



**Defense Intelligence Agency
Office of the Inspector General**

SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2023 - SEPTEMBER 30, 2023



Defense Intelligence Agency

Office of the Inspector General

Semiannual Report to Congress

3rd and 4th Quarters, Fiscal Year 2023

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 our 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 websites.

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

Defense Intelligence Agency
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Washington, DC 20301-7400

A Message from the IG

Jeremy Kirkland

I am delighted to present the Defense Intelligence Agency (DIA) Office of the Inspector General (OIG) Semiannual Report (SAR) to Congress. This document highlights our oversight efforts from April 1, 2023 to September 30, 2023.

We have progressed into the second phase of our 2023–2028 Strategic Plan, with a focus on achieving several key objectives. These objectives encompass maximizing the value of OIG oversight for stakeholders and partners through impactful and relevant work; fostering a diverse, inclusive, and inspired workforce with the skills to anticipate and resolve future challenges; and optimizing OIG business operations. In harmony with the intended outcomes of our Strategic Plan, over the past year we have initiated significant changes in our programs, processes, and operations to ensure our work remains most efficient and effective. We are pleased to note that these changes are increasingly evident in our activities; some are highlighted below:



- We recognized the need to be more responsive to stakeholder input and the evolving operational environment of the Agency. We aim to regularly engage DIA, as well as congressional and community stakeholders, to address and seek their suggestions and feedback on areas they believe warrant further explanation. While it may not be feasible to look into every suggestion brought forward, our goal is to actively listen to our stakeholders' concerns and prioritize them in our annual planning process.
- Within this reporting period, OIG's Military Equal Opportunity (MEO) project is a good example of our shift toward a more agile approach to discretionary project planning. At the request of the Director, Military Integration Office, we initiated an inspection of DIA's MEO process to ensure compliance with relevant statutory, regulatory, and policy requirements.
- We expanded our risk assessment procedures and conducted our first office-wide tabletop exercise. This collective effort enabled us to pinpoint areas of highest risk to the Agency, leading to the identification of the Top Management Challenges and Emerging Risks. This exercise, which we intend to repeat annually, underscores our commitment to leveraging our diverse talent to do the right oversight work at the right time. The evaluation of DIA's Strategic Competition Group (SCG) is a direct outcome of this high-level risk assessment process.
- We amplified our celebration of National Whistleblower Day, emphasizing the value of whistleblowing and the associated protections through strategic communications. Furthermore, we established booths in the DIA Headquarters' atrium to increase awareness and understanding of our oversight mission and the importance of reporting fraud, waste, abuse, and mismanagement to the Hotline.

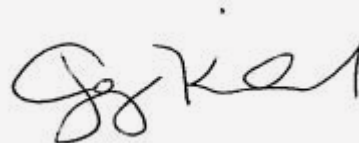
In addition to the above achievements, since our last SAR, our Audits and Inspection and Evaluations (I&E) Divisions successfully completed 6 projects, issued 36 recommendations, and closed 10 recommendations. Our Investigations Division closed 42 cases during this reporting period.

- Our Audits Division focused on critical aspects of information security governance related to Joint Worldwide Intelligence Communications System modernization; the Agency's capacity to adopt and implement artificial intelligence capabilities; and management and optimization of DIA's research, development, testing, and evaluation funds. Ensuring the resiliency and security of DIA's information systems, and its ability to incorporate and manage new technologies, are pivotal to fulfilling the Agency's mission priorities.
- Our I&E Division continued its evaluation of the leadership, culture, and accountability of the Defense Attaché Service, addressing a Fiscal Year 2022 Top Management Challenge—Leadership Controls and Oversight. We are also actively monitoring the implementation of corrective actions by the Office of Partner Engagement following our recommendations for improving foreign disclosure processes and the management of Foreign Disclosure Officers, facilitating intelligence sharing with foreign partners while helping to prevent unauthorized disclosures.
- In addition, our Investigations Division completed 14 of 52 proactive inquiries under the auspices of the Pandemic Response Accountability Committee to identify potential fraud involving the use of federal funds from the Coronavirus Aid, Relief, and Economic Security Act. We found no evidence of fraud by a DIA employee, although we did note that 10 Agency employees were victims of identity theft.

I take immense pride in the accomplishments outlined in this report, which reflect our team's unwavering commitment to our shared values of integrity, excellence, accountability, initiative, and teamwork.

This commitment extends beyond OIG. In my regular engagements with DIA Senior Leaders, I witness their commitment to resolving or mitigating issues identified through our audits, inspections, and evaluations. Together we better equip DIA to provide the critical intelligence that is instrumental in preventing and decisively winning wars.

This product, 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 the Council of the Inspectors General on Integrity and Efficiency, <https://www.oversight.gov>.



Jeremy Kirkland
Inspector General

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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 Defense Intelligence Agency (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 (DIE).
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 IG and Deputy IG, Headquarters is comprised of those functions that directly support the IG and Deputy: 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

Evaluation of DIA’s Compliance with the Payment Integrity Information Act for Fiscal Year 2022, Project 2023-1004, issued May 3, 2023

What We Did. We evaluated the Defense Intelligence Agency’s compliance with the Payment Integrity Information Act (PIIA) for fiscal year (FY) 2022.

What We Found. We found that DIA complied with the PIIA requirements for FY 2022. We also found that DIA made efforts to prevent and reduce improper and unknown payments. For instance, the Office of the Chief Financial Officer has Process Cycle Memoranda which outline disbursement processes, reconciliation processes, and internal controls to identify and reasonably prevent improper payments. As part of the Managers’ Internal Control Program, DIA regularly assessed its payment programs and conducted quarterly and annual control testing. Additionally, the results of our audit of DIA’s Commercial Pay program in FY 2022 did not identify any significant weakness in the internal control design, implementation, and operating effectiveness over DIA’s commercial contract payments.

What We Recommend. We did not issue any recommendations for this evaluation.

Audit of DIA’s Modernization of the Joint Worldwide Intelligence Communications System, Project 2022-1001, issued June 15, 2023

What We Did. Our objective was to determine whether processes for the management of the current Joint Worldwide Intelligence Communications System wide-area network and its modernization plan were designed to maintain network resiliency by meeting present and future security and capability requirements.

What We Found. For more information on the project and results, please see the “Classified Summaries of Audit Division Activity” section on page 36 of the Classified Addendum.

What We Recommend. Our results can be found in the “Classified Status of Recommendations” table A-6 located on page 45 of the Classified Addendum.

Evaluation of DIA’s Compliance with the Federal Information Security Modernization Act, Project 2023-1005, issued August 11, 2023

What We Did. We evaluated the effectiveness of DIA’s overall information security program based on DIA’s implementation of FISMA.

What We Found. For more information on the project and results, please see the “Classified Summaries of Audit Division Activity” section on page 36 of the Classified Addendum.

What We Recommend. Our results can be found in the “Classified Status of Recommendations” table A-4 located on page 42 of the Classified Addendum.

Audit of DIA’s Emergency and Extraordinary Expenses (EEE) Program, Project 2020-1001, issued September 29, 2023

What We Did. We determined whether DIA’s Emergency and Extraordinary Expenses (EEE) were properly authorized and that reimbursements were properly supported.

What We Found. For more information on the project and results, please see the “Classified Summaries of Audit Division Activity” section on page 37 of the Classified Addendum.

What We Recommend. Our results can be found in the “Classified Status of Recommendations” table A-7 located on page 46 of the Classified Addendum.

ONGOING PROJECTS

Audit of DIA’s Financial Statements for Fiscal Year 2023, Project 2023-1003

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 have engaged an independent public accountant (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 risk gaps related to our FY 2022 DIA Top Management Challenge—Financial Management.

Status. The project was in the fieldwork 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 risk gaps related to our FY 2022 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 Intelligence Authorization Act for FY 2023.

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

Summary of Inspections and Evaluations Division Activity

COMPLETED PROJECTS

FY 2023 Report on Classification, Project 2023-2001, issued April 28, 2023

What We Did. We evaluated the accuracy of DIA’s application of classification and handling markers on a representative sample of finished intelligence reports produced in FY 2023. We also reviewed the processes and policies related to the declassification of Agency records.

What We Found. The results of our FY 2023 report were consistent with the preceding reports; we did not make new findings or add new recommendations in the FY 2023 report. For more information on the results from our FY 2021 report, please see the “Classified Inspections and Evaluations Division Recommendations” section on page 51 of the Classified Addendum.

What We Recommend. We did not issue any new recommendations. Each of the seven recommendations we issued in our FY 2021 Report on Classification remain open.

Our results continue to provide insight to Agency decision makers to use as they address risk gaps related to our FY 2023 DIA Top Management Challenge – Information Security Governance.

Evaluation of the Strategic Competition Group, Project 2023-2002, issued August 2, 2023

For more information on this project, please see the “Classified Summaries of Inspections and Evaluations Division Activity” section on page 39 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 Intelligence Community Inspector General 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 with applicable statutory, regulatory, and policy requirements for DIA’s Military Equal Opportunity Program. Project results will provide insight to Agency decision makers to address risk 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 fieldwork phase at the end of the reporting period.



Evaluation of Leadership, Culture, and Accountability within the Defense Attaché Service - Stage 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 risk 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.

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 Department of Defense Office of the Inspector General.

Status. The joint project was in the planning 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	9
Number of Persons Referred to Prosecutorial Authority (Number of Cases)	3
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 six investigations involving allegations of reprisal or abuse of authority from this and prior reporting periods. We did not substantiate reprisal allegations in any of the six cases. However, we did substantiate an abuse of authority allegation against a former DIA military officer in one case.

Investigations Substantiating Misconduct Involving Senior Officials

Reprisal and Abuse of Authority Investigation, Case 2021-000082-OI, issued June 9, 2023

What Was Alleged. We investigated allegations of reprisal, abuse of authority, hostile work environment, and misuse of Government funds and resources made against a U.S. Army senior officer (i.e., Colonel [O-6]), formerly assigned to DIA.

What We Found. We determined there was insufficient evidence to conclude that the officer engaged in the prohibited personnel practice of reprisal against the Complainant in violation of title 10, United States Code, Section 1034 (10 U.S.C. § 1034), "*Protected Communication: Prohibition of Retaliatory Actions*" or misuse of Government funds and resources. However, we substantiated that the officer had abused his authority by misusing his subordinates to perform actions outside of their assigned duties and created a hostile work environment.

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

What We Concluded. The preponderance of the evidence substantiated the allegations of abuse of authority and creating a hostile work environment. As the military officer was no longer assigned to DIA by the time the investigation was completed, we requested that Agency management provide the results of our investigation to the officer's gaining command for review and action as they deem appropriate.

Investigative Activity Support

Pandemic Response Accountability Committee Inquiries

Since April 1, 2023, DIA OIG initiated 52 proactive inquiries to identify potential fraud involving the receipt of federal funds issued earlier under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and received by DIA employees. Our investigative efforts involve the detection and investigation of improperly obtained funds, including suspected instances of identity theft. As of September 30, 2023, DIA OIG has completed 14 (of 52) inquiries without noting evidence of fraud by a DIA employee, although we did note that ten Agency employees were victims of identity theft. Inquiries continue in the remaining 38 cases.

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).

Potential Cost Savings. We found that more than \$438,000 in award fee payments could have been used for other mission requirements. As of September 30, 2023, no management decision has been made because the associated recommendation has not been completed. This makes the action overdue by 6 months or more.

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 8, 2023

Recommendation 01: Deputy Director for Global Integration, in coordination with the Directorate for Intelligence, Joint Staff, identify the Defense Intelligence Agency's Defense Intelligence Enterprise Manager concerns about limitations to the fulfillment of enterprise authorities and request and

document the Office of the Undersecretary of Defense for Intelligence and Security's response to them.

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.

Investigations Recommendations

**Table A-6: False Claims and Negligence in Performance of Duties Investigation,
Case 2018-005068-OI, issued April 11, 2022**

Recommendation 01: Office of the Chief Financial Officer, determine whether the circumstances surrounding the funding of the associated special project amounted to a potential Anti-deficiency Act violation and, if a violation occurred, take the appropriate steps to correct the violation.

Appendix B. Reports Closed Since April 1, 2023

Table B-1:

Audits Closed Since April 1, 2023
Evaluation of DIA's Compliance with the Payment Integrity Information Act for Fiscal Year 2022, Project 2023 1004, closed May 3, 2023
We evaluated the Defense Intelligence Agency's compliance with the Payment Integrity Information Act (PIIA) for fiscal year (FY) 2022. We found that DIA complied with the PIIA requirements for FY 2022. We also found that DIA made efforts to prevent and reduce improper and unknown payments.
Evaluation of DIA's Compliance with the Payment Integrity Information Act for Fiscal Year 2022, Project 2023 1004, closed September 28, 2023
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.

Table B-2:

Investigations Closed Since April 1, 2023
Report Number 2021-000043-OI, closed April 5, 2023
We investigated allegations of reprisal and abuse of authority, and hostile work environment made against a DIA civilian supervisory official.
Report 2021-000074-OI, closed April 5, 2023
We investigated allegations of reprisal made against a DIA civilian senior supervisory official.
Report Number 2019-005044-OI, closed May 9, 2023
Along with the Defense Criminal Investigative Service (DCIS) and the Defense Contract Audit Agency (DCAA), we investigated allegations of cost mischarging involving a company contracted to provide services to DIA.
Report Number 2023-000040-OI, closed May 12, 2023

We investigated allegations of travel-related fraud made against five DIA employees and referred the complaint to a combatant command.

* (Note: Preliminary review by DIA OIG determined that the combatant command was responsible for the travel funding and also had disciplinary authority over the employees.)

Report Number 2021-000063-OI, closed May 15, 2023

We investigated an allegation of reprisal made against a DIA military supervisory officer (i.e., U.S. Air Force reserve officer).

Report Number 2021-000063-OI, closed May 15, 2023

We investigated an allegation of reprisal made against a DIA military supervisory officer (i.e., U.S. Air Force reserve officer).

Report Number 2021-000066-OI, closed May 16, 2023

We investigated allegations of time and labor fraud involving a DIA civilian employee.

Report Number 2022-000043-OI, closed May 19, 2023

We investigated allegations of reprisal made against a DIA civilian supervisory officials and a DIA military supervisory officer (i.e., U.S. Army officer).

Report Number 2022-000055-OI, closed May 22, 2023

We investigated allegations of reprisal made against two DIA civilian supervisory officials (including one senior supervisory official).

Report Number 2019-005071-OI, closed May 30, 2023

We investigated allegations of bribery involving a DIA civilian employee.

Report Number 2023-000020-OI, closed June 01, 2023

We investigated an allegation of reprisal made against a DIA civilian senior supervisory official.

Report Number 2021-000064-OI, closed June 19, 2023

We investigated allegations of employee misconduct (i.e., inappropriate relationship & ethical misconduct) involving a DIA civilian senior official.

Report Number 2022-000058-OI, closed June 19, 2023

We investigated allegations of abuse of authority, unfair hiring practices, security violations, and ethics violations made against two DIA civilian senior officials.

Report Number 2021-000079-OI, closed July 19, 2023

We investigated allegations of employee misconduct (i.e., failure to observe regulation or order) and violation of Agency guidance by a DIA civilian employee.

Report Number 2023-000039-OI, closed August 03, 2023

We investigated allegations of reprisal made against a DIA civilian supervisory official.

Report Number 2020-005019-OI, closed August 09, 2023

We investigated allegations of cost mischarging by a contractor who had formerly worked at DIA.

Report Number 2021-000071-OI, closed September 15, 2023

We investigated allegations of reprisal made against two DIA civilian senior supervisory officials.

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 20-22. 41-59
§405 (b)(3)	A summary of significant investigations closed during the reporting period;	Pages 23-25
§405 (b)(4)	An identification of the total number of convictions during the reporting period resulting from investigations;	Page 8
§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 29
§405 (b)(8)	(A) an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or	Page 29

	(B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General;	
§405 (b)(9)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete;	Page 29
§405 (b)(10)	A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General 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 29
§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 informations 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>(l) if the matter was referred to the Department of Justice, the date of the referral; and</p>	Pages 18-19

	(II) if the Department of Justice declined the referral, the date of the declination;	
§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 (B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;	Pages 18, 30-31
§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 32

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 CIGIE Government Auditing Standards) for the DIA Audits operations. CIA issued a pass rating.

§405(b)(9): A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General 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 Office of Inspector General 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 Audits Division completed a peer review of the Intelligence Community Inspector General; there are no outstanding recommendations.
- The Inspections and Evaluations Division is supporting a peer review of the National Security Agency OIG and is leading a peer review of the National Reconnaissance Office OIG. The Investigations Division is leading a peer review of the National Geospatial-Intelligence Agency (NGA) during the latter quarter of FY 2023 through the first quarter of FY 2024.

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 2022, 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 stated that it expected this material weakness would continue, with a correction target of 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 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, an OIG officer participated in other Agency-wide trainings, including Partners in Resolution and Art of Supervision. Moreover, in celebration of the National Whistleblower Day, OIG published an article in an Agency-wide communique highlighting the value of whistleblowing and the associated protections, handed out OIG slick sheets at the entranceways of Agency headquarters, and set-up a booth in the atrium to answer questions about whistleblower protections.

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. The results of individual investigations and corrective actions taken are reported on page 18-19 of this report. 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 Inspector General determines disclosure is unavoidable during an investigation.

During this reporting period, we received 20 complaints alleging reprisal or retaliation (19 from DIA personnel and 1 referral from Department of Defense Office of the Inspector General [DoD IG]):

- Seven complaints are under active investigation by our office;
- Three complaints did not meet the *prima facie* elements of reprisal;
- One complaint was subsequently voluntarily withdrawn by the Complainant, prior to DIA OIG completion of its preliminary review;
- The remaining nine complaints are presently under review to determine 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 Complainants in writing of our determination and of their right to an external review by the IC IG and/or the DoD IG, as appropriate. 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.

Summary of Legislative and Regulatory Review



Section 404(a)(2) 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 to make recommendations in the semiannual reports required by section 405(b). The primary purpose of our reviews is to assess the impact of proposed legislation or 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 these programs and operations. During the reporting period, we reviewed proposed changes to the following:

Legislation	8
Department of Defense Issuances	21
Defense Intelligence Agency Issuances	11
Office of the Director of National Intelligence Issuances	2
Executive Orders	0

APPENDIX D. Glossary of Acronyms

ADA: Americans with Disabilities Act

AI: Artificial Intelligence

CARES Act: Coronavirus Aid, Relief, and Economic Security

CIA: Central Intelligence Agency

CIO: Chief Information Office

CS: Office of the Chief of Staff

DAT: Data Analytics Team

DIA: Defense Intelligence Agency

DoD: Department of Defense

EEE: Emergency and Extraordinary Expense

FY: Fiscal Year

FISMA: Federal Information Security Management Act of 2002

IAW: in accordance with

IC: Intelligence Community

ICF: Intelligence Contingency Funds

IC IG: Intelligence Community Inspector General

IG: Inspector General

IPA: Independent Public Accounting

JDA: Joint Duty Assignment

JTR: Joint Travel Regulations

M & A: Management and Administration

NGA: National Geospatial Intelligence Agency

OHR: Office of Human Resources

OIG: Office of the Inspector General

PAF: Promotion Assessment Form

PA: Personnel Action

PD: Protected Disclosures

PIIA: Payment Integrity Information Act

QIA: Questionable Intelligence Activity

SEC: Office of Security

TDY: Temporary Duty

USMC: United States Marine Corps

USN: United States Navy

WAN: Wide Area Network

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