

OFFICE OF THE INSPECTOR GENERAL  
OF THE INTELLIGENCE COMMUNITY

APRIL 1 – SEPTEMBER 30, 2015

# SEMIANNUAL REPORT

## TO THE DIRECTOR OF NATIONAL INTELLIGENCE

The Honorable I. Charles McCullough, III



# CONTENTS

IC IG FORUM

AUD

I&amp;E

INV

COUNSEL

<b>OVERVIEW</b>	<b>6</b>	<b>RECOMMENDATIONS SUMMARY</b>	<b>21</b>
<b>IC IG FORUM ACTIVITIES</b>	<b>8</b>	<b>INVESTIGATIONS</b>	<b>23</b>
Committee Updates		Completed Investigations	
IC Whistleblowing & Source Protection		IC IG Hotline	
<b>AUDIT</b>	<b>13</b>	<b>COUNSEL</b>	<b>27</b>
Completed Audits		Legal and Policy Reviews	
Ongoing Audits		Legislative Reviews	
<b>INSPECTIONS &amp; EVALUATIONS</b>	<b>18</b>	Congressional Engagements	
Completed Reviews			
Ongoing Reviews			



Shutterstock

## INTEGRITY AND ACCOUNTABILITY ARE THE BUILDING BLOCKS OF A STRONG AND EFFECTIVE INTELLIGENCE COMMUNITY.

### DURING THIS REPORTING PERIOD

the Office of the Inspector General of the Intelligence Community conducted inspections and investigations in accordance with Standards adopted by the Council of the Inspectors General on Integrity and Efficiency. Audits were conducted in accordance with Generally Accepted Government Auditing Standards.

The IC IG had Full and Direct Access to all information relevant to performing its duties.

The IC IG issued no administrative Subpoenas.

The IC IG tracked and provided technical drafting assistance to Congressional Efforts related to the IG Empowerment Act designed to enhance the authorities of federal Inspectors General. The IC IG worked with the IC IG Forum Counsels' Committee, the congressional oversight committees, and the Council on Inspectors General on Integrity and Efficiency Legislative Committee to ensure IC equities were considered throughout the legislative process.

Through these efforts, and when this legislation is enacted, all IC IG Forum members will receive testimonial subpoena authority; the IC IG Forum will remain as the body designated to resolve IC IG jurisdictional disputes; and IC IG Forum members will continue reporting requested information to the appropriate oversight committees.

The Status of IC IG Recommendations, along with the ODNI component(s) responsible for the corresponding corrective action, is listed in the classified annex of this report.

ODNI held 49 Conferences costing between \$20,000 and \$100,000. Details are in the classified annex.

Information on the status of Whistleblower Issues is in the IC IG Forum Activities section on page 10. In FY 2015, IC IG processed 11 congressional disclosures and three requests for PPD-19 and/or ICD-120 external review.

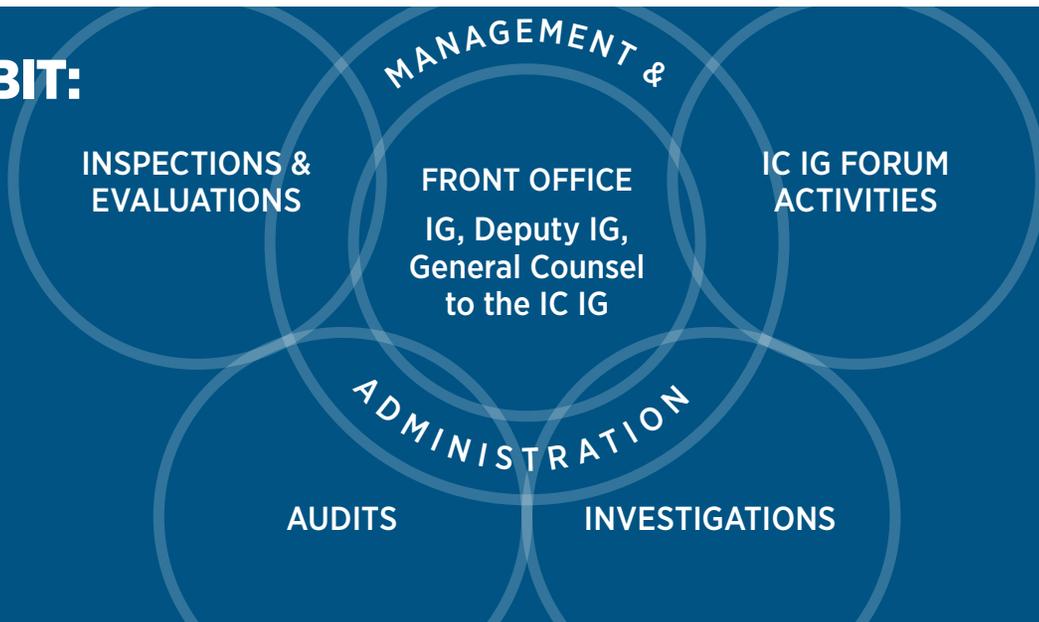
Descriptions of closed Investigations are on page 24. The IC IG substantiated one misconduct allegation against a GS-15 or above government employee.

Our  
**OVERSIGHT**  
provides **INSIGHT**  
and

# HELPS GUIDE DECISION-MAKING

## WE VALUE AND EXHIBIT:

**INTEGRITY**  
**INDEPENDENCE**  
**PROFESSIONALISM**  
**INTEGRATION**  
**OBJECTIVITY**  
**ACCOUNTABILITY**  
**DIVERSITY**  
**DISCIPLINE**



### Organization

The Inspector General of the Intelligence Community was established by the Intelligence Authorization Act for Fiscal Year 2010. IC IG has authority to initiate and conduct independent audits, inspections, investigations, and reviews of programs and activities within the DNI's responsibility and authority.

The organization's senior management team includes the Inspector General, Deputy IG, General Counsel, four Assistant Inspectors General and two program Executive Directors. The principal operational divisions are Audit, Inspections & Evaluations, and Investigations. The Management & Administrative Division and the General Counsel's Office support the operational divisions and the IC IG Front Office. The

Executive Director for Intelligence Community Whistleblowing & Source Protection and the Executive Director for the IC IG Forum support IC-wide Inspector General activities.

In May 2015, the Intelligence Oversight Division was realigned under the Inspections & Evaluations Division. This new construct allows for more IC IG personnel to focus on independent oversight of intelligence, counterintelligence, and intelligence-related activities, and ensures intelligence activities performed by IC elements comply with applicable laws, policies, directives, and Executive Orders.

### Mission

We conduct independent and objective audits, inspections, investigations, and reviews to promote economy, efficiency, effectiveness, and integration across the Intelligence Community.

### Vision

Speak truth; enable excellence in management and accountability.

### Core Values

**Integrity:** We are honest, trustworthy, accountable for our actions, and committed to fulfilling our mission.

**Professionalism:** We hold ourselves to the highest standards of technical proficiency and treat others with courtesy and respect.

# WE ENABLE THE IC'S NATIONAL SECURITY MISSION BY PROVIDING ODNI'S LEADERS WITH OBJECTIVE INSIGHT INTO THEIR ORGANIZATION'S STRENGTHS AND WEAKNESSES.

**Independence:** We conduct our mission free of external influence, and provide objective assessments, advice, and conclusions regardless of political or personal consequence.

## Diversity

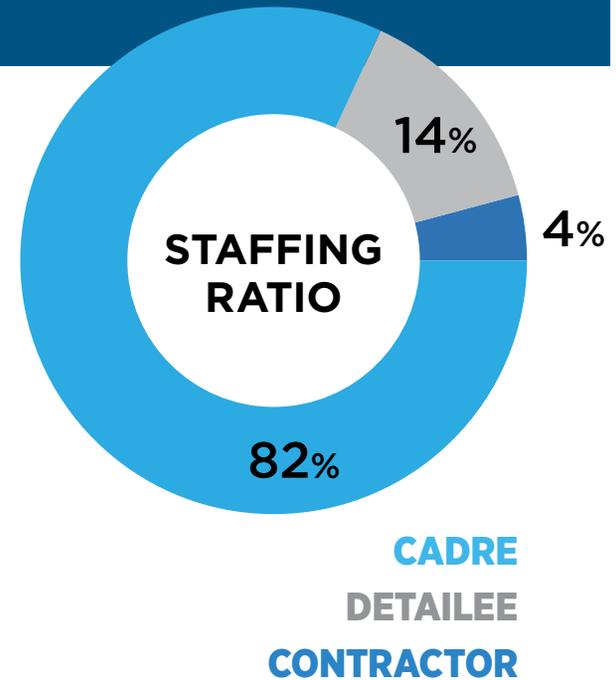
A key to our success is promoting diversity in all aspects of our mission. Our professional and innovative culture demonstrates the value we place in having a diverse workforce. This is true with our hiring and promotion practices, as well as our efforts to support current IC IG staff who wish to develop and enhance their skill sets by learning a new IG discipline or participating in a Joint Duty assignment. Our commitment to diversity ensures we maintain an equitable working environment that can fully leverage the varied IG expertise and Intelligence Community backgrounds of our staff.

## Resources Funding

The ODNI provided adequate funding to fulfill the IC IG's mission during this reporting period. The budget covered personnel services and general support, including travel, training, equipment, supplies, IT support, and office automation requirements.

## Personnel

The IC IG has a diverse group of talented and highly-skilled employees who provide subject matter expertise; and include cadre (permanent employees), joint duty detailees (employees from other IC organizations), and contractors. Additional personnel details are listed in the classified annex of this report. ■



# IC IG FORUM ACTIVITIES

# The IC IG Forum is composed of IGs who have oversight responsibilities for Intelligence Community elements.

Established by the Fiscal Year 2010 Intelligence Authorization Act and chaired by the Intelligence Community Inspector General, the IC IG Forum is composed of IGs who have oversight responsibilities for Intelligence Community elements. The IC IG uses the Forum to clarify, identify, and prioritize IC-wide projects; to seek key IG stakeholder project buy-in; and to develop strategies on how to best leverage the limited IG resources across the community. The IC IG's Deputy IG, General Counsel, and Assistant Inspectors General each chair Forum committees.

## Committee Updates

### Audit

The Audit Committee met twice this reporting period and discussed their respective workplans. These plans included the Federal Information Security Modernization Act; the Improper Payments Elimination and Recovery

Improvement Act; government charge cards; a congressionally directed action to audit an IC component's compliance with National Intelligence Program guidelines; and the IC Information Technology Enterprise audit. In addition, the Audit Committee hosted a guest speaker from OMB to discuss IG responsibilities in conducting statutory financial management audits and reviews.

### Counsels

The Counsels Committee met several times during the reporting period to discuss jurisdictional issues for IC-wide projects, legislative impacts to the IC IG community, congressional correspondence, and training opportunities. The committee worked closely with the Council of Counsels to Inspectors General, which has a similar mandate to provide general advice and counsel to the Council of Inspectors General on Integrity and Efficiency. The CCIG and the Counsels Committee collaborated on several

initiatives to address concerns unique to IC IG Forum members.

### Inspections

The Inspections Committee met twice during this reporting period. They discussed lessons learned from a joint U.S. Embassy inspection; pending IG-related legislation; key findings from the IC IG's community suspension and debarment programs evaluation; IC intelligence oversight programs review results; planned assessments of community collection programs; and the peer review program, among several other topics.

An Assistant Special Agent in Charge from the Special Inspector General for Afghanistan Reconstruction also briefed the Inspections Committee on their mission, processes, and outcomes of recent inspections.

## Investigations

The Investigations Committee meetings included a briefing on and discussion of Peer Review Assessments from NASA OIG.

The committee also discussed the National Counterintelligence and Security Center study on Heritage Americans' security clearance processing; unauthorized disclosures and the corresponding draft Intelligence Community Directive 701 (Deterrence, Detection, Reporting and Investigation of Unauthorized Disclosures of Classified National Intelligence); synchronizing whistleblower complaints processing among the OIGs under Presidential Policy Directive 19 provisions; and coordinating joint investigations across the IC IG community.

## Management & Administration

The Management & Administration Committee conferred on equal employment opportunity & diversity; career management; the 2016 International Intelligence Review Agencies Conference coming to D.C. Sept. 25-28, 2016; and human resources capabilities.

The Chief of IC Equal Employment Opportunity & Diversity briefed the committee on current diversity initiatives taking shape across the IC and how committee members can help expand diversity within the IC elements. The group also exchanged ideas on best practices for developing IG officers for leadership positions, overcoming hiring challenges, and the impact of a rank-in-person structure vs. rank-in-position structure on the IG workforce.

## IC Whistleblowing & Source Protection

The IC Whistleblowing & Source Protection Program measures activity in four areas: outreach, training, congressional disclosures, and requests for external review. FY 2015 was busy and the program closed the year with increased activity in three of the four areas.

### Operations

IC Whistleblowing operations fall into two categories: promoting and facilitating lawful disclosures to the Congress through the Intelligence Community Whistleblower Protection Act, and processing requests for external review under PPD-19: Protecting Whistleblowers With Access to Classified Information.

### Congressional Disclosures

Eleven congressional disclosures from three different IC elements were processed in FY 2015. The allegations presented a wide variety of topics, some of which met the statutory definition of "urgent concern" as outlined in the Intelligence Community Whistleblower Protection Act. The IC IG's efforts ensured the congressional committees were kept fully informed.

### PPD-19 Reviews

Requests for external OIG review under PPD-19 have increased significantly during this reporting period. Because PPD-19 requires a complainant to first go through or "exhaust" their agency's OIG review process, these requests are only recently becoming ready for the IC IG's

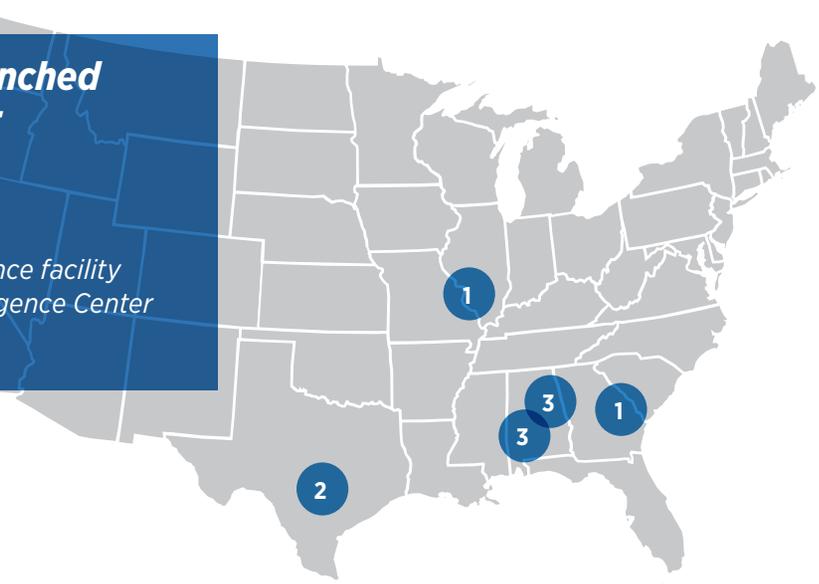


Numbers reflect FY 15 totals.

consideration. Requests that have not already received a full agency IG review will likely be returned to the complainant to seek an agency OIG review, as long as there are no apparent conflicts of interest that would prevent the agency OIG from conducting the review.

**IC Whistleblowing launched its outreach efforts to:**

1. NGA in Missouri
2. NSA in Texas and Georgia
3. DIA's Joint Reserve Intelligence facility and Missile and Space Intelligence Center in Alabama



**Outreach**

Outreach stakeholders include IC employees, detailees, contractors; the leadership of IC elements; and corporate leaders providing contract support to the IC. Each of these stakeholder communities must understand the responsibilities to report wrongdoing; enable and assist those who are making proper disclosures that protects classified information; and ensure protection from reprisal for blowing the whistle. To reach this audience, the IC Whistleblowing Program provided subject-matter expertise to the ODNI to create and launch *IC Whistleblowing*, a web-based training for IC employees. This annual training requirement is in addition to the launch of the new *IC IG News Summary*, which is provided to IC Whistleblowing Program stakeholders and others.

Another new program initiative is to visit and educate IC elements outside of the Washington Metropolitan Area on their IC Whistleblowing rights and responsibilities.

Between June and September 2015, IC IG representatives traveled to NGA West in Missouri; NSA Texas and Georgia; and two DIA facilities in Alabama. These visits included working groups with key stakeholders from all levels of the organization. Going forward, we intend to visit one site each quarter to prompt local agencies to execute PPD-19 and ICD-120.

Outreach also included a personal briefing to a HPSCI member, a group briefing to the Senate's Whistleblower Caucus, as well as participating in a working group to draft National Action Plan 3.0 in the Administration's Open Government and Transparency Initiative.

**Training**

The training component of the IC Whistleblowing Program is distinct from outreach efforts because it's directed toward the people executing the IC whistleblowing mission, rather than those using the program to make lawful disclosures. During the second half of FY 2015, the program was focused on IC and Executive Branch personnel responsible for implementing PPD-19 and ICD-120 and included briefings at the Annual Intelligence Community Inspectors General Conference, the General Accounting Office, the CIGIE Assistant Inspectors General for Investigations' Annual Training Program, and liaison with the CIGIE Whistleblower Protection Ombudsman Working Group. ■



CONTENTS

IC IG FORUM

**AUD**

I&E

INV

COUNSEL

# AUDIT

# THE AUDIT DIVISION conducts performance and financial audits and IC-wide projects related to information technology, procurement, acquisitions, internal controls, financial statements, and financial management.

## Peer Review

Generally Accepted Government Auditing Standards require audit organizations that perform audits and attestation engagements of Federal Government programs and operations undergo an external peer review every three years. Peer reviews typically include an audit documentation review, functional area tests, and staff interviews. Federal audit organizations receive a peer review rating of pass, pass with deficiency, or fail.

During this reporting period, the Department of Treasury OIG conducted a Peer Review of IC IG's Audit Division and provided a "pass with deficiency" rating. The IC IG Audit Division accepted the rating and began implementing recommendations that address the findings.

## Completed Audits

### *AUD-2015-002: ODNI's FY 2014 Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012*

IPERIA requires each executive agency undergo an annual IG compliance review. IC IG conducted the FY 2014 review of ODNI in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. We determined ODNI was in compliance with IPERIA requirements. ODNI also adequately addressed prior year recommendations regarding sufficiency of documentation before disbursing a contract payment, and initiated efforts to determine cost-effectiveness of recapture audits.

### *AUD-2015-003: Joint IC IG Forum Intelligence Community Information Technology Enterprise Survey*

In the most recent National Intelligence Strategy, the DNI outlined six IC enterprise objectives. IC OIGs were particularly interested in the Information Sharing and Safeguarding Objective, which highlights the IC Information Technology Enterprise and efforts to transform agency-centric information technology to a common platform.

Given the objectives' importance, we conducted an IC-wide survey to gain a thorough understanding of IC ITE and identified three potential topics for future IC ITE-related audits: data tagging, cost recovery, and the IC elements' transition to the IC Cloud. Based upon survey results, we kicked off the first IC ITE audit in August 2015 focusing on the IC Cloud Transition.



## Ongoing Audits

### *AUD-2015-004: FY 2015 ODNI Compliance with the Federal Information Security Modernization Act of 2014 Evaluation*

FISMA requires an annual independent evaluation of the agency's information security program and practices, and the IC IG performs this evaluation for ODNI. We will determine the effectiveness and status of the information security program for ODNI's internal operations, using the Department of Homeland Security's FY 2015 IG FISMA metrics.

We will issue our report by December 2015. FISMA recommendations from FY 2014 and FY 2012 are detailed in the classified annex of this report.



### *AUD-2015-005: Audit of the FBI's Compliance with the ODNI's National Intelligence Program Guidelines for Reprogramming and Transfer Actions of Funds for FY 2014*

IC IG received a congressionally directed action through the Intelligence Authorization Act for FY 2013 to review FBI's NIP funds reprogramming and transfer authorities.

We now have sufficient resources to perform the work. The audit will highlight:

1. Historical factors that impact ODNI policies for NIP reprogramming actions, transfers, and related reporting;
2. Policies used to properly manage reprogramming and transfers of NIP resources throughout the IC; and
3. FBI's compliance with ODNI's policies for NIP reprogramming action, transfers, and related reporting.

We plan to issue the final report in January 2016.

### *AUD-2015-006: Transition to the Intelligence Community Cloud Audit*

The DNI, along with Intelligence Community leadership, determined that establishing a common IT architecture across the IC could advance intelligence integration, information sharing, and enhance security while creating efficiencies. This led to the Intelligence Community Information Technology Enterprise, an IC-wide initiative coordinated through the Office of the Intelligence Community Chief Information Officer.

IC ITE's sharing capability is enabled by a cloud-based architecture known as the IC Cloud – a secure resource delivering IT and information services and capabilities to the entire community. The cloud will allow personnel to share data, systems, and applications across the IC. The IC elements' effective transition to the IC ITE cloud environment is key to achieving the initiative's overarching goals and as such, systems working together in a cloud environment creates potential security concerns.

# WE HELP BRIDGE THE GAP BETWEEN KNOWING AND UNDERSTANDING.

In particular, information system security risks or vulnerabilities to one IC element operating within IC ITE may put all IC elements at risk.

Information from a joint IG survey of 10 IC elements suggested that the elements may have the differing interpretations of policies and requirements, or are not fully aware of their responsibilities for transitioning to the IC Cloud. As a result of these preliminary observations, IC IG initiated an audit that will:

1. Assess how the IC elements are planning to transition to the IC ITE Cloud environment;
2. Determine IC elements' progress in implementing cloud transition plans; and,
3. Compare how IC elements are applying the risk management framework to obtain authorizations to operate on the IC Cloud.

We plan to issue a report by the end of the first quarter of FY 2017.

## *AUD-2015-007: FY 2015 Consolidated Federal Information Security Modernization Act of 2014 Capstone Reports for Intelligence Community Elements' Inspectors General*

This project will focus on FY 2015 FISMA report submissions from the OIGs for the IC elements operating or exercising control of national security systems. We will summarize 11 IC elements' information security program strengths and weaknesses; identify the cause of the weaknesses in these programs, if noted by the respective OIGs; and provide a brief summary of the recommendations made for IC information security programs.

To perform this evaluation, we will apply the Department of Homeland Security FY 2015 IG FISMA metrics for ten information security program areas.

1. Continuous Monitoring Management
2. Security Configuration Management
3. Identity and Access Management
4. Incident Response and Reporting
5. Risk Management
6. Security Training
7. Plan of Action and Milestones
8. Remote Access Management
9. Contingency Planning
10. Contractor Systems

We will issue our report by the end of the first quarter of FY 2016. ■

# OBJECTIVITY

# INSPECTIONS & EVALUATIONS

# THE INSPECTIONS & EVALUATIONS DIVISION

works to improve ODNI and IC-wide performance and integration by examining information access, collaboration, collection, and analysis; IC programs and issues; and compliance with laws and regulations.

## IG Community Collaboration

The I&E Division participated in the National Security Agency OIG's review of two facilities during the reporting period. This type of collaboration strengthens the collective role and effectiveness of community IGs in support of the National Intelligence Strategy, and fosters inspectors' continued training and development. I&E plans to collaborate with other IC partners during FY 2016.

## Completed Inspections and Evaluations

### *IO-2014-006: Special Review of IC Intelligence Oversight*

Our Intelligence Oversight team completed an informal baseline survey of activities across 17 IC organizations focusing on three areas:

1. Identification of programs within the IC designed to ensure compliance with procedures implementing Executive Order 12333;
2. The degree to which IC element OIGs review compliance with those procedures; and
3. Establishment of an inventory of intelligence activities that are joint, cross-IC, and involve multiple IC elements, or potentially operate under more than one IC element's authorities.

Intelligence Oversight programs and activities are becoming more structured, employees are reporting more issues to appropriate offices, and training is becoming more tailored to specific collection activities. We also identified a challenge in employee awareness regarding what to report as "significant" and/or "highly sensitive" activities to the Intelligence Oversight

Board, in accordance with EO 13462. We presented our findings to the IC IG Inspections Committee, published a compilation of community IO programs, and shared it with our IG partners.

### *INS-2015-001: Evaluation: Intelligence Community Suspension and Debarment Programs*

Under the Federal Acquisition Regulation, agencies cannot solicit offers from, award contracts to, or consent to subcontractors with contractors that are suspended, debarred, or proposed for debarment, unless the agency head determines there is a compelling reason for such action. We assessed the adequacy of 13 IC element's S&D policies and practices regarding both Procurement and Non-Procurement activities (i.e., grants), and identified systemic issues that may require the DNI's attention.

## Observations

During the course of the special review, we observed that some agencies and departments with IC components lack complete S&D policies, procedures, and program oversight; and not all agencies have designated S&D accountable officials.

With regard to IC-wide collaboration, the IC could benefit from increased participation in the Interagency Suspension and Debarment Committee. Some individual agencies use “high risk” watch lists to screen contractors and grantees for awards, which may frustrate the goal of government-wide S&D coordination due process protections.

We noted a constant theme was under-resourced S&D programs, and there should be more emphasis on S&D training.

## Best Practices

We found four noteworthy model areas including:

1. Connecting to a model S&D program – for example the Air Force is recognized for their leadership in the S&D area;
2. Taking a proactive government approach to S&D, with the Departments of State and Homeland Security, cited for aspects of their S&D referral processes;
3. Approaching S&D as a team effort between contracting, IG, and S&D officials is vital, and CIA, DIA, NRO, and NGA are

recognized as having robust protocols in place; and

4. Having a streamlined S&D system with transparency and feedback works best.

### *INS-2015-003: Inspection: National Counterproliferation Center*

NCPC provides strategic leadership and oversight to strengthen, integrate, and focus IC targeting, collection, analysis, interdiction activities, capabilities, and planning in support of U.S. Government efforts to counter the proliferation of weapons of mass destruction. This Inspection addressed four primary areas within NCPC: management effectiveness, mission performance, resource management, and enterprise oversight.

Additional details of this report are in the classified annex.

### *INS-2015-004: Inspection: Office of the Intelligence Community Chief Information Officer*

The IC CIO is accountable for overall formulation, development, and management of the Intelligence Community Information Technology Enterprise. The scope of our review was limited and informed by a concurrent IC IG Audit survey of IC ITE, as well as an ongoing evaluation of IC ITE progress by the ODNI Systems and Resources Analyses office.

Additional details of this report are in the classified annex.

## Ongoing Reviews

### *INS-2015-005: Joint Evaluation of Field-Based Information Sharing Entities*

Along with our OIG partners at the Departments of Justice and Homeland Security, we are evaluating federally supported entities engaged in field-based domestic counterterrorism, homeland security, and information sharing activities in conjunction with state, tribal, and local law enforcement agencies. This review is in response to a request from Senate committees on Intelligence, Judiciary, Homeland Security and Governmental Affairs.

We will issue our report during FY 2016.

### *INS-2015-006: Inspection: ODNI Office of the Program Manager-Information Sharing Environment*

We last inspected the ODNI PM-ISE office in 2013 and are conducting a follow-up review with a focus on resource management.

We will issue our report during FY 2016. ■

## Recommendations Summary

Report Name	Issued	Open	Closed this Period
<b>2015</b>			
Inspection: Office of the Chief Financial Executive	March	0	3
Inspection: National Counterproliferation Center	August	3	0
Inspection: IC Chief Information Officer	September	4	0
<b>2014</b>			
Inspection: Office of the Deputy DNI for Intelligence Integration	May	0	2
Inspection: Chief Human Capital Office	September	0	1
FY 14 Independent Evaluation of ODNI Compliance with FISMA	November	2	0
Inspection: Office of the National Counterintelligence Executive	December	1	8
Evaluation of ODNI Under the Reducing Over-Classification Act	December	0	1
<b>2013</b>			
Study: IC Electronic Waste Disposal Practices	May	1	4
Audit: Internal Controls over the ODNI Payroll	September	0	2
<b>2012</b>			
FY 12 Independent Evaluation of ODNI Compliance with FISMA	December	1	0
Audit: IC Security Clearance Reciprocity	December	2	0
<b>Totals</b>		<b>14</b>	<b>21</b>

A complete list of recommendations is in the classified annex of this report. ■

# ACCOUNTABILITY

# INVESTIGATIONS

# THE INVESTIGATIONS DIVISION

investigates allegations of violations of criminal, civil, and administrative laws arising from the conduct of IC, ODNI, and contract employees.

The Investigations Division has authority to investigate programs and activities across the IC within the responsibility and authority of the Director of National Intelligence, as well as a principal role in conducting IC-wide administrative investigations into unauthorized disclosures of classified information.

During this reporting period, the Investigations Division transitioned new leadership and conducted a strategic review of division operations. Based on this review, division management re-evaluated the contractor fraud program, set new strategic goals, and used this reporting period to identify and train new staff, including officers on joint duty assignments from other IC elements.

As part of the strategic planning, the new Assistant Inspector General for Investigations created strategies for working, selecting, and presenting cases for criminal prosecution. The AIG also continued to review policies and

strategies for ensuring IC OIGs are best positioned to conduct administrative investigations of unauthorized disclosures of classified information. He also coordinated and implemented a new IC-wide practice for whistleblower complaints under Presidential Policy Directive-19, which requires the complainant's OIG to confirm the complainant has exhausted his or her agency's review process prior to requesting an external review from the IC IG.

Previously reported preliminary inquiries resulted in nine open investigations:

Open Investigations	No. of Cases
Labor Mischarging, Administrative	4
Misconduct, Administrative	3
Grant Fraud	1
Reprisal/Whistleblower (non-appeals)	1

## Completed Investigations

### *INV-2014-0011: Prohibited Personnel Practices*

A prohibited personnel practice investigation failed to substantiate allegations that an ODNI employee was hired with the assistance of a relative's influence.

### *INV-2014-076: Misconduct*

A misconduct investigation substantiated allegations that an ODNI Senior National Intelligence Officer did not comply with ODNI Standards of Conduct and Contracting regulations by using a contract to unilaterally establish a sensitive compartmented information facility at a contractor site. This matter was referred to ODNI senior management for action.



Shutterstock



**THE IC IG HOTLINE** and intake processes provide confidential means for IC employees, contractors, and the public to report fraud, waste, and abuse. This process includes secure and commercial phone numbers, U.S. mail, anonymous secure web application submissions, and walk-ins. We logged 177 total contacts to the hotline this reporting period.

**Conference Reporting**

ODNI is required to report all conferences they fund with \$20,000-\$100,000 within 15 days of the date of the conference to IC IG. Between April 1 and September 30, 2015, ODNI held 49 conferences.

Additional details of each conference are in the classified annex of this report. ■



# COUNSEL



**IC IG COUNSEL** provides independent, objective, and confidential legal advice on a variety of legal and policy issues that effect the IC IG mission. Counsel manages four main portfolios: legal and policy reviews, legislative reviews, ethics reviews, and Congressional engagements.

## Legal and Policy Reviews

During this reporting period, the General Counsel continued outreach efforts to IC IG staff, ODNI components, and fellow IC IG Counsels to ensure IG equities and statutory requirements are fully incorporated into policy guidance. The GC also worked closely with the IC IG Executive Director for Whistleblowing and Source Protection to ensure whistleblower education and outreach is appropriate and consistent with the latest legal and policy developments.

Providing legal support to an IG oversight mission requiring transparency is especially difficult given the need to protect classified information and national security activities. For example, General Counsel worked with the Assistant Inspector General for Audit to determine the audit requirements under the Digital Accountability and Transparency Act of 2014, which includes a requirement to publicly post audit results. Due to

the classified nature of this audit work, they were able to find a solution to this requirement that promotes transparency to the greatest extent possible, while protecting classified information. This collaborative construct ensures the legal sufficiency of all IC IG activities and products, and bolsters the independence, integrity, and efficiency of the IC IG office.

## Legislative Reviews

The IC IG has statutory obligations to recommend legislation promoting economy, efficiency, and effectiveness in the administration and implementation of programs and activities within the responsibility and authority of the Director of National Intelligence. During this reporting period, the Counsel's office closely tracked and reviewed the USA Freedom Act of 2015, the Intelligence Authorization Act of 2016, the Inspector General Empowerment Act of 2015, House and Senate Cybersecurity legislation, and several bills

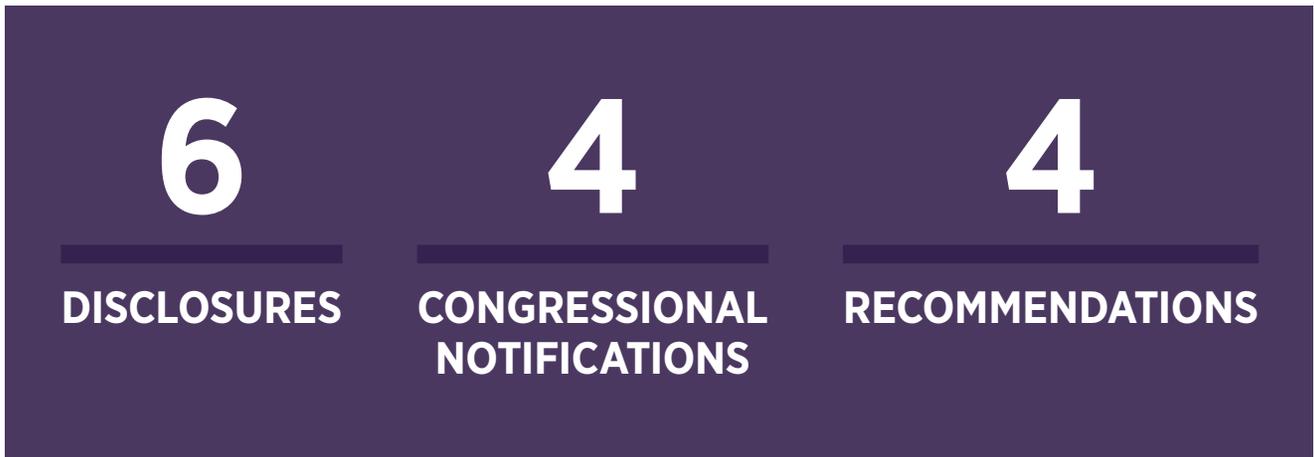
designed to enhance and extend whistleblower protections within the IC. Counsel continues to engage others as these bills progress through the 114th Congress.

## Ethics

The General Counsel is also the Deputy Designated Agency Ethics Official and gives IC IG employees ethics advice on compliance with IG conflicts of interest standards. The portfolio incorporates the ODNI Ethics program to ensure IC IG employees meet financial disclosure requirements and other Office of Government Ethics requirements. Because of the deference afforded to IG work products, the General Counsel consults with the Assistant Inspectors General to mitigate conflicts of interest and appearances of bias that may impugn the work of the IC IG. In addition to conducting ethics reviews, the General Counsel promotes and provides opportunities for IG-centric ethics training for IC IG personnel.



Shutterstock



Numbers reflect this reporting period only.

## Congressional Engagements

### State Email Review

The IC IG has a statutory obligation to ensure the congressional intelligence oversight committees are informed of significant problems and deficiencies within the programs and activities of the DNI, pursuant to section 103H of the National Security Act of 1947, as amended.

During this reporting period, we received a letter of request from Sen. Richard Burr, Chairman of the Senate Select Committee on Intelligence; Sen. Bob Corker, Chairman of the Senate Foreign Relations Committee; and Sen. Ron Johnson, Chairman of the Senate Committee on Homeland Security and Government Affairs. The letter requested IC IG assist the State Department OIG in its review of State Department employees' use of personal email for official purposes. Specifically, State OIG requested the IC IG validate the State Department Freedom of Information Act process being used

to review more than 30,000 personal emails provided by former Secretary of State Clinton.

Through State OIG, the IC IG provided the State Department with four recommendations to improve their FOIA review process for handling potentially classified information.

We submitted four Congressional Notifications to Congress during this reporting period detailing our findings.

### IC Whistleblower Protection Act

We submitted six disclosures to the Senate and House Intelligence Oversight Committees. In addition, the IC IG Counsels worked with the committees to educate them on the ICWPA procedures and the IG process for reviewing employee complaints of urgent concern.

The Counsel's office also supported the Executive Director for Whistleblowing and Source Protection by coordinating several

congressional staff and one member briefing on the specific ICWPA disclosures, to include briefings with a whistleblower. IC IG's Legislative Counsel worked with the Senate Whistleblower Caucus to ensure that the Executive Director was able to present the IC Whistleblowing Program to a bicameral, bipartisan staff briefing. The office also provided timely responses to several letters from Congressional members interested in our ongoing work. ■