page 35 of the Classified Addendum.

ONGOING PROJECTS

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-2022-2003

Overview. Our objective is to assess the Intelligence Community’s (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 (IC IG) and the Department of Homeland Security Office of Inspector General.

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

Inspection of DIA’s Military Equal Opportunity Program, Project 2023-2006

Overview. Our objective is to determine the Agency’s compliance of DIA’s Military Equal Opportunity Program with applicable statutory, regulatory, and policy requirements. Project results will provide insight to Agency decision makers to address risks and gaps related to our FY 2022 DIA Top Management Challenge—Leadership Controls and Oversight and Human Capital Strategy and Talent Management.

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

Joint Evaluation of the Department of Defense Foreign Materiel Program, Project D2023-DEV0SI-015.000

Overview. Our objective is to assess the efficiency and effectiveness of the DoD Foreign Materiel Program’s policy and resources for integrating Service and Combat Support Agency acquisition and exploitation of foreign materiel. We are conducting this evaluation jointly with the DoD OIG.

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

Evaluation of Leadership, Culture, and Accountability within the Defense Attaché Service - Stages One and Two, Project 2022-2004

Overview. Our objective is to conduct a multi-stage evaluation of leadership, culture, and accountability within the Defense Attaché Service. We will be conducting this project in four distinct stages to ensure comprehensive oversight and publish the results following the completion of fieldwork in each stage. We are currently conducting stages one and two. Project results will provide insight to Agency decision makers to address risks and gaps related to our FY 2022 DIA Top Management Challenge—Leadership Controls and Oversight.

Status. Stage one of this project was in the report writing phase at the end of the reporting period. Stage two was in the fieldwork phase at the end of the reporting period.



Summary of Investigations Division Activity

Investigative Activity Overview

Investigative Statistical Table¹

Investigation Reports Issued in Reporting Period	3
Number of Persons Referred to Prosecutorial Authority (Number of Cases)	0
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

Reprisal and Abuse of Authority Investigations

We completed two investigations involving allegations of reprisal against senior government officials. We did not substantiate reprisal allegations in either of these cases.

Investigations Substantiating Misconduct Involving Senior Officials

We completed two investigations (cited above) involving senior government officials; however, we did not substantiate either of the allegations.

Investigative Activity Support

Pandemic Response Accountability Committee Inquiries

Since October 1, 2023, DIA OIG has not initiated any new proactive inquiries to identify potential fraud involving the receipt of federal funds issued earlier under the Coronavirus Aid, Relief, and Economic Security Act and received by DIA employees. Notwithstanding, DIA OIG continues its investigative efforts involving the detection and investigation of improperly obtained funds, including suspected instances of identity theft in 38 inquiries (i.e., cases) which were still open as of March 31, 2024.

¹ Statistical table was developed by compiling data from DIA OIG's internal Investigations Division database.

Appendix A. Reports with Recommendations Pending Corrective Actions

Per §405 (b)(7), we are identifying each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation. For more information, report summaries of our audits, evaluations, inspections, investigations, and announcements of ongoing work are available online at oig.dia.mil and oversight.gov. Full reports are posted on our Classified websites.

Audit Recommendations

Table A-1: Audit of DIA's Information Technology Services Contracts, Project 2018-1006, issued June 12, 2020

Recommendation 3: 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 Federal Acquisition Regulation 16.401(f).

I&E Recommendations

Table A-2: Evaluation of DIA's Management of Reserve Military Intelligence Capabilities, Project 2020-2005, issued October 29, 2021

Recommendation 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.

Recommendation 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.

Recommendation 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.

Recommendation 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.

Recommendation 05: The Military Integration Office, develop and implement codified roles and responsibilities for management and use of reserve military intelligence capabilities across the Agency.

Table A-3: Evaluation of DIA's Enhanced Personnel Security Program, Project 2022-2001, issued February 10, 2023

Recommendation 01: Directorate for Mission Services, in coordination with the Chief of Staff, the Chief Information Office, and the Office of the Chief Financial Officer, develop a comprehensive Agency-wide investment plan to include scalable resourcing and IT modernization to ensure the Agency is resourced for the implementation and sustainment of Trusted Workforce requirements.

Recommendation 02: Directorate for Mission Services, develop and implement standard operating procedures to ensure the consistent and lawful application of continuous vetting.

Table A-4: Evaluation of Analytic Talent Management: Recruiting and Hiring, Project 2021-2003, issued February 06, 2023

Recommendation 01: Directorate for Mission Services, in coordination with the Career Field Managers and the Equal Opportunity and Diversity Office, update the Integrated Talent Requirements Board charter to require the inclusion of performance metrics and monitoring in annual recruitment and hiring plans to measure the efficacy of recruitment activities against hiring priorities, including diversity.

Table A-5: Enterprise Management Capstone, Project 2022-2003, issued March 13, 2023

Recommendation 02: Chief of Staff, develop and implement:

- policies and procedures for a consistent Agency approach to program management of the Defense Intelligence Agency's enterprise functions in accordance with Intelligence Community and DoD policy; and
- a governance structure to measure performance and consistency of these functions.

Appendix B. Projects Closed Since October 1, 2023

Table B-1:

Inspections and Evaluations Closed Since October 1, 2023
Evaluation of Human Capital Services, Project 2017-2008, closed October 12, 2023
We evaluated DIA's Human Capital Services in accordance with the DIA OIG Annual Plan Fiscal Year 2017.

Table B-2:

Investigations Closed Since October 1, 2023²
Report Number 2023-000030-OI, closed October 4, 2023
We investigated an allegation of reprisal involving a DIA civilian senior official.
Report Number 2021-000068-OI, closed October 23, 2023
We investigated allegations of theft of government funds against a former DIA civilian employee.
Report Number 2023-000019-OI, closed October 23, 2023
We investigated an allegation of reprisal involving a DIA civilian supervisory employee.
Report Number 2023-000107-OI, closed October 23, 2023
We investigated allegations of reprisal made against a DIA civilian senior official.
Report Number 2023-000113-OI, closed January 9, 2024
We investigated allegations of unfair hiring practices involving a DIA civilian senior official.
Report Number 2022-000012-OI, closed January 31, 2024
We investigated allegations of conflict of interest (i.e., nepotism) and abuse of authority involving a DIA civilian senior official and a DIA civilian employee.
Report Number 2022-000013-OI, closed January 31, 2024
We investigated allegations of time and labor fraud involving a DIA civilian employee.

Report Number 2022-000049-OI, closed January 31, 2024
We investigated allegations of theft of government funds involving a DIA civilian employee.
Report Number 2023-000042-OI, closed January 31, 2024
We investigated allegations of reprisal made against a DIA civilian supervisory employee and a DIA civilian senior official.
Report Number 2023-000115-OI, closed January 31, 2024
We investigated allegations of false statements and fraudulent documents involving a DIA civilian employee.
Report Number 2023-000015-OI, closed February 1, 2024
We investigated allegations of time and labor fraud involving a DIA civilian employee.
Report Number 2023-000110-OI, closed February 8, 2024
We investigated allegations of reprisal, abuse of authority, relief without cause, systemic mismanagement, toxic leadership, and hostile work environment made against a DIA military senior official.
Report Number 2023-000114-OI, closed February 12, 2024
We investigated allegations of reprisal and harassment involving a DIA civilian supervisory employee.
Report Number 2021-000082-OI, closed February 28, 2024
We investigated allegations of reprisal, abuse of authority, hostile work environment, and misuse of government funds and resources involving a DIA military senior official.
Report Number 2021-000076-OI, closed February 29, 2024
We investigated allegations of time and labor fraud involving a DIA civilian employee.
Report Number 2023-000101-OI, closed March 1, 2024
We investigated allegations of reprisal involving a DIA civilian senior official.

Appendix C. Statutory Reporting Requirements

Table C-1:

Requirement		Pages
§405 (b)(1)	A description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Agency and associated reports and recommendations for corrective action made by the Office;	Pages 13-17
§405 (b)(2)	An identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation;	Pages 19-20 37-55
§405 (b)(3)	A summary of significant investigations closed during the reporting period;	Pages 21-22
§405 (b)(4)	An identification of the total number of convictions during the reporting period resulting from investigations;	Page 18
§405 (b)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including- (A) a listing of each audit, inspection, or evaluation; (B) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period;	Pages 13-17
§405 (b)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period;	No instances to report.
§405 (b)(7)	The information described under section 804(b) of the Federal Financial Management Improvement Act of 1996 (Public Law 104–208, §101(f) [title VIII], 31 U.S.C. 3512 note)	Page 27
§405 (b)(8)	(A) an appendix containing the results of any peer review conducted by another OIG during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another OIG;	Page 26
§405 (b)(9)	A list of any outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented,	Page 26

	including a statement describing the status of the implementation and why implementation is not complete;	
§405 (b)(10)	A list of any peer reviews conducted by the IG of another OIG during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented;	Page 26
§405 (b)(11)	<p>Statistical tables showing—</p> <p>(A) the total number of investigative reports issued during the reporting period;</p> <p>(B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;</p> <p>(C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and</p> <p>(D) the total number of indictments and criminal information's during the reporting period that resulted from any prior referral to prosecuting authorities;</p>	Page 18
§405 (b)(12)	A description of the metrics used for developing the data for the statistical tables under paragraph (11);	Page 18
§405 (b)(13)	<p>A report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior government employee or senior official, which shall include-</p> <p>(A) the name of the senior government employee, if already made public by the Office; and</p> <p>(B) a detailed description of-</p> <p>(i) the facts and circumstances of the investigation; and</p> <p>(ii) the status and disposition of the matter, including-</p> <p>(I) if the matter was referred to the Department of Justice, the date of the referral; and</p> <p>(II) if the Department of Justice declined the referral, the date of the declination;</p>	Pages 18
§405 (b)(14)	(A) a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and	No instances to report.

	(B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;	
§405 (b)(15)	Information related to interference by the establishment, including- (A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including- (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period;	No instances to report.
§405 (b)(16)	Detailed descriptions of the particular circumstances of each— (A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and (B) investigation conducted by the Office involving a senior government employee that is closed and was not disclosed to the public.	No instances to report.
50 U.S.C. § 3235	Investigations of unauthorized public disclosures of classified information.	No instances to report.
4.U.S.C. §404 (a)(2)	Recommendations concerning the impact of existing and proposed legislation and regulations on the economy and efficiency in the administration of programs and operations administered or financed by DIA, or the prevention and detection of fraud and abuse in the programs and operations.	Page 30

Peer Reviews

§405(b)(8): (A) An appendix containing the results of any peer review conducted by another OIG during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another OIG.

- On September 15, 2023, the Central Intelligence Agency (CIA), OIG's Audits Division completed the external peer review of DIA OIG's Audits Division. The peer review covered the period of July 1, 2020 through March 31, 2023. The CIA OIG reviewed the system of quality control (in conformity with Council of the Inspector General on Integrity and Efficiency (CIGIE) Government Auditing Standards) for DIA OIG's audit operations. CIA issued a pass rating.

§405(b)(9): A list of any outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete.

- We do not have any outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented.

§405(b)(10): A list of any peer reviews conducted by our office of another OIG during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented.

- The Inspections and Evaluations Division supported a peer review of the Central Intelligence Agency OIG, which resulted in no recommendations.
- The Inspections and Evaluations Division led a multi-agency team to complete a peer review of the National Reconnaissance Office OIG's inspections and evaluations work on December 4, 2023. We issued a pass rating and a Letter of Comment with five recommendations.
- The Investigations Division completed a peer review of the National Geospatial-Intelligence Agency OIG as of January 26, 2024; there are no outstanding recommendations.

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 (FFMIA) of 1996. This involves instances when an agency has not met the intermediate target dates established in its remediation plans required by the FFMIA. DIA management stated, in the DIA Agency Financial report for FY 2023, that it is not in full compliance with FFMIA Section 803(a). The DIA financial management systems are not in full compliance with (1) Federal financial management system requirements, and

(2) applicable Federal accounting standards. DIA management's stated goal is to complete corrective actions for this material weakness in FY 2024.

Whistleblower Protections

Counsel to the IG serves as the Whistleblower Protection Coordinator (WPC). The WPC employs a comprehensive strategy to educate all DIA employees about prohibitions on retaliation for protected disclosures or protected communications, means to report allegations of retaliation or reprisal, and remedies for retaliation. DIA employees include service members assigned to DIA, contractors' and subcontractors' employees assigned to a DIA facility or working under a contract awarded or funded by DIA, grantees, sub-grantees, and civilian appropriated fund and nonappropriated fund instrumentality employees. The comprehensive education strategy includes the use of face-to-face engagements, media platforms, and trainings. The strategy seeks to educate all DIA employees about retaliation, the roles of the OIG, other offices to whom an allegation may be reported, means by which an employee may report an allegation of reprisal, the availability of alternate dispute mechanisms, and general matters regarding the implementation and administration of whistleblower protection laws, rules, and regulations. During this reporting period, the WPC addressed every Touchstone class, which is offered every two weeks and is mandatory for all new DIA employees. The WPC also addressed every iteration of the new staff officers' course. Additionally, the IG spoke to the new cadre of senior leaders at the New Executive Onboarding Course. Furthermore, OIG officers participated in other Agency-wide trainings, including Partners in Resolution and Art of Supervision.



Our office continues to inform 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. We reinforce that whistleblowing supports national security by identifying wrongdoing and promoting the efficiency and effectiveness of Agency programs. Whistleblowers 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 a key priority.

We thoroughly review all allegations of reprisal and fully investigate when appropriate. When a case is substantiated, we refer the matter to the appropriate management officials for further action. The facts developed during our investigations are the foundation for the Agency taking corrective actions. Also, if during an investigation, we determine an internal control is lacking, we advise the appropriate management officials of this determination.

We preserve the confidentiality of individuals who provide us with information unless the individual consents to disclosure or the IG determines disclosure is unavoidable during an investigation. During this reporting period the IG did not make any such determination.

During this reporting period, we received 14 complaints alleging reprisal or retaliation (13 from DIA personnel and 1 referral from the DoD IG:

- Two complaints are under active investigation by our office;
- Five complaints did not meet the *prima facie* elements of reprisal;
- Two complaints were determined to fall under the purview of the DIA Office of Equal Opportunity and referred accordingly;
- One complaint was determined to require additional information from the Complainant. However, the Complainant was not 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 or resubmit their complaint, DIA OIG was available to work with them;
- The remaining four complaints are presently under review to determine if they meet the *prima facie* elements of reprisal.

When we determined that a reprisal complaint does not meet the *prima facie* elements of reprisal, we notified the Complainant in writing of our determination and of their right to an external review by the DoD IG and/or the ICIG, as appropriate. We also provided copies of the notifications to the DoD IG and/or IC IG, as appropriate, for their awareness in those cases where the employee sought external review of our determination.

Summary of Legislative and Regulatory Review



Section 404(a)(2) of the IG Act of 1978 requires OIGs 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 to make recommendations in the semiannual reports required by section 405(b). The primary purpose of our review is to assess the impact of the legislation or regulation on the economy or efficiency in the administration of programs and operations administered or financed by DIA, or the prevention or detection of fraud or abuse in these programs and operations. During the reporting period, we reviewed proposed changes to the following:

Legislation	4
Department of Defense Issuances	14
Defense Intelligence Agency Issuances	21
Office of the Director of National Intelligence Issuances	0
Executive Orders	0

APPENDIX D: Glossary of Acronyms

AI: Artificial Intelligence

CIA: Central Intelligence Agency

CIGIE: Council of the Inspector General on Integrity and Efficiency

DAT: Data Analytics Team

DIA: Defense Intelligence Agency

DoD: Department of Defense

FFMIA: Federal Financial Management Improvement Act

FISMA: Federal Information Security Modernization Act

FY: Fiscal Year

HUMINT: Human Intelligence

IC: Intelligence Community

ICIG: Inspector General of the Intelligence Community

I&E: Inspection and Evaluations

IG: Inspector General

IGC: Counsel to the IG

IPA: Independent public accounting

IUS: Internal Use Software

JWICS: Joint Worldwide Intelligence Communications System

M&A: Management and Administration

MW: Material Weakness

NCMI: National Center for Medical Intelligence

OIG: Office of the Inspector General

PP&E: Property Plant & Equipment

QIA: Questionable Intelligence Activities

SAR: Semiannual Report

S/HSM: Significant/highly sensitive matter

SD: Significant Deficiency

SIPR: Secret Internet Protocol Router

WPC: Whistleblower Protection Coordinator

Appendix C. Source List

- DIA OIG Audit of MARS Program, Project 2021-1006, dated 20220926,
- DIA OIG Evaluation of DIA's Government Travel Charge Card, Project 2021-1007, dated 20220214,
- DIA OIG Evaluation of the Defense Attaché Training Program, Project 2021-2005, dated 20220121,
- DIA OIG Management Alert on the Risk to the Accountability for Personnel Assigned to the Defense Attaché Service, Project 2022-2004, dated 20220709,
- Evaluation of DIA's Compliance with the Federal Information Security Modernization Act, Projects 2020-1005, 2021-1008, 2022-1005, dated 20220815,
- Evaluation of the Strategic Competition Group, Project 2023-2002, dated 20230802,
- Management Advisory, Intelligence Oversight Reporting Failure of Media Contact by Defense Attaché Office Moscow, Project 2022-2004_2, dated 20240306,

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