



NATIONAL RECONNAISSANCE OFFICE

OFFICE OF INSPECTOR GENERAL

(U) SEMIANNUAL REPORT TO THE CONGRESS

1 October 2017 - 31 March 2018
30 April 2018

CL BY: [REDACTED]
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(U) MESSAGE FROM THE INSPECTOR GENERAL



30 April 2018

(U) On behalf of the National Reconnaissance Office (NRO) Office of Inspector General (OIG), I am pleased to submit this report highlighting the OIG's activities for the period 1 October 2017 – 31 March 2018. The activities described in this report exemplify our commitment to improving the efficiency and effectiveness of NRO programs and operations.

(U) The OIG issued five reports and continued its work on another 11 projects during this reporting period. The work covered a wide-range of issues including mission resiliency, facilities, and program management. For example, the OIG conducted an audit of the NRO Insider Threat Program, initiated inspections of its mission ground stations, and performed a review of the NRO Personnel Accountability Program.

(U) In addition to the work of its core mission—assuring effective stewardship of taxpayer dollars and detecting fraud, waste, abuse, and mismanagement in NRO programs—the OIG continued its outreach efforts to other organizations both internal and external to the NRO, and continued efforts to promote greater transparency. Specifically, the OIG posted a redacted copy of the *Semiannual Report to the Congress, 1 April 2017 - 30 September 2017* to the Council of the Inspectors General on Integrity and Efficiency's oversight.gov webpage. We plan to continue this practice with all future Semiannual Reports.

(U) I would also like to take this opportunity to share with you that we recently selected [REDACTED] as our new Deputy Inspector General. [REDACTED] is the Assistant Inspector General for Inspections and brings a wealth of experience to the position. She will step into this new role upon the retirement of [REDACTED] in May. We are very excited to have [REDACTED] serve as our next Deputy Inspector General.

(U) As is always the case, we enjoyed a collaborative relationship with Director Sapp and with NRO's leadership and workforce. Director Sapp and her management team are actively engaged in addressing open recommendations and implementing corrective actions. Of note, Ms. Sapp is now requiring that the NRO components brief her on open recommendations at their Program Status Reviews. The OIG did not experience any issues related to accessing NRO records or personnel.

(U) I very much appreciate the cooperation and support of the Congress and its staff as we continue to effect positive change at the NRO. As always, I would like to thank the dedicated and professional NRO OIG staff for their continued hard work and commitment to providing effective oversight of NRO programs and operations.

Susan S. Gibson
Inspector General

(U) TABLE OF CONTENTS

(U) SEMIANNUAL REPORT HIGHLIGHTS AND ACCOMPLISHMENTS	4
(U) CONTINUED FOCUS ON MISSION RESILIENCY	4
(U) INCREASED OUTREACH EFFORTS	4
(U) SUPPORT FOR THE INSPECTOR GENERAL COMMUNITY	5
(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS	7
(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS FOR THE CURRENT REPORTING PERIOD	7
(U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS	7
(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS	9
(U) COMPLETED PROJECTS - OVERVIEW	9
(U) COMPLETED PROJECTS - RECOMMENDATIONS	9
(U) ONGOING PROJECTS - OVERVIEW	13
(U) ONGOING PROJECTS - OBJECTIVES.....	13
(U) INVESTIGATIONS	16
(U) REPORTS OF INVESTIGATION	17
(U) FALSE CLAIMS INVESTIGATION SUMMARY.....	17
(U) SIGNIFICANT INVESTIGATIONS	18
(U) OTHER INVESTIGATIVE ACTIVITIES.....	18
(U) REVIEW OF LEGISLATION AND REGULATIONS	20
(U) FINANCIAL SYSTEMS COMPLIANCE	21
(U) PEER REVIEWS	22
(U) PEER REVIEW OF THE NRO OFFICE OF INSPECTOR GENERAL	22
(U) PEER REVIEW OF OTHER AGENCIES' INSPECTORS GENERAL.....	22
(U) INDEPENDENCE	23
(U) APPENDIX A: SEMIANNUAL REPORTING REQUIREMENTS	24
(U) APPENDIX B: RECOMMENDATIONS OLDER THAN SIX MONTHS	25

(U) SEMIANNUAL REPORT HIGHLIGHTS AND ACCOMPLISHMENTS

(U) During this reporting period, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) focused its oversight efforts and resources to address management challenges and issues of greatest risk within the NRO. Specifically, the OIG performed work on 16 projects, five of which were completed and 11 are ongoing. The projects derive from NRO OIG annual work plans; address mandated requirements; respond to alleged violations of law, regulation, or policy; or evaluate emerging issues. The OIG's efforts enhanced the economy, efficiency, and effectiveness of NRO programs; assisted in detecting and preventing fraud and abuse; safeguarded taxpayer investments; and supported the NRO mission.

(U) CONTINUED FOCUS ON MISSION RESILIENCY

(U) The OIG continued to focus a number of its projects on the resiliency of the NRO's mission. For example, the OIG is conducting an audit of the NRO's Insider Threat Program to determine whether the NRO has established a program that complies with federal requirements and is positioned to prevent, detect, and deter these types of threats to its mission.

~~(S//TK//REL TO USA, FVEY)~~ The OIG also conducted two inspections, which addressed mission resilience for the NRO.

- The inspection of the NRO mission resiliency assessed NRO processes used to identify threats and risks to NRO's two operational mission essential functions. The final report

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(U) INCREASED OUTREACH EFFORTS

(U) The OIG recognizes the importance of increased outreach efforts as it promotes the accessibility of the OIG staff to the workforce, raises awareness of OIG roles and responsibilities, and promotes cooperation across the community. The NRO OIG Inspections Division led [REDACTED] in a series of outreach visits to the mission ground stations by visiting the Aerospace Data Facility Southwest (ADF-SW) in March 2018. The visit to ADF-SW by staff from NRO Audits and Inspections Divisions, as well as the NRO IG, included similar activities as previous outreach efforts. The NRO IG also presented an ethics session at the American Bar Association's Annual National Security Law Conference; the session discussed the ethical obligations of government attorneys as whistleblowers and the difference between authorized whistleblowing and unauthorized leaks of classified information.

~~(U//FOUO)~~ The NRO OIG Investigations Division enhanced its outreach with multiple activities in Northern Virginia as well as in the Los Angeles area. The Investigations Division participated in a joint investigation with the Office of Security and Counterintelligence (OS&CI), and the Internet Crimes against Children Task Force, which resulted in the successful indictment and guilty plea of a child predator who is a former contractor in Northern Virginia. The NRO OIG Los Angeles Field Office teamed with the Defense Criminal Investigative Service for anti-fraud outreach in the San Diego area.

~~(U//FOUO)~~ The Investigations Division is also making changes to its popular "Case Studies" course. The course is a full day of training to increase fraud awareness among NRO's workforce. It examines actual OIG criminal and civil cases and includes discussions of motivations behind wrongdoing, as well as contract fraud indicators reported to the OIG by resourceful and attentive NRO personnel. The Investigations Division is adding recent cases and fraud issues that are trending within NRO programs. The revised course will provide more information on the issue of whistleblower reprisal, including the OIG's role in investigating reprisal claims. The "Case Studies" course is one of several courses the OIG offers through the NRO University. The OIG is developing a shorter version of the course to present at NRO field locations.

(U) SUPPORT FOR THE INSPECTOR GENERAL COMMUNITY

(U) For increased transparency, the OIG posted its *Semiannual Report to the Congress, 1 April 2017 – 30 September 2017*, on oversight.gov to provide the public with insight into its mission and actions. The NRO OIG also shared insights and best practices with its community partners. For example, IGs throughout the IC use the NRO OIG published report, *Review of the NRO Polygraph Program* as guidance when evaluating their respective agencies' programs. NRO OIG senior officials provided a briefing to a Whistleblower Caucus sponsored by Senators Grassley and

Wyden. NRO OIG is also collaborating with other IC elements in developing a Whistleblower Working Group facilitated by the Intelligence Community Inspectors General Forum.

(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS

(U) The *Inspector General Act of 1978*, as amended, requires OIGs to report on agencies' significant deficiencies found during the reporting period, and on significant recommendations for corrective action to address those deficiencies. It also requires OIGs to report each significant recommendation described in previous semiannual reports for which corrective action is not complete.

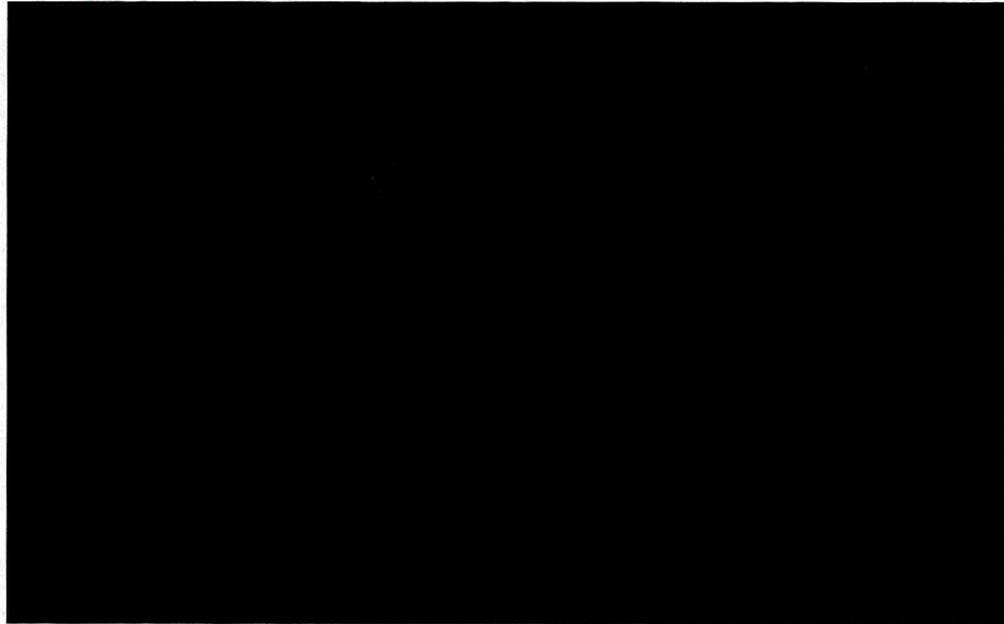
(U) SIGNIFICANT FINDINGS AND RECOMMENDATIONS FOR THE CURRENT REPORTING PERIOD

(U) While the OIG issued five reports during this semiannual reporting period, none of the reports' findings or recommendations met the OIGs criteria for significant.

(U) STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS

(U) In its prior semiannual reports, the OIG reported a number of significant findings, and recommendations to address them. The status of these prior recommendations is shown in **Table 1**.

(U) TABLE 1: STATUS OF PRIOR SIGNIFICANT RECOMMENDATIONS



(U) INSPECTION of NRO SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEMS (SCADA)

(U//FOUO) Significant Recommendation #4 for the DNRO-appointed Management Services and Operations (MS&O)/COMM/SCADA Working Group/Coordination Committee/Program: Formally categorize, document, and publish NRO/SCADA systems as either federal information systems or national security systems.	MS&O	ECD: September 2019
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Table is ~~SECRET//TK//NOFORN~~

(U) SUMMARY OF COMPLETED AND ONGOING PROJECTS

(U) COMPLETED PROJECTS - OVERVIEW

(U) **Table 2** identifies the completed projects for this semiannual reporting period. Following the table are short descriptions of the conclusions and recommendations made for each project.

(U) TABLE 2: COMPLETED PROJECTS – 1 October 2017 - 31 March 2018

(U) Title	(U) Date Completed
(U) Audit of the National Reconnaissance Office Fiscal Year 2017 Financial Statements	9 November 2017
[REDACTED]	[REDACTED]
(U) Audit of Fleet Management	14 February 2018
(U) Review of the National Reconnaissance Office Personnel Accountability Program	26 February 2018
(U) Inspection of NRO Mission Resiliency	2 March 2018

Table is Unclassified

(U) COMPLETED PROJECTS – RECOMMENDATIONS

(U) Audit of the National Reconnaissance Office Fiscal Year 2017 Financial Statements.

(U) The NRO contracted with the independent public accounting firm of [REDACTED] to audit the financial statements of the NRO as of 30 September 2017. In its audit of the NRO, [REDACTED] found the financial statements were fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles, and provided no reportable noncompliance with laws and regulations tested.

[REDACTED]



(U) Audit of Fleet Management.

(U) The OIG found that the NRO is complying with laws, regulations, and presidential orders with respect to the oversight and management of its fleet of government cars. Still, the NRO could enhance fleet management by improving controls around vehicle administration and usage.

(U) The OIG made the following recommendations:

- Temporarily dedicate additional resources to fleet management to analyze and update the program; (OPEN)
- Update [REDACTED] Fleet Manual. The update should include a minimum requirement to perform a biennial assessment of fleet size; and perform an annual analytical review of usage information for indicators of misuse; (OPEN) and
- Improve fleet information systems to include adding fields to capture actual mileage, vehicle status, cancellations, and maintenance cost; streamlining asset management responsibilities to improve accuracy and timeliness of fleet assets; and developing reports to analyze fleet usage. (OPEN)

(U) Review of the National Reconnaissance Office Personnel Accountability Program.

(U//~~FOUO~~) The NRO OIG conducted a review of the NRO's Personnel Accountability (PA) Program. The review assessed the NRO's compliance with applicable Department of Defense (DoD) policies and responsibilities and the ability of the Director, Office of Human Resources (OHR) to account for the NRO workforce.

(U) Overall, the OIG found that the NRO has established a program that allows the Director, OHR to sufficiently account for the NRO's workforce. During a recent PA exercise, the NRO staff reached 97 percent accountability. In addition, the OIG identified 15 responsibilities from DoD Instruction 3001.02, *Personnel Accountability in Conjunction with Natural or Manmade Disasters*. The NRO PA Program is compliant with 10 of these 15 responsibilities, partially compliant with one, compliant with the intent of one, and non-compliant with another. The remaining two requirements are not applicable to the NRO. The OIG made no recommendations, but rather offered suggestions for enhanced compliance with the DoD Instruction.

(U//~~FOUO~~) Inspection of NRO Mission Resiliency.

(U//~~FOUO~~) The OIG examined NRO Mission Resiliency (MR) in the first of a series of planned inspections on this topic. This first inspection focused on risk management, which enables the NRO to identify and assess risks related to the NRO's mission—including potential vulnerabilities in space and on the ground. The overall objective of this first inspection was to assess the processes used by the enterprise to identify operationally related threats and risks.



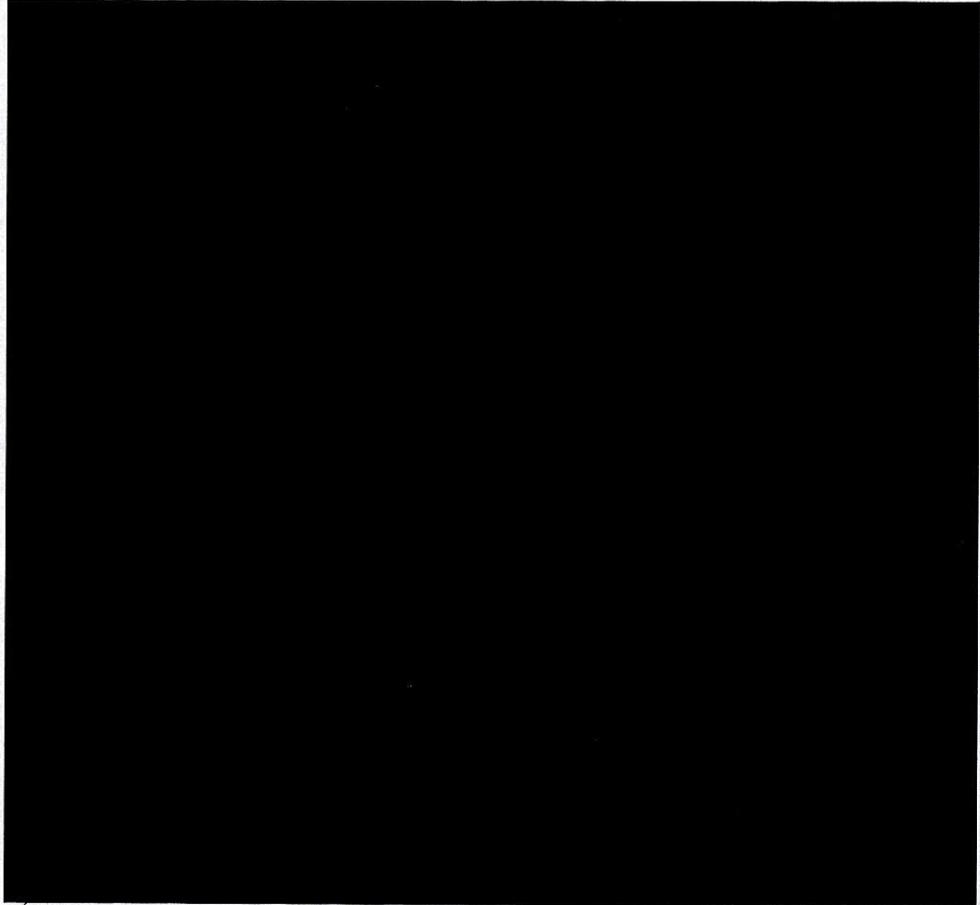
¹ (U) Per the NRO Governance Plan, functional roles and responsibilities are NRO enterprise-wide activities essential for the effective management of the NRO and the successful execution of its mission.

² (U) A BPA is a method of examining, identifying, and mapping the functional processes, workflows, activities, personnel expertise, systems, data, interdependencies, and facilities inherent in the execution of a function or requirement.

³ (U) A BJA-risk assessment is a method of assessing comparative risk for MEFs, to include the processes that support them.



(U) The OIG made the following recommendations:



(U) ONGOING PROJECTS - OVERVIEW

(U) **Table 3** identifies the ongoing projects for this semiannual reporting period. Following the table are short descriptions of the objectives for each project.

(U) TABLE 3: ONGOING PROJECTS – 1 October 2017 - 31 March 2018

(U) Title	(U) Date Initiated
(U) Audit of NRO Insider Threat Program	4 November 2016
(U) Audit of Management Oversight of Federally Funded Research and Development Centers throughout the National Reconnaissance Office	21 February 2017
(U) Audit of National Reconnaissance Office Supply Chain Risk Management	10 March 2017
(U) Inspection of the Aerospace Data Facility – East	1 August 2017
[REDACTED]	7 December 2017
(U) Inspection of the National Reconnaissance Office's Workplace Violence Prevention Program	11 January 2018
[REDACTED]	26 January 2018
(U) Office of Inspector General 2018 Federal Information Security Modernization Act of 2014 Evaluation	15 February 2018
(U) National Reconnaissance Office GEOINT-Financials Service Organization Controls Examinations	15 February 2018
(U) Inspection of the Aerospace Data Facility-Southwest	28 February 2018
(U) Audit of FY2018 Financial Statements	19 March 2018

Table is Unclassified

(U) ONGOING PROJECTS - OBJECTIVES

(U) Audit of NRO Insider Threat. Objective: Determine whether the NRO has established an Insider Threat Program that (1) complies with federal program requirements and (2) is positioned to prevent, detect, and deter insider threats.

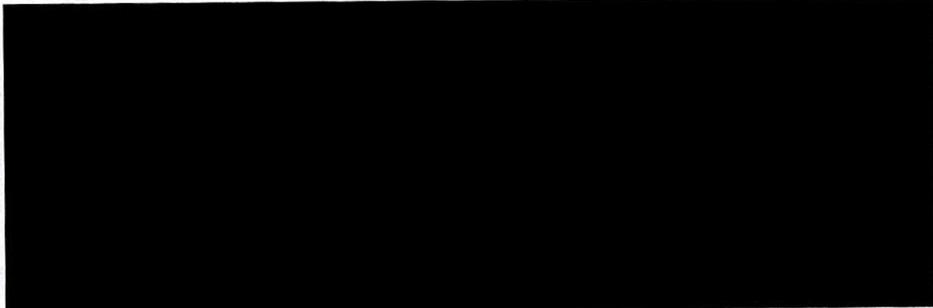
(U) Audit of Management Oversight of Federally Funded Research and Development Centers throughout the National Reconnaissance Office. Objective: Determine whether the NRO implemented additional management oversight controls of Federally Funded Research and Development Centers based on the findings and recommendations of prior audits.

(U) Audit of National Reconnaissance Office Supply Chain Risk Management. Objective: Determine whether NRO Supply Chain Risk Management procedures are designed and implemented to ensure the integrity of the NRO supply chain.

(U) Inspection of the Aerospace Data Facility East. Objective: Evaluate the effectiveness and efficiency of the Aerospace Data Facility East in performing its mission. The focus includes the following areas: Command Topics, Mission Systems and Engineering, Information Technology and Systems, Security, Intelligence Oversight, and Resource Programs.



(U) Inspection of the National Reconnaissance Office's Workplace Violence Prevention Program. Objective: Evaluate the efficiency and effectiveness of the NRO's Workplace Violence Protection Program, compliance with NRO Directive 100-14, *Workplace Violence Prevention Program*, and benchmark with other federal agencies to identify potential best practices.



(U) Office of Inspector General 2018 Federal Information Security Modernization Act of 2014 Evaluation. Objective: Provide an independent assessment of the effectiveness of the NRO information security program and practices, in accordance with Federal Information Security Modernization Act (FISMA) and associated implementation guidance; follow-up on findings and recommendations from the prior-years' FISMA Reports.

(U) National Reconnaissance Office GEOINT-Financials Service Organization Controls Examinations. Objective: Report on the fairness of the presentation of management's description of the GEOINT Financials application and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives included in the description.

(U) Inspection of the Aerospace Data Facility Southwest. Objective: Evaluate the effectiveness and efficiency of the Aerospace Data Facility Southwest in performing its mission, focusing on Command

Topics, Mission Systems and Engineering, Information Technology and Systems, Security, Intelligence Oversight, and Resource Programs.

(U) Office of Inspector General Audit of the National Reconnaissance Office Fiscal Year 2018 Financial Statements.

Objective: Determine whether the financial statements and related notes are presented fairly in all material respects, in accordance with guidance issued by the Federal Accounting Standards Advisory Board, Office of Management and Budget OMB, and other authoritative guidance. The auditors will also review internal controls and compliance with laws and regulations, and follow up on the status of prior-year audit findings.

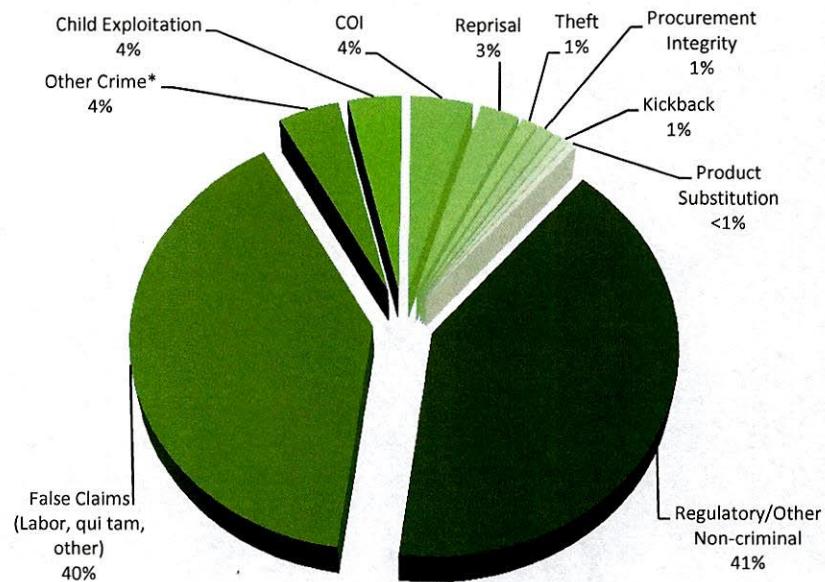
(U) INVESTIGATIONS

(U) The OIG Investigations Division conducts criminal, civil, and administrative investigations into alleged violations of federal laws, regulations, and policies involving NRO funds, operations, and programs. It also investigates allegations of whistleblower retaliation in accordance with appropriate statutes and Presidential Policy Directive 19.

(U) All investigative records and information starting with complaint intake through the issuance of final reports, along with the full disposition of each referred case, are maintained using the Investigations Division's Case Management and Tracking System (CMTS). The data in this report section are derived from CMTS records covering this reporting period.

(U//FOUO) The Investigations Division responded to 183 allegations this reporting period. The overall percentage of false claims allegations increased from 33 percent in the second half of FY 2017 to 40 percent in the first half of FY 2018. This is a continuing trend attributed partly to an increase in corporate disclosures made to the OIG regarding allegations of labor mischarging occurring principally at contractor facilities. The OIG also continues to investigate a greater number of *qui tam* claims pursuant to the False Claims Act. **Figure 1** illustrates the types and percentages of these cases opened during this reporting period.

(U) FIGURE1: SUMMARY OF ALLEGATIONS RECEIVED BY THE NRO OIG INVESTIGATIONS DIVISION



*(U) "Other Crime" includes a broad category of alleged criminal wrongdoing reported to the OIG. Allegations that do not fall into the category of fraud, waste, and abuse affecting NRO programs are referred to the appropriate investigative agency. Other crimes subject to investigation by the OIG may include, but are not limited to, wire fraud, counterfeit and forgery of official documents, private conversion of NRO resources, or deliberate damage to NRO property.

Figure is UNCLASSIFIED

~~(U//FOUO)~~ The Investigations Division enhanced its intake and case assessment process to allocate resources to cases of greater significance to the NRO's mission. Part of this process includes referring more administrative cases to NRO managers where appropriate. These cases often involve incidental or minor indiscretions by personnel. During this period, the OIG referred 25 complaints to management, 20 of which have since been resolved. The other five remain open. The rate of referral is a 40% increase over last year. The process has resulted in greater efficiencies of the OIG and serves to strengthen the OIG's relationship with the NRO's management chain.

(U) REPORTS OF INVESTIGATION

(U) During this reporting period, the Investigations Division produced 21 Reports of Investigation and identified more than \$1.3 million due back to the NRO or the United States Treasury. The OIG provides all Reports of Investigation to OS&CI for security consideration and action as appropriate. **Table 4** illustrates the additional details of these cases.

(U) Table 4: Summary of Referrals and Indictments

(U) Item	(U) Number
Total Reports	21
Referrals to Federal Prosecutor	21
Referrals to State Prosecutor	0
Indictments	0

Table is UNCLASSIFIED

(U) FALSE CLAIMS INVESTIGATION SUMMARY

(U) The Investigations Division completed 20 investigations of false claims. One case involved corporate activity covered under *31 U.S.C. § 3729 False Claims*, which is further described below. The remainder involved NRO contractor employees mischarging their time and are covered under *18 U.S.C. § 287*. In total, these investigations identified approximately \$1.3 million in funds recoverable to the NRO or the United States Treasury. The United States Attorney's Office declined prosecution for each of these cases in favor of an administrative settlement. The OIG referred each case to the NRO Office of Contracts for administrative action within the terms of any affected contracts, to include financial restitution and suspension and debarment. The OIG did not receive decisional notices from the Office of Contracts regarding suspensions or debarments actions during this reporting period.

(U) SIGNIFICANT INVESTIGATIONS

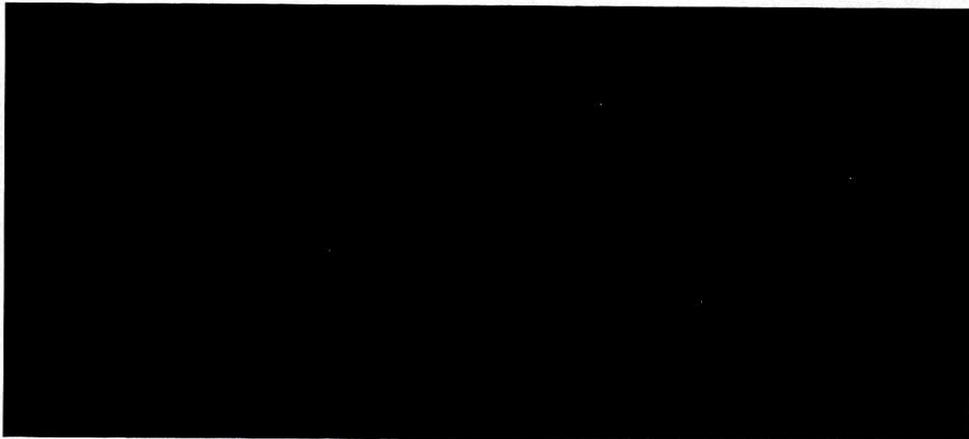
(U) The following are high-level accounts of significant investigations completed during this reporting period.

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- (U//~~FOUO~~) The OIG completed its investigation of a major prime contractor alleged to have billed the NRO for labor not performed. This occurred when an NRO facility closed to all but essential personnel during a dangerous weather event. The incident accounted for approximately \$149,000 billed to the NRO for non-existent services. The investigation revealed that the contractor had instructed its personnel to bill their time as if present for work as per corporate policy. The OIG found that this policy was contrary to the NRO's instructions, which had been published regularly well before the event. The OIG notified the Office of Contracts regarding the mischarged labor and the misinterpretation of NRO policies on permissible billing. The NRO recommended the Director of Contracts revise the NRO Acquisition Manual clause to provide clearer guidance.

(U) OTHER INVESTIGATIVE ACTIVITIES

(U) In February 2018, the OIG sponsored a seminar for key NRO personnel in the Communications Directorate (COMM) and The Office of Security and Counter-Intelligence (OS&CI) who are involved in the detection and reporting of crimes involving child exploitation. The seminar's purpose was to increase awareness of this type of crime and foster swift and effective communication between all parties when allegations are raised within the NRO. The seminar included presentations from the OIG, several external law enforcement agencies, computer forensics examiners, and other experts familiar with different facets of the subject.





(U) The OIG remains focused on addressing child exploitation and other exigent matters in a coordinated effort that effectively addresses the crime and brings perpetrators to justice while considering the sensitivities of NRO activities and locations, which may be affected. These recent successes illustrate the value of continued outreach and communication to the workforce.

(U) REVIEW OF LEGISLATION AND REGULATIONS

(U) The *Inspector General Act of 1978*, as amended, requires federal agency OIGs to review existing and proposed legislation and regulations relating to their agencies' programs and operations. Based on these reviews, the OIGs are required to make recommendations in their semiannual reports concerning the impact of the legislation and regulations on (1) the economy and efficiency of programs and operations of their agencies and (2) the prevention and detection of fraud and abuse in programs and operations of their agencies.

(U) The NRO OIG conducts such reviews and provides comments and recommendations to Congress, when warranted, through a variety of means including reports and coordination with the Council of the Inspectors General on Integrity and Efficiency (CIGIE). For example, during this reporting period, the NRO OIG reviewed all pertinent legislation to include the *FY 2017 Intelligence Authorization Act (IAA)*, the *National Defense Authorization Act*, the *IG Recommendation Transparency Act of 2017*, the *FISA Reauthorization Amendment Act of 2017*, and other legislation that may affect the operations of the NRO OIG. Further, the OIG ensured compliance with the requirements of Section 309 of the *FY 2017 IAA* regarding rotational assignments for OIG personnel, and coordinated with elements of the IC and Congressional staff in furtherance of enhanced IC contractor whistleblower protections and transparency in reprisal investigations.

(U) FINANCIAL SYSTEMS COMPLIANCE

(U) As required by the *Inspector General Act of 1978*, as amended, this Semiannual Report provides information regarding the NRO's compliance with the requirements of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Specifically, the FFMIA requires organizations to implement and maintain financial management systems that are substantially in compliance with federal accounting standards and with federal financial management systems requirements.

(U) For Fiscal Year (FY) 2017, the NRO OIG engaged [REDACTED] to audit the NRO's financial systems for compliance with applicable laws and standards as part of its *Audit of the National Reconnaissance Office Fiscal Year 2017 Financial Statements*. In its audit of the NRO, [REDACTED] found the financial statements were fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles, and provided no reportable noncompliance with laws and regulations tested.

[REDACTED]

(U) PEER REVIEWS

(U) The *Inspector General Act of 1978*, as amended, requires that OIGs report on peer reviews conducted during this semiannual reporting period. The purpose of a peer review is to determine whether an organization's system of quality control is suitably designed and whether its staff is effectively implementing those quality controls and conforming to applicable professional standards. Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States require that audit organizations performing audits, attestation engagements, or both, undergo a peer review at least once every three years by reviewers independent of the audit organization to determine if an appropriate internal quality control system is in place. Similarly, the CIGIE established *Quality Standards for Inspection and Evaluation* (CIGIE Standards) for maintaining quality assurance that include having external quality assurance reviews of audits, investigations, inspections, evaluations, and other OIG activities.

(U) PEER REVIEW OF THE NRO OFFICE OF INSPECTOR GENERAL

(U) No peer reviews of the NRO OIG were conducted during this reporting period.

(U) PEER REVIEW OF OTHER AGENCIES' INSPECTORS GENERAL

(U) The OIG continues to support colleagues across the IC by participating in peer reviews. The methodology for these peer reviews is directed by CIGIE and is designed to ensure IG colleagues throughout the IC adhere to the professional standards required by the Inspector General Reform Act of 2008.

(U) The Inspections Division participated in a peer review of the Defense Intelligence Agency (DIA) OIG Inspections. The review was conducted from 15 September 2017 through 6 November 2017.

(U) The NRO Investigations Division participated in an external peer review of the Central Intelligence Agency OIG Office of Investigations during the reporting period. The review was conducted from 14 October through 19 December 2017.

(U) INDEPENDENCE

(U) The Inspector General Act of 1978, as amended, established Offices of Inspector General to create organizationally independent and objective units to support agency oversight, effectiveness, and accountability. To assist the OIGs in maintaining independence, CIGIE developed Quality Standards for Federal Offices of Inspector General, and the Government Accountability Office (GAO) established guidance for evaluating and ensuring the statutory independence for each OIG organization as well as the independence of individual staff members. In accordance with the CIGIE and GAO guidance on maintaining independence, the OIG has established significant controls to ensure that its staff members are "free both in fact and appearance from personal, external, and organizational impairments to independence."

~~(U//FOUO)~~ The NRO OIG encountered no threats to its independence during this semiannual reporting period. The OIG continues to maintain its independence while working cooperatively with NRO senior leadership, staff, and contractor personnel to carry out its oversight responsibilities.

(U) One key to the OIG's effectiveness is the cooperation and collaborative working relationship it holds with the NRO leadership and staff. The Director, NRO; NRO leadership team; and staff continue to be forthcoming with information and access to records and other documentation the OIG needs to carry out its mission. In addition, the NRO leadership is actively engaged in addressing open recommendations and implementing corrective actions.

(U) APPENDIX A: SEMIANNUAL REPORTING REQUIREMENTS

(U) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) conducts audits, inspections, investigations, and special reviews in accordance with the requirements of *Inspector General Act of 1978*, as amended. Those requirements include promoting economy, efficiency, and effectiveness; detecting and preventing fraud and abuse; and supporting the mission of the NRO. The Act also establishes semiannual reporting requirements that highlight activities and significant issues that arise during the reporting period that may be of interest to Congress. **Table A1** identifies the semiannual reporting requirements and the location of the corresponding information in this report.

(U) TABLE A1: SEMIANNUAL REPORTING REQUIREMENTS

(U) Reporting Requirement	(U) Page
SEC 4(a)(2) <u>Legislation and regulation review</u>	20
SEC 5(a)(1-2) <u>Significant problems, abuses, and deficiencies; recommendations for corrective action</u>	7
SEC 5(a)(3) <u>Prior significant recommendations not yet implemented</u>	7
SEC 5(a)(4) <u>Matters referred to authorities resulting in prosecutions and convictions</u>	18
SEC 5(a)(5) Summary of refusals to provide information	None
SEC 5(a)(6-7) <u>List and summary of reports issued during the reporting period</u>	9
SEC 5(a)(8-9) Tables showing questioned costs and funds that should be put to better use	None
SEC 5(a)(10-12) Summary of reports with no management decision; Description and explanation of revised management decisions; Management decisions with which Inspector General disagrees	None
SEC 5(a)(13) <u>Financial systems compliance with federal requirements</u>	21
SEC 5(a)(14-16) <u>Peer review reporting</u>	22
SEC 5(a)(17-18) <u>Tables showing numbers of investigative reports and a description of the supporting metrics</u>	17
SEC 5(a)(19) Investigations of senior government employee misconduct	None
SEC 5(a)(20) Descriptions of whistleblower retaliation	None
SEC 5(a)(21) <u>OIG independence</u>	23
SEC 5(a)(22) Descriptions of audits, inspections, evaluations, and investigations not disclosed to the public	N/A

Table is UNCLASSIFIED

(U) APPENDIX B: RECOMMENDATIONS OLDER THAN SIX MONTHS

(U) **Table B1** summarizes all open recommendations described in previous National Reconnaissance Office (NRO) Office of Inspector General (OIG) semiannual reports for which corrective actions are not yet completed. Open recommendation details are in **Tables B2-B20**.

(U) TABLE B1: RECOMMENDATIONS OLDER THAN SIX MONTHS

(U) Report Title	(U) Report Date	(U) Total	(U) Open
<u>(U) Inspection of the Survivability Assurance Office (SAO)</u>	3 November 2014	6	1
<u>(U) Audit of NRO Cyber Incident Detection and Response</u>	17 December 2014	10	3
[REDACTED]	25 March 2015	59	15
<u>(U) Final Report Audit of the National Reconnaissance Office Management of the Silver Eagle Contract</u>	29 September 2015	8	1
<u>(U) Joint Inspection of Aerospace Data Facility Southwest and National Geospatial-Intelligence Agency Southwest</u>	30 September 2015	16	3
<u>(U) Inspection of the Mission Integration Directorate's Support to Users</u>	29 October 2015	9	2
<u>(U) Suspension of Joint Inspection of the NRO Signals Intelligence Compliance Program</u>	12 February 2016	3	3
<u>(U) Audit of the NRO Aerospace Data Facility Colorado Facilities Infrastructure</u>	15 August 2016	2	1
<u>(U) Inquiry of Extended Paid Administrative Leave for Department of Defense Cadre Personnel</u>	23 August 2016	5	1
[REDACTED]	30 September 2016	34	12
<u>(U) Audit of the NRO's Transition to an Enterprise Information Technology Audit Capability</u>	6 December 2016	5	3
<u>(U) Inspection of NRO Supervisory Control and Data Acquisition Systems (SCADA)</u>	28 December 2016	5	3
<u>(U) Joint Inspectors General Inspection Report Aerospace Data Facility Colorado, National Geospatial-Intelligence Agency Denver</u>	8 February 2017	91	25
<u>(U) FINAL REPORT Inspection of the NRO Defense Civilian Intelligence Personnel System Performance Management Process</u>	17 February 2017	7	2
<u>(U) FINAL REPORT Inspection of the [REDACTED]</u>	31 March 2017	15	10
<u>(U) Consolidated Facilities Operations and Maintenance Performance Audit</u>	25 July 2017	3	2
<u>(U) Special Review of the Enterprise Procurement Contract</u>	28 August 2017	2	1
[REDACTED]	29 September 2017	18	5
<u>(U) Follow-up Inspection of the NRO DoD Cadre</u>	29 September 2017	14	7

Table is ~~SECRET//TK//REL TO USA/FVEY~~

~~SECRET//SI//TK//NOFORN~~

(U//FOUO) Table B2: Inspection of the Survivability Assurance Office (SAO)

Recommendation	Office	Status
(U//FOUO) Recommendation #3B for the Director, NRO (DNRO): Task the Systems Engineering Directorate (SED) with the responsibility to ensure that protection and resiliency are addressed as a part of requirements/design reviews for each major system acquisition.	DNRO	(U) In January 2018, SAO reported that the updated draft NRO Directive (ND) 130-6, Enterprise Resiliency, completed SED internal review. The draft ND was briefed at the [REDACTED] on 12 January 2018 and is now pending NRO review. Initial Estimated Completion Date (ECD): March 2015 Current ECD: December 2018

Table is UNCLASSIFIED//~~FOUO~~

(U//FOUO) Table B3: Audit of NRO Cyber Incident Detection and Response

Recommendation	Office	Status
(U//FOUO) Recommendation #3 for the Director, Communications Systems Directorate (COMM): [REDACTED]	COMM	[REDACTED]
(U//FOUO) Recommendation #7 for the Director, COMM: [REDACTED]	COMM	[REDACTED]

~~SECRET//SI//TK//NOFORN~~

(U//FOUO) Recommendation #10 for the Director,
COMM:

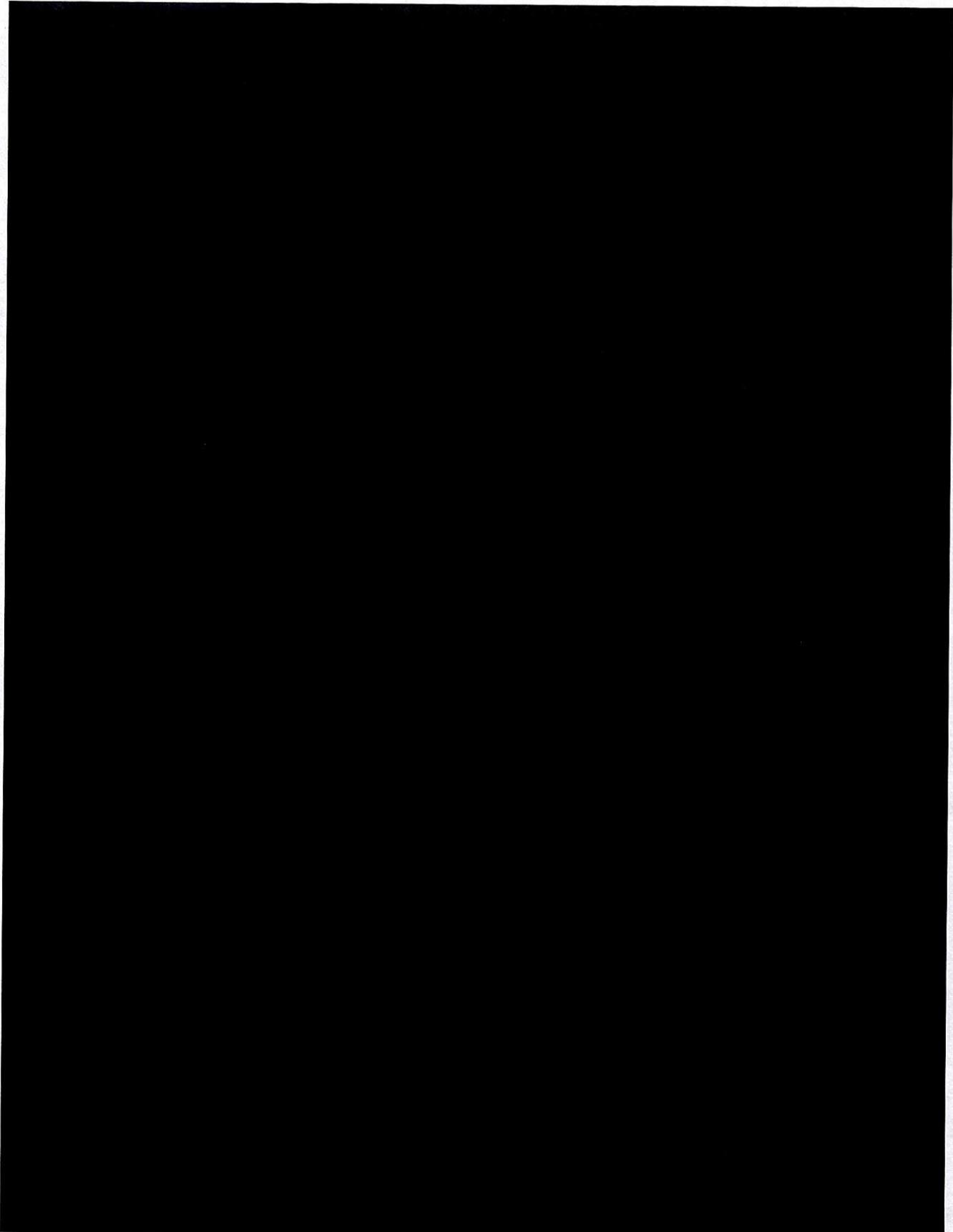


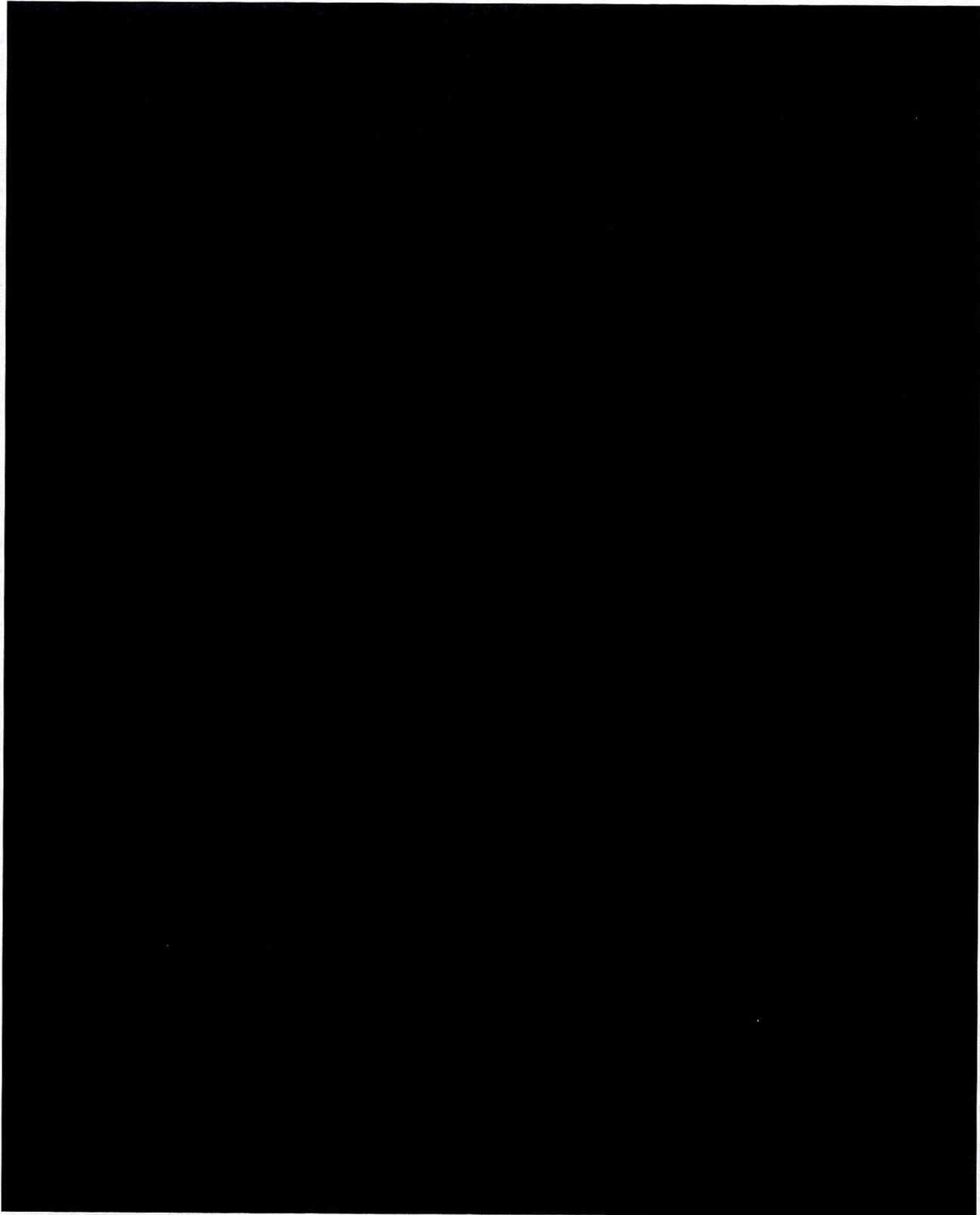
COMM

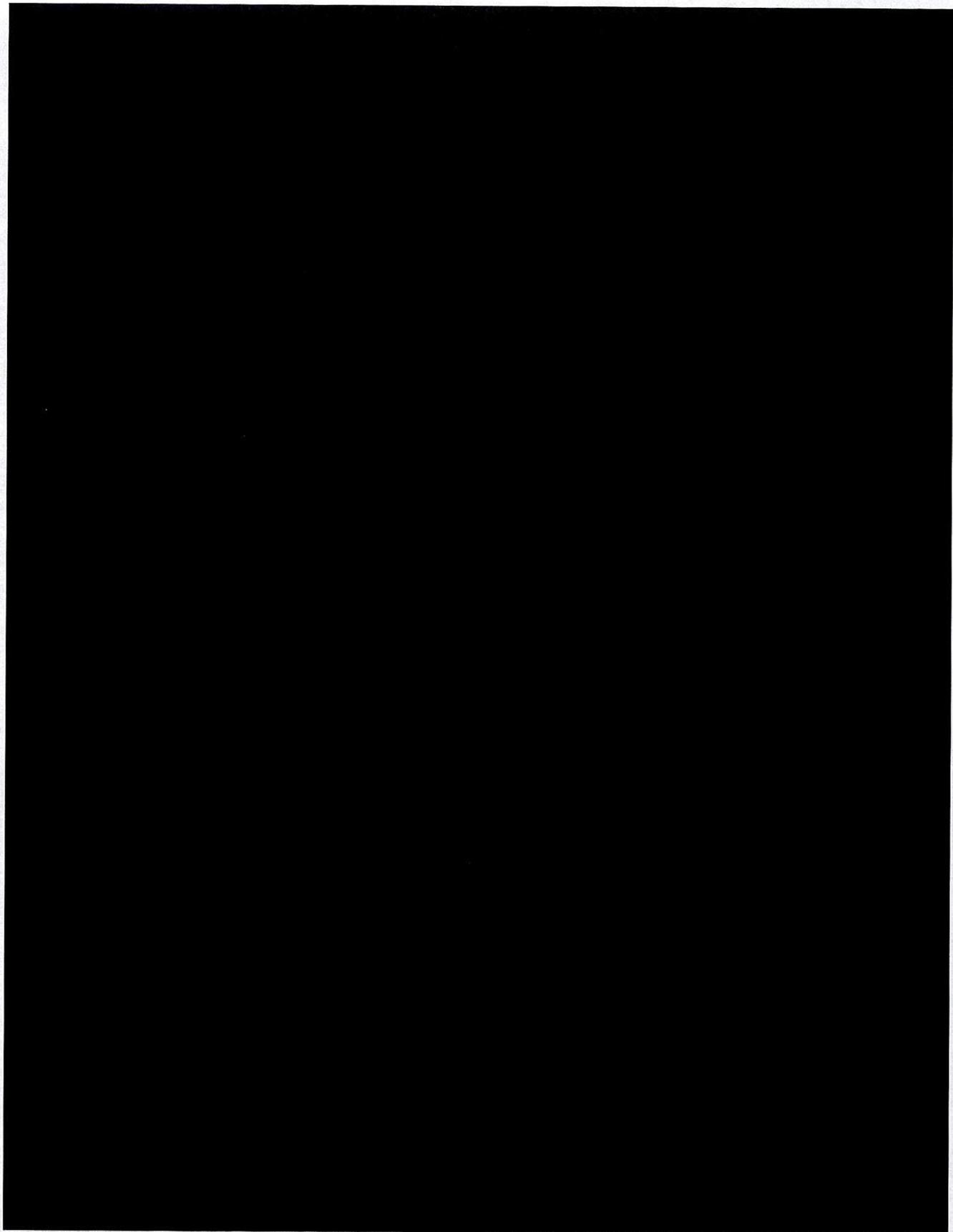
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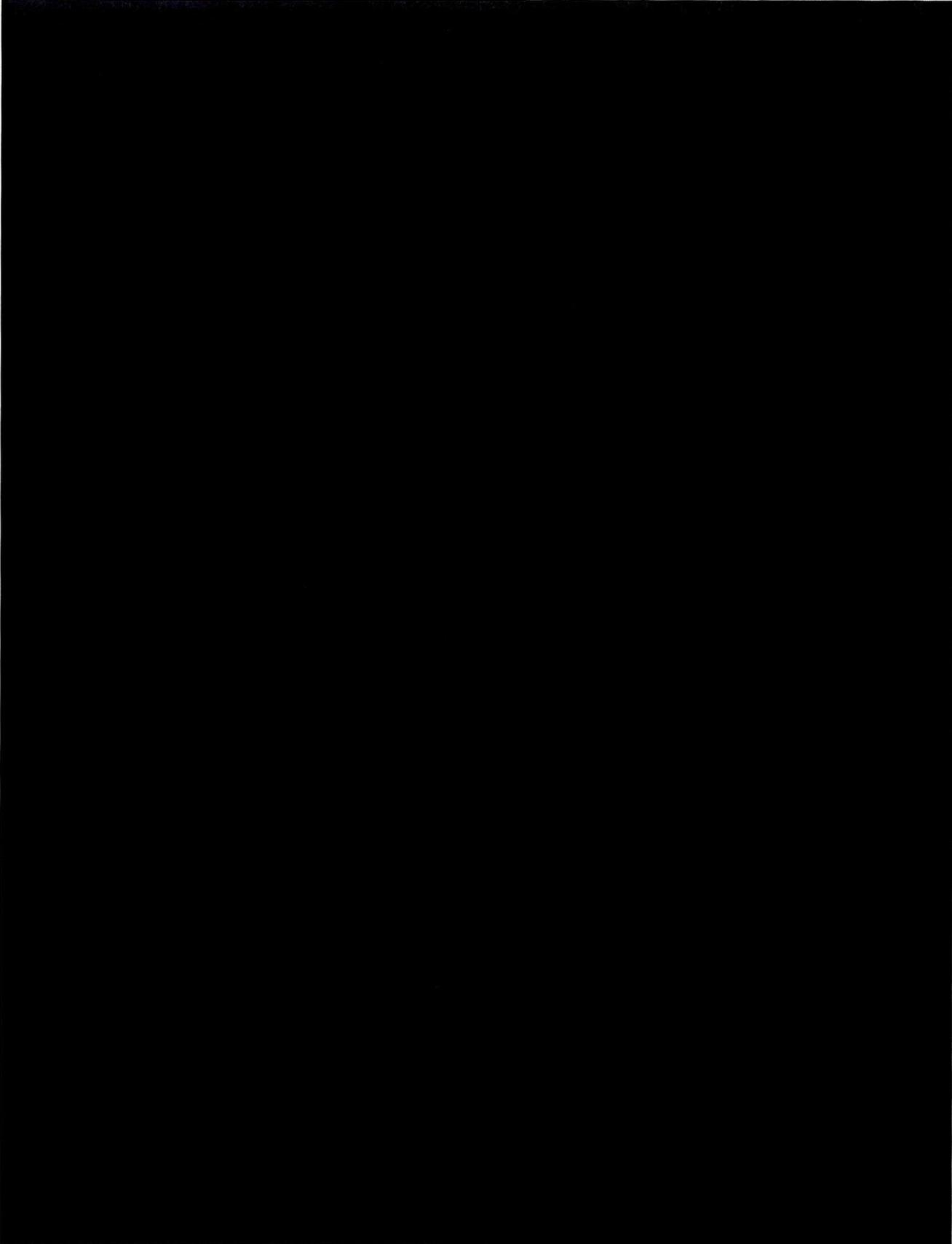
Initial ECD: April 2015
Current ECD: TBD

Table is Unclassified//FOUO









(U) Table B5: Final Report Audit of the National Reconnaissance Office Management of the Silver Eagle Contract

Recommendation

(U//FOUO) Recommendation #10 for the Director, COMM in coordination with the Director, OS&CI: Develop and implement a risk mitigation plan to comply with NRO and contract requirement to

- A. monitor Silver Eagle [REDACTED] activities.

Office

COMM

Status

(U) On 23 March 2018, the Communications Systems Directorate (COMM) and the Office of Inspector General (OIG) representatives met to discuss COMM progress implementing the action needed to close Recommendation 10a. COMM [REDACTED]

Initial ECD: June 2016
Current ECD: TBD

Table is UNCLASSIFIED//FOUO

(U) Table B6: Joint Inspection of Aerospace Data Facility Southwest and National Geospatial-Intelligence Agency Southwest

Recommendation	Office	Status
[REDACTED]	MS&O	(S//TK//REL TO USA, FVEY) . Responsibility for this recommendation was recently transferred from MOD to Management Services & Operations (MS&O). The newly accepting Directorate, MS&O, is currently [REDACTED]
(U//FOUO) Recommendation ADFSW-15-2002 for Director, MOD: Develop and publish directorate-level guidance and/or policy for all of the NRO Innovation Centers for inclusion in the NRO Business Function (NBF) 60 and/or NGA Directive (ND) 60-1.	MOD	Initial ECD: March 2017 Current ECD: TBD (U) NBF 60 is currently in revision and ND 60-1 will be reviewed subsequent to the NBF 60 rewrite. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for all of the NRO Innovation Centers. Initial ECD: March 2017 Current ECD: January 2019
(U//FOUO) Recommendation ADFSW-15-2004 for Director, MOD: Develop and publish directorate-level guidance and/or policy for the [REDACTED] for inclusion in the NBF 60 and/or ND 60-1.	MOD	(U) The [REDACTED] continues to work with MOD, [REDACTED] to develop and publish directorate-level guidance and/or policy for NRO Enterprise Collaboration. MOD is currently in the process of revising NBF-60 documents to align with [REDACTED] Concept of Operations and anticipates the process to be completed in January 2019. This recommendation remains open pending receipt of approved directorate-level guidance and/or policy for [REDACTED] Initial ECD: March 2017 Current ECD: January 2019

Table is ~~SECRET//TK//REL TO USA, FVEY~~

(U) Table B7: Inspection of the Mission Integration Directorate's Support to Users

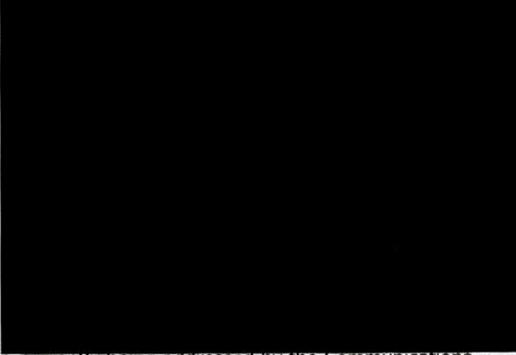
Recommendation	Office	Status
<p>(U//FOUO) Recommendation #1a for the Director, Mission Integration Directorate (MID): Establish and document measures of program performance that are important to identifying program risks and successfully achieving the user engagement mission (e.g., monitoring and/or assessing staffing levels and requirements).</p>	MID	 <p>currently being addressed by the Communications Directorate. This recommendation remains open pending receipt of evidence that MID has established and documented measures of program performance that are important to identifying program risks and successfully achieving the user engagement mission. Initial ECD: December 2017 Current ECD: September 2018</p>
<p>(U//FOUO) Recommendation #1c for the Director, MID: Update NRO Instruction (NI) 140-1-1 and NI 140-1-2 based on the evaluation of  for continued use.</p>	MID	<p>(U) MID reported that NRO Directive (ND) 140-1 was revised to complement NRO Business Function (NBF) 140 and is currently with D/OP&S for final approval. However, NRO Instruction (NI) 140-1-1 will not be finalized nor approved until after NBF 140 and ND 140-1 have been approved and signed. MID further reported that NI 140-1-2, referenced in the recommendation, will be rescinded upon approval of the ND 140-1 revision. This recommendation remains open pending receipt of the approved updated NI 140-1-1. Initial ECD: August 2016 Current ECD: July 2018</p>

Table is UNCLASSIFIED//FOUO

(U) Table B8: Suspension of Joint Inspection of the NRO SIGINT Compliance Program

Recommendation

Office

Status

(U//FOUO) Recommendation #1 for NRO Office of General Counsel (OGC) and NSA OGC, in coordination with Director, NRO Office of Policy and Strategy (OP&S) and Chief, NSA [REDACTED] Clarify the concepts, terms, and phrases associated with the overhead signals intelligence (SIGINT) activities found in Annex A (*Overhead Signals Intelligence Sharing for Research and Development Activities at the NRO*) to Memorandum of Understanding Between the National Security Agency/Central Security Service and the National Reconnaissance Office for Overhead Signals Intelligence Activities, 25 February 2012 and outlined in Finding 1 of this OIG memorandum (*Suspension of Joint Inspection of the National Reconnaissance Office Signals Intelligence Compliance Program*, 12 February 2016).

OGC

[REDACTED] the Joint Inspection of the NRO SIGINT Compliance Program. The NRO OIG is currently coordinating any remaining concerns regarding the concepts, terms, and phrases with the NRO GC.
Initial ECD: June 2018

(U//FOUO) Recommendation #2 for NRO and NSA Offices of General Counsel, in coordination with Director, NRO OP&S and Chief, NSA [REDACTED] Add to Annex A (or supplemental documentation) explanations of the terms and phrases associated with overhead SIGINT activities outlined in Finding 2 of this OIG memorandum.

OGC

[REDACTED] the Joint Inspection of the NRO SIGINT Compliance Program. The NRO OIG is currently coordinating any remaining concerns regarding the concepts, terms, and phrases with the NRO GC.
Initial ECD: March 2017
Current ECD: December 2018

(U//FOUO) Recommendation #3 for NRO and NSA Offices of General Counsel in coordination with Director, NRO OP&S and Chief, NSA [REDACTED] Clarify the applicability of Attorney General-approved procedures to overhead SIGINT activities as they apply to the NRO outlined in Finding 3 of this OIG memorandum.

OGC

[REDACTED] the Joint Inspection of the NRO SIGINT Compliance Program. The NRO OIG is currently coordinating any remaining concerns regarding the concepts, terms, and phrases with the NRO GC.
Initial ECD: December 2017
Current ECD: June 2019

Table is ~~SECRET//TK//REL TO USA, FVEY~~

(U) Table B9: Audit of the NRO Aerospace Data Facility Colorado Facilities

Infrastructure

Recommendation

Office

Status

(U) Recommendation #1 for Director, MOD in coordination with the Director, MS&O and Commander, Aerospace Data Facility Colorado (ADF-C): Review and modify guidance to ensure the distinction between the MOD, MS&O, and ADF-C Commander roles and responsibilities for facility oversight and maintenance is identified and uniformly documented.

MOD

(U//FOUO) In January, MOD reported they are updating NBF 60, Mission Operations, which establishes guidance detailing distinct MOD, Mission Ground Station Commanders, and MS&O roles, responsibilities, and authorities regarding facilities infrastructure maintenance to align with the NRO Governance Plan. [REDACTED]

[REDACTED] MOD has revised its expected completion date to January 2019.
Initial ECD: December 2017
Current ECD: January 2019

Table is UNCLASSIFIED//FOUO

(U) Table B10: Inquiry of Extended Paid Administrative Leave for Department of Defense Cadre Personnel

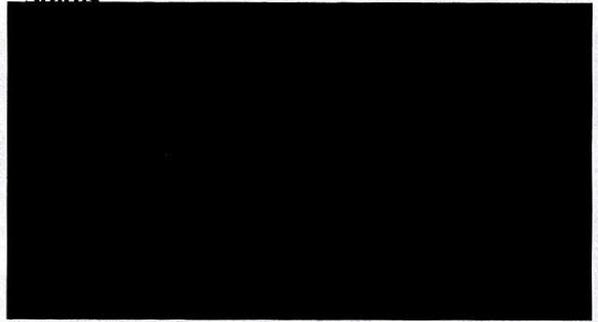
Recommendation

Office

Status

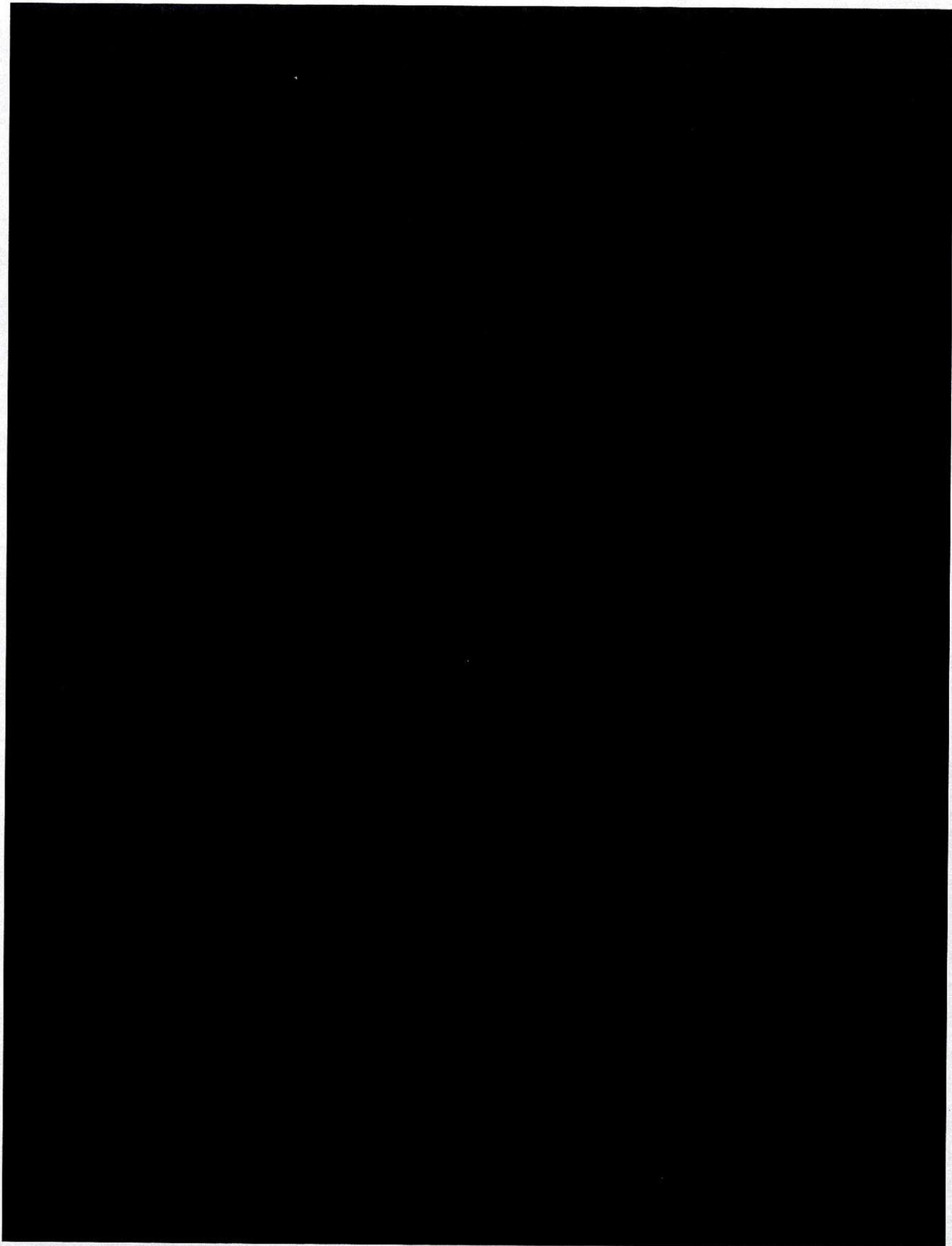
(S//NF) Recommendation #5: Director, MS&O, update

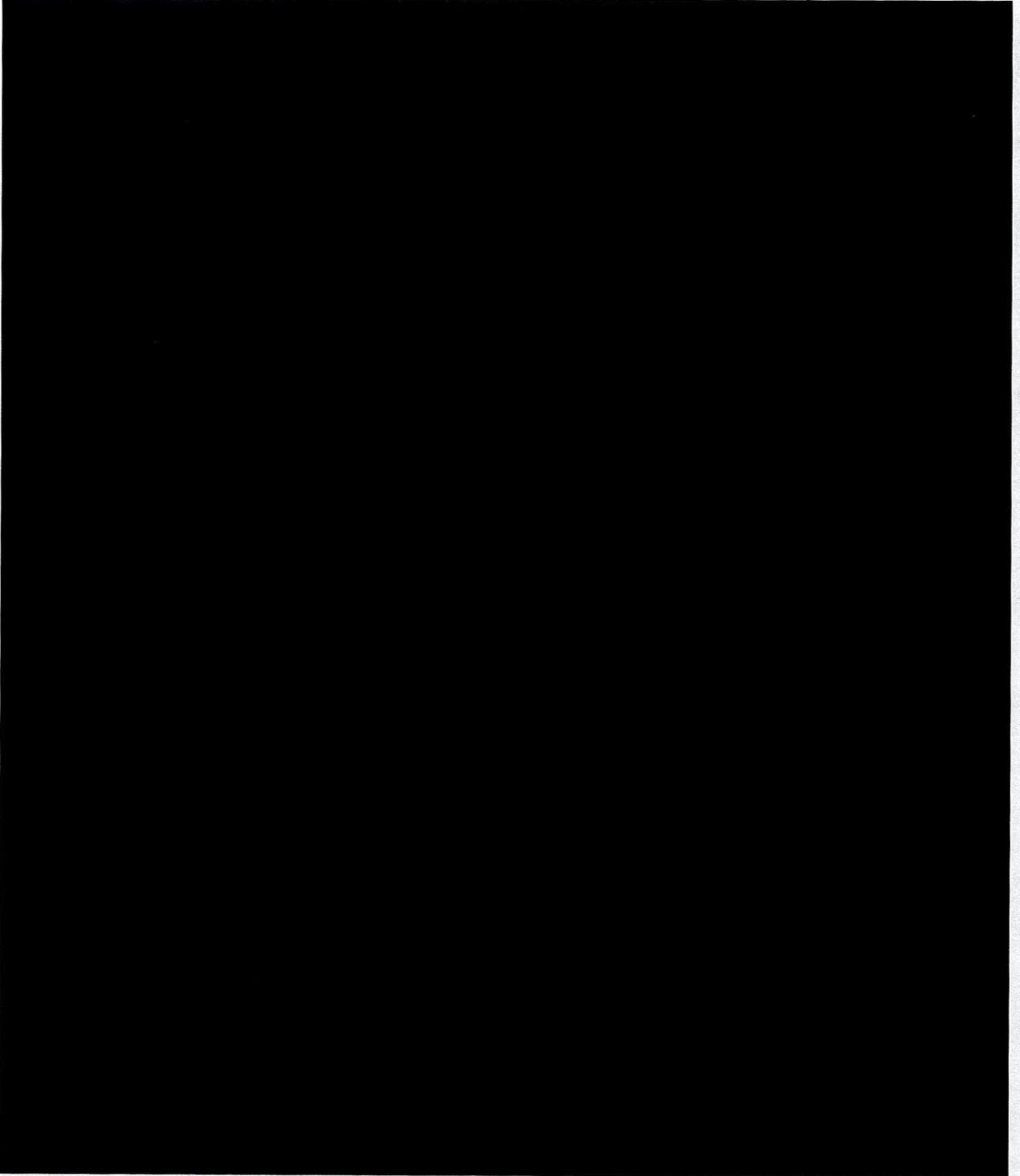
MS&O

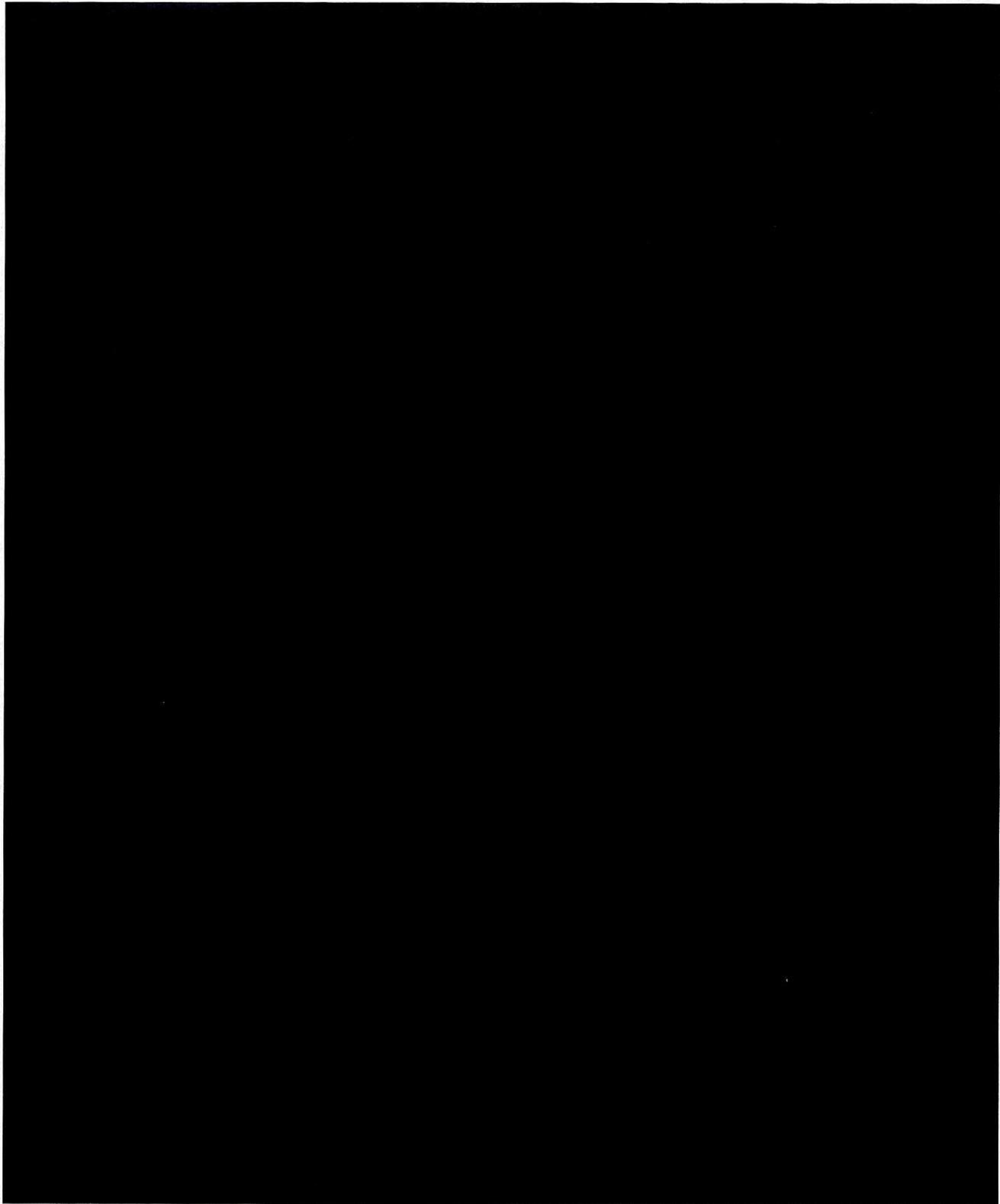


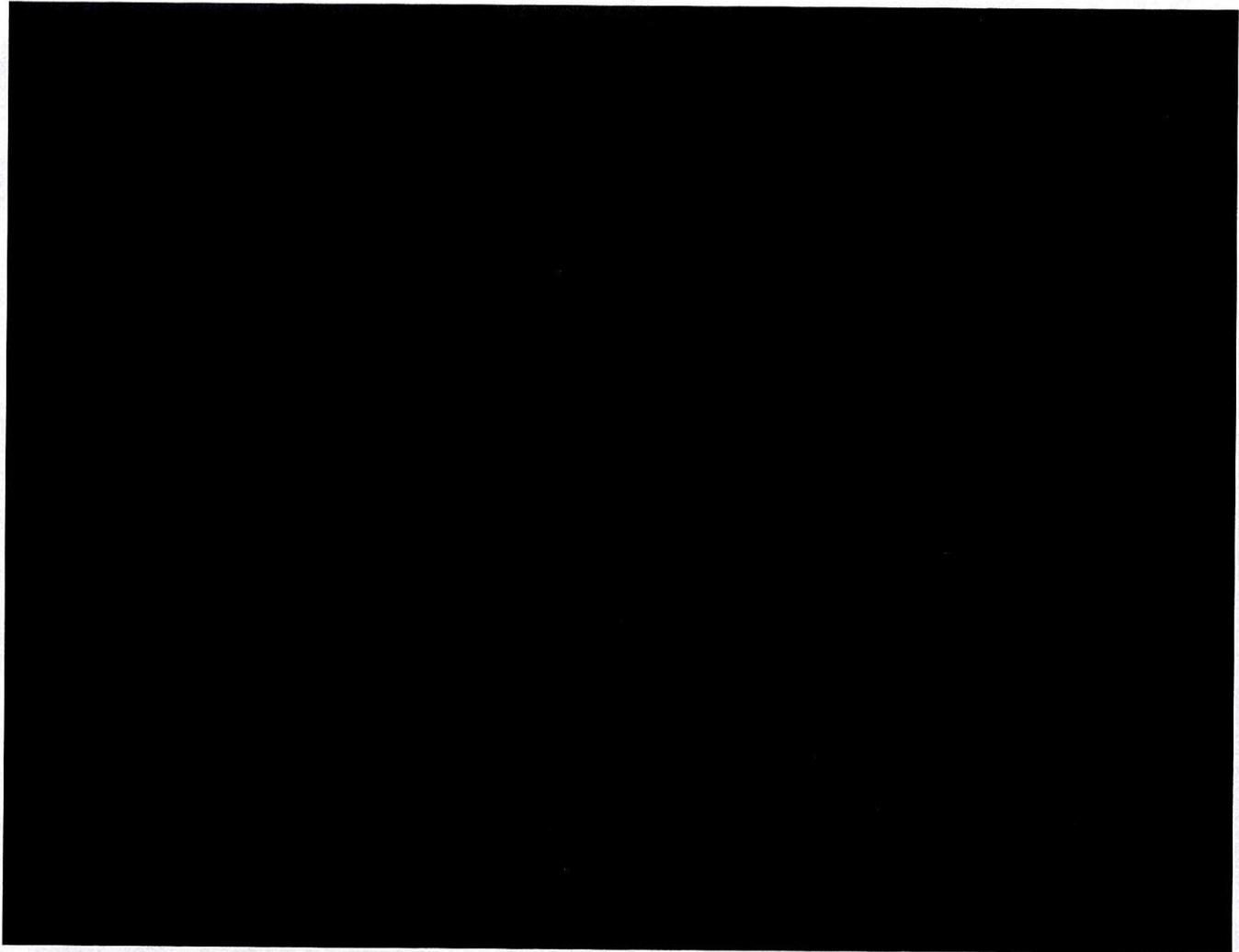
Initial ECD: October 2017
Current ECD: June 2018

Table is ~~SECRET//NOFORN~~









(U) Table B12: Audit of the NRO's Transition to an Enterprise Information Technology Audit Capability

Recommendation

Office

Status

(U) Recommendation #1, for the Chief Information Officer (CIO): Develop, document, and implement a governance framework that requires all NRO systems to use the NRO's Enterprise Information Technology (IT) Audit service. For any system that will not be required to adopt the NRO's Enterprise IT Audit tool, document and implement clear guidance on how to handle audit data outside the enterprise service.

CIO

[REDACTED]

OIG anticipates

CIO's next status in April 2018.

Initial ECD: January 2017

Current ECD: September 2018

(U) Recommendation #2, for the Director, Communications Systems Directorate: Develop and document a strategy to ensure all NRO systems are able to use the Enterprise IT Audit service, including stand-alone systems and Highly Restricted Compartmented Access Programs.

COMM

(U//~~FOUO~~) In November, COMM reported that the draft ESS Maturity Strategy, which includes the EITA service, was coordinated with senior leadership and is being updated to adjudicate comments from PDD/COMM. This recommendation remains open pending receipt of a documented strategy that ensures all NRO systems are able to use the EITA service, including stand-alone systems and Highly Restricted Compartmented Access Programs. OIG anticipates COMM's next status in April 2018.

Initial ECD: September 2017

Current ECD: TBD

(U) Recommendation #3, for the Chief Information Officer, in coordination with the Director, Office of Contracts: Determine the requirement to use the NRO's Enterprise IT Audit service for systems, applications, and data developed under contract. Develop, document, and implement a method to specify and enforce this requirement.

CIO

(U//~~FOUO~~) In November, CIO reported that EITA service compliance of systems developed under contract shall be enforced through the NRO Risk Management Framework (RMF) process. An Office of the Director Policy Note on NRO-wide ESS adoption will provide the language necessary to tie EITA services to the RMF process. Non-compliance will result in security liens that affect systems' risk scores. This recommendation remains open pending receipt of documentation that indicates the requirement to use the NRO's Enterprise IT Audit service has been developed, documented, implemented, and is being enforced. OIG anticipates CIO's next status in April 2018.

Initial ECD: November 2017

Current ECD: TBD

Table is UNCLASSIFIED//~~FOUO~~

(U) Table B13: Inspection of NRO Supervisory Control and Data Acquisition Systems (SCADA)

Recommendation	Office	Status
<p>(U//FOUO) Recommendation #3 for the DNRO-appointed MS&O/COMM Industrial Control System (ICS)/ Supervisory Control and Data Acquisition (SCADA) Working Group/Coordination Committee/Program: Establish a documented inventory baseline of all NRO ICS/SCADA assets. Determine appropriate ownership, to include the transfer of ICS/SCADA assets due to the Operations Transformation initiative.</p>	MS&O	<p>[REDACTED]</p> <p>This recommendation remains open pending receipt of the documented inventory baseline of all NRO ICS/SCADA assets to include appropriate ownership and transfer of ICS/SCADA assets due to the Operations Transformation initiative. Initial ECD: January 2019 Current ECD: September 2019</p>
<p>(U//FOUO) Significant Recommendation #4 for the DNRO-appointed MS&O/COMM ICS/SCADA Working Group/Coordination Committee/Program: Formally categorize, document, and publish NRO ICS/SCADA systems as either federal information systems or national security systems.</p>	MS&O	<p>[REDACTED]</p> <p>This recommendation remains open pending receipt of published documentation categorizing all NRO ICS/SCADA systems as either federal information systems or national security systems. Initial ECD: March 2018 Current ECD: September 2019</p>
<p>(U//FOUO) Recommendation #5 for the DNRO-appointed MS&O/COMM ICS/SCADA Working Group/Coordination Committee/Program: Establish and document a tailored, enterprise-level policy framework to enhance the consistent understanding and application of policies and procedures needed to sufficiently and consistently protect ICS/SCADA assets across the entire enterprise. In developing the tailored policy framework,</p> <p>a) publish a comprehensive list of all currently applicable policies to the enterprise; and,</p> <p>b) create and publish NRO ICS/SCADA unique guidance not addressed in current policies (e.g., ICS/SCADA vendor laptop guidance) and update comprehensive list recommended in 5a.</p>	MS&O	<p>[REDACTED]</p> <p>This recommendation remains open pending receipt of documentation indicating the NRO has a tailored, enterprise-level policy framework consistent with the listed requirements. OIG anticipates MS&O's next status in April 2018. Initial ECD: Originally July 2017 Current ECD: March 2018</p>

Table is ~~SECRET//TK//REL TO USA, FVEY~~

**(U) Table B14: Joint Inspectors General Inspection Report Aerospace Data Facility
Colorado, National Geospatial-Intelligence Agency Denver**

Recommendation

Office

Status

(U) Recommendation DE-16-1301-R: Update the ADF-C - 460th Space Wing Support Agreement, In Accordance With (IAW) Department of Defense Instruction (DoDI) 4000.19.

MOD/ADF-C Site

(U//~~FOUO~~) This recommendation remains open pending receipt of the final agreement with the 460th Space Wing on an update to the Support Agreement

Initial ECD: November 2019
Current ECD: April 2019

(U) Recommendation DE-16-1302-R: [REDACTED]

MOD/ADF-C Site

(U//~~FOUO~~) In March, Site reported the plan will not be completed until [REDACTED] are finalized. Once th [REDACTED] are complete, the site will begin updating the plan. This recommendation remains open pending receipt of evidence that the site has updated the [REDACTED]

Initial ECD: December 2017
Current ECD: July 2019

(U//~~FOUO~~) Recommendation DE-16-1402-R: Develop [REDACTED]

MOD/ADF-C Site

(U//~~FOUO~~) Site is working on getting a waiver for this recommendation. [REDACTED]

[REDACTED] This recommendation remains open pending receipt of a waiver or [REDACTED]

Initial ECD: June 2018

(U//~~FOUO~~) Recommendation DE-16-1403-R: Provide an updated plan to [REDACTED]

MOD/ADF-C Site

(U//~~FOUO~~) Site is working on getting a waiver for this recommendation. [REDACTED]

[REDACTED] This recommendation remains open pending receipt of an updated plan [REDACTED]

Initial ECD: December 2017
Current ECD: June 2018

(U//~~FOUO~~) Recommendation DE-16-1418-R: Develop and implement a plan [REDACTED]

MOD/ADF-C Site

(U//~~FOUO~~) In September, Site reported that all [REDACTED]

[REDACTED] more time to develop a solution. This recommendation remains open pending receipt of evidence that the site has developed and implemented a plan [REDACTED]

Initial ECD: March 2017
Current ECD: October 2019

~~(U//FOUO)~~ Recommendation DE-16-1420-R: Develop and implement a plan [REDACTED]

MOD/ADF-C
Site

[REDACTED]
This recommendation remains open pending receipt of a plan [REDACTED]

Initial ECD: May 2018

~~(U//FOUO)~~ Recommendation DE-16-1509-R: Install [REDACTED]

MOD/ADF-C
Site

(U) Site has taken some actions to remedy this concern. Site had installed [REDACTED] by March 2016. In March 2018, Site reported ADF-C is unable to install [REDACTED]

This recommendation remains open pending receipt of evidence that the Site has installed [REDACTED]

Initial ECD: September 2017
Current ECD: September 2019

~~(U//FOUO)~~ Recommendation DE-16-1515 -R: Ensure that illuminated exit lights are properly installed in rooms throughout all buildings, and repair as needed, IAW 29 CFR §1910.37(a) (4) (b).

MOD/ADF-C
Site

~~(U//FOUO)~~ ADF-C reviewed building and fire codes for the illuminated exit lights based on design specifications when drawings were approved. The fire protection engineer found that illuminated exit lights were required by code but were not installed for unknown reasons. ADF-C states this project has not yet been funded. This recommendation remains open pending receipt of evidence that the Site has ensured that illuminated exit lights are properly installed in rooms throughout all buildings, and repaired as needed, IAW 29 CFR §1910.37(a)(4)(b). As stated in the report, "The action meets the intent of the recommendation. Once sufficient evidence is provided that shows these actions have been taken (e.g., Work Order), this recommendation will be closed."

Initial ECD: November 2018
Current ECD: December 2018.

~~(U//FOUO)~~ Recommendation DE-16-1518-R: Replace or reconfigure emergency exit doors DS28, DS115, and DS103 (all in Building A) to comply with 29 CFR §1910.36(d) (2).

MOD/ADF-C
Site

~~(U//FOUO)~~ The reconfiguration of the emergency doors is on the NRO Consolidated Facilities Project List. Per ADF-C, this action requires a long lead time due to a single manufacturer. Furthermore, funding is still pending. A work order was placed with a new O&M contractor. This recommendation remains open pending receipt of evidence that the site has replaced or reconfigured emergency exit doors DS28, DS115, and DS103 [REDACTED] to comply with 29 CFR §1910.36(d)(2).

Initial ECD: July 2017
Current ECD: December 2018

~~(U//FOUO)~~ Recommendation DE-16-1519-R: Reconfigure all narrow work spaces to ensure that all egress routes meet the minimum requirement of 28 inches wide, IAW 29 CFR §1910.36(g)(2).

MOD/ADF-C
Site

(U) According to the ADF-C Commander, this recommendation will take significant planning and time to meet the requirement IAW 29 CFR 1910.36(g) (2) for all of the ADF-C. As the new contractor remodels rooms, this requirement will be included as a stipulation. Projects to renovate the spaces will be prioritized and allocated by the facilities team. Additionally, representatives and staff will continue to inspect and report noncompliance. Several work orders have been placed in areas. Also, it was determined that [REDACTED] did not have any workspaces narrower than 28 inches. This recommendation remains open pending receipt of evidence that the site has reconfigured all narrow work spaces to ensure that all egress routes meet the minimum requirement of 28 inches wide, IAW 29 CFR §1910.36(g)(2).

Initial ECD: December 2020

(U) Recommendation DE-16-1603-R: Comply with referenced criteria to ensure that appropriate security measures/documentation continue to be implemented whenever changes occur to the mission, the threat, the facility infrastructure or any technical equipment in the facility.

MOD/ADF-C
Site

[REDACTED]

Initial ECD: December 2016
Current ECD: July 2018

~~(U//FOUO)~~ Recommendation DE-16-1604-R: Codify and implement a [REDACTED]

MOD/ADF-C
Site

(U) Evidence requested has not yet been fully provided. Coordinating with Site to capture additional information. This recommendation remains open pending receipt of evidence that the site has codified and implemented [REDACTED]

Initial ECD: January 2017
Current ECD: April 2018

~~(U//FOUO)~~ Recommendation DE-16-1605-R: Validate/update current [REDACTED] documentation [REDACTED]

MOD/ADF-C
Site

(U) Evidence requested has not yet been fully provided. OIG is coordinating with Site to capture additional information. This recommendation remains open pending receipt of evidence that the site has validated and updated current documentation [REDACTED]

Current ECD: April 2018

~~(U//FOUO)~~ Recommendation DE-16-1606-R: Review existing requirements and, as deemed appropriate, modify the Statement of Work to allow for [REDACTED]

MOD/ADF-C
Site

(U) ADF-C reviewed requirements and is modifying the contract to [REDACTED]. They are currently awaiting funds. This recommendation remains open pending receipt of evidence that the site has reviewed existing requirements and modified the SOW to allow for [REDACTED]

Initial ECD: August 2017
Current ECD: October 2018

~~(U//FOUO)~~ Recommendation DE-16-1612-R: Add signage to [REDACTED] that clarifies [REDACTED]

MOD/ADF-C
Site

~~(U//FOUO)~~ In September, Site said, "ADF-C disagrees with this recommendation." [REDACTED]

Current ECD: April 2018

(U) Recommendation DE-16-3301: Complete the ADF-C [REDACTED]

MS&O

~~(U//FOUO)~~ On 5 January 2018, MOD requested this recommendation be transferred to MS&O [REDACTED] by the D/MS&O. The Executive Director of MS&O agreed the recommendation should be transferred to MS&O. OIG is in the process of officially transferring this recommendation to MS&O. MS&O needs time to figure out what they will do to resolve this recommendation and also establish their own estimated completion date.

Initial ECD: July 2017

Current ECD: May 2018

~~(U//FOUO)~~ Recommendation DE-16-3420: Acquire a valid Approval to Operate (ATO)

COMM

[REDACTED]

This recommendation remains open pending receipt of evidence that a valid ATO has been obtained and was submitted to the [REDACTED]

Initial ECD: July 2017
Current ECD: August 2018

~~(U//FOUO)~~ Recommendation DE-16-3422: Acquire a valid ATO for [REDACTED]

COMM

[REDACTED]

This recommendation remains open pending receipt of evidence that a valid ATO for [REDACTED] has been obtained and was submitted to the [REDACTED]

Initial ECD: December 2017
Current ECD: September 2018

[REDACTED]

COMM

[REDACTED]

ECD: September 2018.

[REDACTED]

MOD

[REDACTED]

Initial ECD: December 2016
Current ECD: May 2018

(U//~~FOUO~~) Recommendation DE-16-3431: Provide IAVA compliance status for systems in Table 9, or register them
[REDACTED]

MS&O (U//~~FOUO~~) All systems have been on-boarded as of March 30. This recommendation will be closed upon receipt of MS&O's next status memo to the IG expected in April 2018.
Initial ECD: December 2016
Current ECD: April 2018

(U//~~FOUO~~) Recommendation DE-16-3501: Document regulations related to the maintenance and use of radomes.

MOD (U//~~FOUO~~) In late March, MOD reported they are drafting a clear description that addresses the roles and responsibilities for the maintenance and use of radomes that specifically addresses storage in the ground terminals. OIG is in the process of responding to MODs memo. This recommendation remains open pending receipt of policy (i.e., Directors Note, NRO Instruction or NRO Directive) that is exportable across the enterprise for all NRO radomes, not just for ADF-C.
Initial ECD: December 2016
Current ECD: May 2018

[REDACTED]

MOD (U//~~FOUO~~) In late March, MOD reported they are drafting an
[REDACTED]
Initial ECD: December 2016
Current ECD: May 2018

(U//~~FOUO~~) Recommendation DE-16-3601: As deemed appropriate
[REDACTED]

OS&CI (U//~~FOUO~~) OS&CI reported in February that they funded and completed requirements documentation
[REDACTED]
Initial ECD: January 2017
Current ECD: September 2019

(U//~~FOUO~~) Recommendation DE-16-3802: Develop and implement a process to verify that Mission Ground Stations are compliant with the NI 60-1-1 reporting requirements.

MOD (U//~~FOUO~~) In late March, MOD submitted the approved NI 60-1-1. OIG is currently reviewing the documentation and anticipates closure in April 2018. OIG is in the process of responding to MOD's memo.
Initial ECD: October 2017
Current ECD: April 2018

Table is UNCLASSIFIED//~~FOUO~~

(U) Table B15: FINAL REPORT Inspection of the NRO Defense Civilian Intelligence Personnel System (DCIPS) Performance Management Process

Recommendation	Office	Status
<p>(U//FOUO) Recommendation #1 for Performance Management Performance Review Authority) PM PRA: Issue and/or update internal DCIPS Performance Management policies and procedures to align with DoD Instruction 1400.25, Volume 2011 timelines and enforce those requirements.</p>	DoD Cadre	<p>(U) The DoD Cadre OHR requested closure of this recommendation late March. OIG is currently reviewing this recommendation for potential closure. The DoD Cadre OHR team recently completed the Performance Evaluation Review Process in accordance with DoDI 1400.25, Volume 2011 and NRO Directive 70-6. The OIG would like to observe whether the remainder of the performance management deadlines are met for Fiscal Year (FY) 2017 (i.e. reconsideration process and pay pool process). This recommendation will remain open pending the finalization of the FY 2017 Defense Civilian Intelligence Personnel System (DCIPS) Performance Management Process. Initial ECD: July 2017 Current ECD: TBD</p>
<p>(U//FOUO) Recommendation #4 for PM PRA: Establish metrics to measure the delta between performance evaluation ratings submitted by rating and reviewing officials and PM PRA approved ratings; develop a plan to reduce the delta (giving precedence to examining the Performance Review Boards with the highest percentages of rating adjustments); and measure the results with a goal of eliminating the gap.</p>	DoD Cadre	<p>(U) The DoD Cadre OHR requested closure of this recommendation late March. OIG is currently reviewing this recommendation for potential closure. The DoD Cadre OHR team has taken several actions to reduce the significant discrepancies between performance evaluation ratings submitted by rating and reviewing officials and Performance Management Performance Review Authority approved evaluation ratings. These actions include additional training sessions, creating the automated electronic ratings tracking system, emphasizing Higher Level Reviewers (HLRs) accountability, and allowing initial and final Performance Review Board reviews with feedback sharing for the HLRs to refine ratings or narratives. These actions resulted in a reduction in reconsiderations submitted in FY 2015 and FY 2016. The OIG would like to observe whether the reduction in reconsiderations continues for FY 2017. This recommendation will remain open pending the finalization of the FY 2017 Informal and Formal Reconsideration Process. Initial ECD: February 2017 Current ECD: TBD</p>

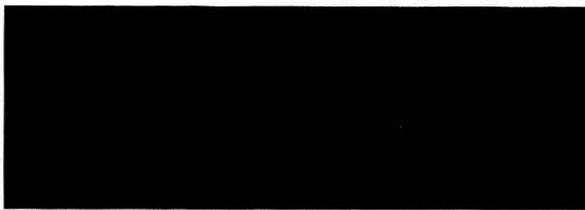
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(U) Table B16: FINAL REPORT Inspection of [REDACTED]

Recommendation	Office	Status
(U) Recommendation #1 for the Director, MS&O (Continuity Manager (CM)), in coordination with the Office of Human Resources: Perform a desk audit of [REDACTED] to determine appropriate staffing level and mix required to fulfill mission requirements and implement recommended staffing changes if warranted. Deliver a written report to the OIG documenting the results.	MS&O	(U) MS&O management has made progress in documenting position descriptions and staffing requirements and plans to meet with OHR to develop a business case to procure these positions by May 2018. The recommendation will be closed upon receipt of evidence that a desk audit/manpower study was performed to determine the appropriate staffing level and mix required to fulfill mission requirements and evidence that recommended staffing changes were implemented. Initial ECD: April 2017 Current ECD: May 2018
(U) Recommendation # 5 for Director, MS&O (CM) in coordination with the Mission Operations Directorate: Update and publish COOP-related policy and guidance, to include a substantive update to the [REDACTED]	MS&O	(U//FOUO) MS&O management has consulted with OP&S in establishing NRO enterprise continuity governance documents, which will be coordinated through the Corporate Decision Process (CDP). MS&O plans to issue guidance by July 2018. Initial ECD: November 2017 Current ECD: July 2018
(U) Recommendation # 6 for Director, MS&O (CM): Update and publish [REDACTED] ensuring changes are coordinated via TIER with the relevant NRO Directorates and Offices (Ds and Os).	MS&O	(U//FOUO) MS&O management has consulted with OP&S in establishing NRO enterprise continuity governance documents, which will be coordinated through the CDP. MS&O will coordinate the plan with the [REDACTED] and plans to issue the [REDACTED] by July 2018. Initial ECD: July 2017 Current ECD: July 2018
(U//FOUO) Recommendation #7 for Director, MS&O (CM): A. Officially update [REDACTED] title, organizational structure, roles and responsibilities, and other relevant information within the [REDACTED] website. B. Develop a written process to ensure that the [REDACTED] website is updated regularly on at least a semi-annual basis.	MS&O	(U) For part A, MS&O reported that progress has been made in updating the website, to include updating the [REDACTED] title and associated guidance; however, OIG currently does not have access to the site in order to validate. (U) For part B, MS&O reported the Deputy Director, [REDACTED] is drafting a procedure to document the requirement and establish the frequency and coordinated process for maintaining the information on the site and expects completion by 30 June 2018. Initial ECD: May 2017 Current ECD: June 2018
(U) Recommendation #9 to Director, MS&O (CM): Update, coordinate, and publish the [REDACTED] Charter to reflect the current operating environment and requirements.	MS&O	(U) MS&O reported the [REDACTED] Charter was signed by the NRO CM and is posted on the [REDACTED] SharePoint site. This recommendation remains open pending evidence the Charter is available on the [REDACTED] website and receipt of evidence documenting the Charter was vetted by the CM and [REDACTED] membership. Initial ECD: March 2017 Current ECD: TBD
(U//FOUO) Recommendation #11 to Director, MS&O (CM): Develop and document a methodology to ensure [REDACTED] assessments of component plans consider an enterprise focus so that all plans are integrated, do not conflict with other plans, and gaps are identified, mitigated, and tracked. In addition, update the office's internal procedures stating the [REDACTED] will provide assessment results within a specific timeframe after the completion of assessments.	MS&O	(U//FOUO) MS&O management has consulted with OP&S in establishing NRO enterprise continuity governance documents, which will be coordinated through the CDP. MS&O plans to issue guidance by July 2018. OIG will close this recommendation upon receipt of a documented methodology, vetted through the [REDACTED] which ensures all component plans are integrated as well as receipt of [REDACTED] updated internal procedures. Initial ECD: May 2017 Current ECD: July 2018

~~(U//FOUO)~~ Recommendation #12 to Director, MS&O (CM): Evaluate and document the need for MS&O to contract for additional resources to support NRO components in continuity plan development and mitigation of issues identified in [redacted] assessments.

MS&O



Initial ECD: April 2017

Current ECD: TBD

~~(U//FOUO)~~ Recommendation #13 for Director, MS&O (CM): Implement and document a process for coordinating/documenting [redacted] meeting schedules/substantive agendas/minutes as well as continuity policy changes and continuity concerns/resolutions.

MS&O

(U) In March, MS&O indicated they will request closure of this recommendation in April based on the issuance of the [redacted] Charter. However, OIG will need evidence of the implementation of information in the [redacted] Charter, such as communicating [redacted] schedules, agendas, minutes, and related information via their updated [redacted] webpage.

Initial ECD: March 2017

Current ECD: July 2018

~~(U//FOUO)~~ Recommendation #14 for Director, MS&O (CM): Implement and document a process for the development of and follow-through for NRO continuity performance metrics.

MS&O

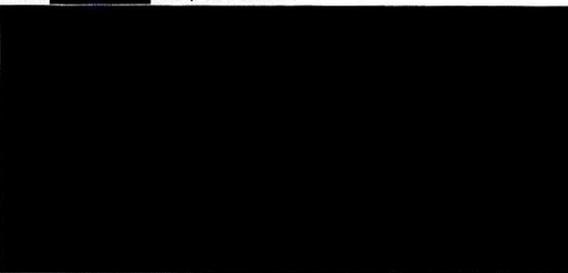
(U) MS&O reported the requirement to develop and report continuity performance metrics semi-annually to the NRO Continuity Coordinator (CC) is a documented [redacted] function in section C of the [redacted] charter. This recommendation remains open pending receipt of supporting documentation to include Deputy Director NRO (DDNRO), as the NRO CC, and [redacted] input and approval of metrics and evidence these metrics were reported to the NRO CC semi-annually through FY 2018. MS&O expects to provide evidence to complete this action by July 2018.

Initial ECD: April 2017

Current ECD: July 2018

~~(U//FOUO)~~ Recommendation #15 for Deputy Director, NRO (CCC) and Director, MS&O (CM) in coordination with the [redacted]. Identify and address current concerns with NRO [redacted] Plan, to include:

Front Office



~~(U//FOUO)~~ This recommendation will remain open until receipt of evidence, such as an updated NRO MR/COOP Plan, documenting the development of a comprehensive process within the [redacted] that ensures all component COOP plans are integrated into the NRO [redacted] plan. In addition, evidence is required to document [redacted]

[redacted] Because this recommendation was expected to take a year or longer to close, the OIG requested a step-by-step plan that includes specific steps with milestones, along with periodic status updates via memorandums provided to OIG.

Initial ECD: November 2017

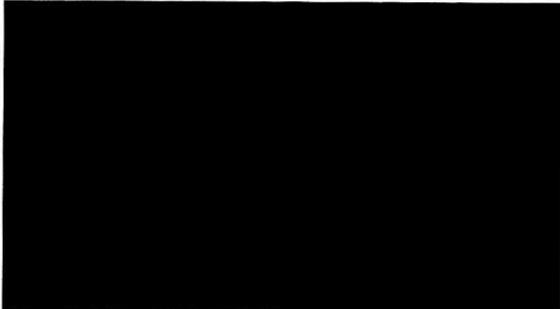
Current ECD: July 2018

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(U) Table B17: Consolidated Facilities Operations and Maintenance Performance Audit

Recommendation

(U) Recommendation #1 for the Director, Management Services and Operations: Determine whether the current Consolidated Facilities Operations and Maintenance (CFOAM) contract structure is in the best interest of the NRO when competing O&M and construction contracts. In doing so, the MS&O should develop and document an acquisition plan that



Office

MS&O

Status

(U) In February, MS&O reported they are continuing to develop an acquisition strategy that considers the items enumerated by the IG and anticipate presenting its strategy to an NRO-level Acquisition Strategy Council (ASC) by the 3rd Quarter 2018. This recommendation remains open pending receipt of a documented acquisition plan that satisfies parts A through D in the recommendation, and MS&O's documented determination regarding the appropriateness of the current CFOAM contract structure.

Initial ECD: June 2018

(U) Recommendation #3 for the Director, Management Services and Operations: Implement new controls to review construction projects from proposal to closeout. The controls should include:

- A. a cost summary sheet that the contractor must submit with each construction proposal;
- B. contractor-provided subcontractor project plans for the purpose of evaluating the accuracy of proposed oversight and security hours;
- C. a periodic review of incurred costs and an evaluation of the adequacy of contractor proposals for a sampling of completed projects; and
- D. timely completed project closeout forms and completed contract funding actions.

MS&O



(U) Recommendation 3C remains open pending receipt of evidence that periodic reviews of incurred costs and an evaluation of the adequacy of contractor proposals are being implemented as indicated.

Initial ECD: April 2018

Table is UNCLASSIFIED

(U) Table B18: Special Review of the Enterprise Procurement Contract

Recommendation

(U) Recommendation #1 for Director, Management Services and Operations in coordination with Director, Office of Contracts: Analyze eBUY procurements and develop, document, and communicate an acquisition strategy that considers

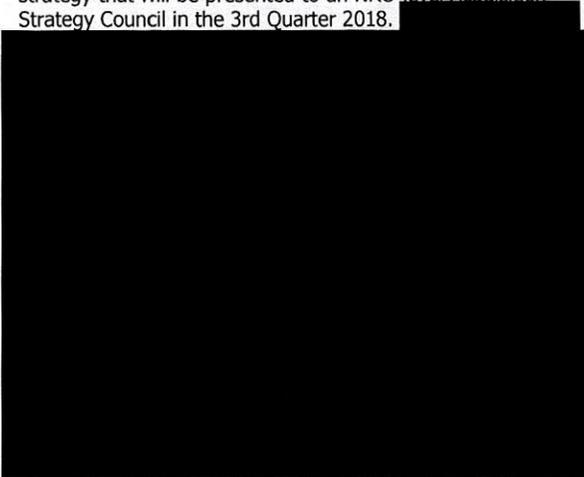
- (U) existing procurement methods;
- (U) contracting directly with vendors for enterprise wide requirements using a firm-fixed price contract;
- (U) government purchase card;
- (U) contracting for procurement services using a firm-fixed price contract; and
- (U) providing a dedicated government resource(s) for these procurements.

Office

MS&O

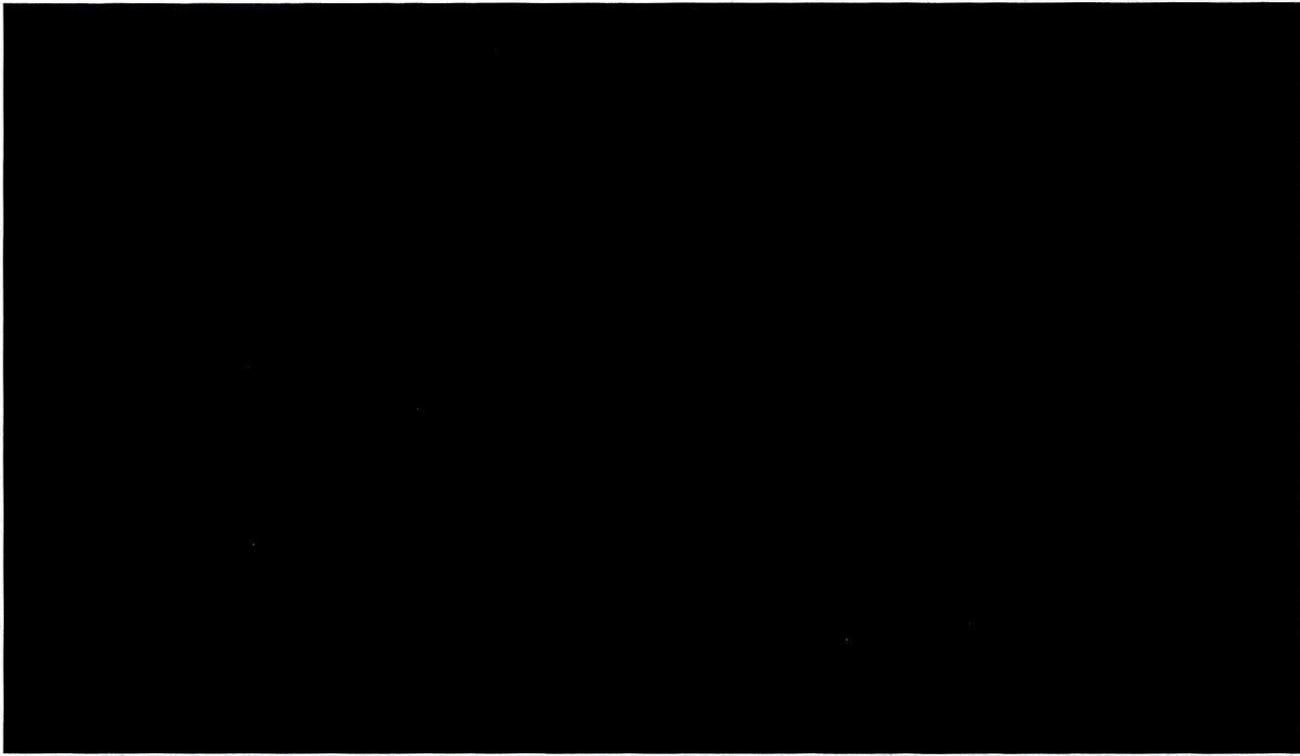
Status

(U//FOUO) MS&O is continuing to take actions to develop, document, and communicate a long-term acquisition strategy that considers the elements enumerated in the IG's Recommendation. MS&O has convened a Procurement Working Group comprised of members from MS&O, COMM, and OC and this group's efforts will inform the long term strategy that will be presented to an NRO-level Acquisition Strategy Council in the 3rd Quarter 2018.



, Initial ECD: June 2018

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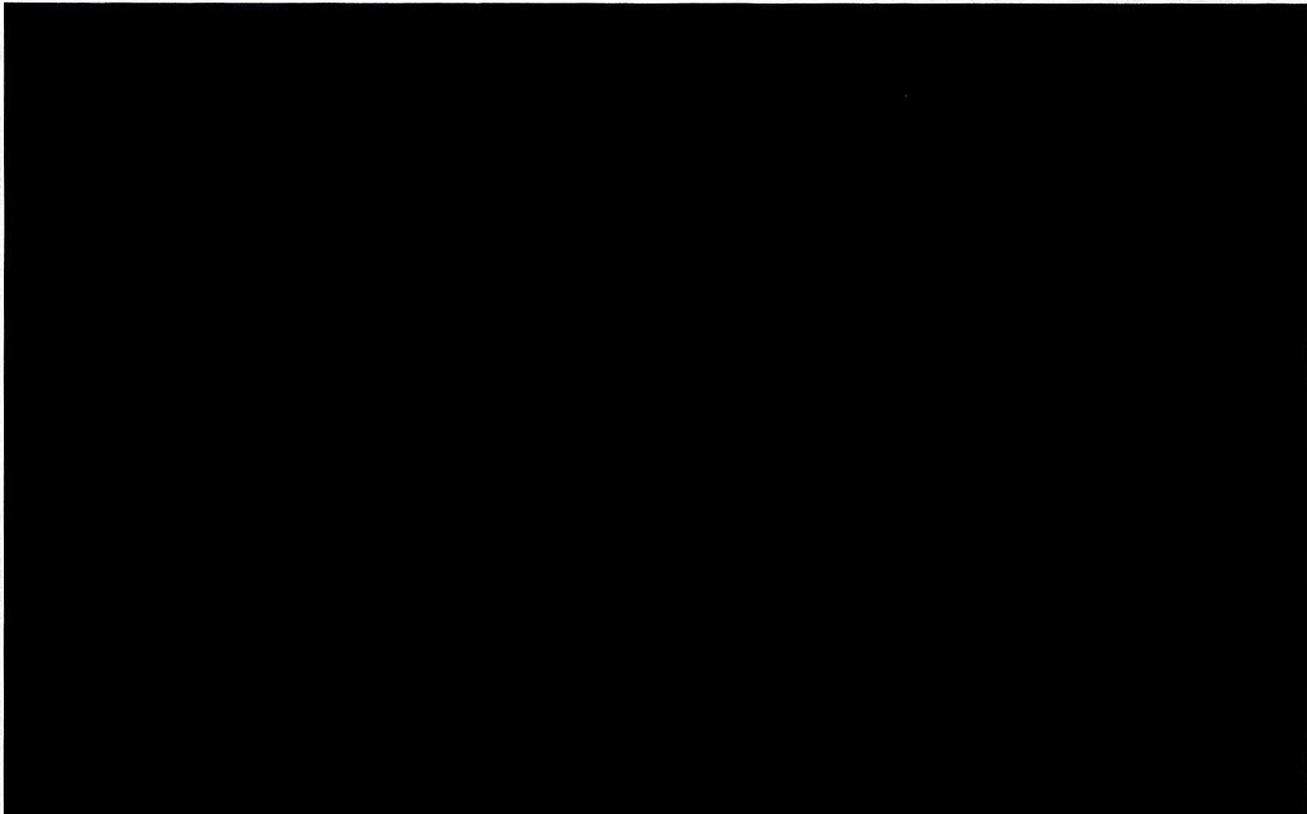


Table is ~~SECRET//REL TO USA, FVEY~~

(U) Table B20: Follow-up Inspection of the NRO DoD Cadre

Recommendation	Office	Status
<p>(U//FOUO) Recommendation #1 for the Executive Director of the NRO DoD Cadre in Coordination with the Director, Office of Human Resources: Complete, implement, and communicate all non-critical Cadre related policies to the workforce.</p>	<p>DoD Cadre/OHR</p>	<p>(U//FOUO) The Executive Director, DoD Cadre and the Director, OHR submitted Management Control Documents Publication Schedule and tracking for status information on the development and publication of critical and non-critical documents related to Cadre transition. This recommendation remains open pending receipt of documentation showing that non-critical Cadre related policies have been completed, implemented, and communicated to the workforce. ECD: TBD</p>
<p>(U//FOUO) Recommendation #2B for the Executive Director of the NRO DoD Cadre:</p> <p>B. Develop and document career paths for each Cadre career field for various proficiency levels (entry and developmental, full performance, senior, and expert) to ensure professional development opportunities for the Cadre.</p>	<p>DoD Cadre/OHR</p>	<p>(U//FOUO) The Executive Director, DoD Cadre and the Director, OHR reported the initial draft NRO Cadre Career Path Guides are in development with an anticipated initial release to the workforce in April 2018. This recommendation remains open pending receipt of documented career paths for each Cadre career field for various proficiency levels that ensure professional development opportunities for the Cadre. Initial ECD: April 2018</p>

~~(U//FOUO)~~ Recommendation #3A for the Executive Director for the NRO DoD Cadre, in coordination with the Director, Office of Human Resources:

A. Examine and document salient aspects of the Cadre workforce inherent to its ability to support current and near-term mission requirements, including identifying core competencies, skill levels, and number and allocation of personnel to facilitate an appropriate Cadre needs-gap analysis.

DoD
Cadre/OHR

~~(U//FOUO)~~ The Executive Director, DoD Cadre and the Director, OHR reported the NRO Cadre is transitioning from a

[REDACTED]

This

recommendation remains open pending receipt of documentation indicating the salient aspects of the Cadre workforce inherent to its ability to support current and near-term mission requirements, including identifying core competencies, skill levels, and number and allocation of personnel to facilitate an appropriate Cadre needs-gap analysis have been examined.

Initial ECD: December 2018
Current ECD: September 2019

~~(U//FOUO)~~ Recommendation #3B for the Executive Director for the NRO DoD Cadre, in coordination with the Director, Office of Human Resources:

B. Develop and document a strategic Cadre workforce growth plan that determines the optimal mix of workforce experience, knowledge, skills, and Cadre-related processes necessary to properly align the Cadre workforce to the NRO's current and future mission requirements to include recruitment and retention strategies.

DoD
Cadre/OHR

~~(U//FOUO)~~ The Executive Director, DoD Cadre and the Director, OHR reported the NRO Cadre is transitioning from a

[REDACTED]

This

recommendation remains open pending receipt of the above described documented strategic Cadre workforce growth plan and Cadre-related processes necessary to properly align the Cadre workforce to the NRO's current and future mission requirements

Initial ECD: December 2018
Current ECD: September 2019

~~(U//FOUO)~~ Recommendation #4 for the Director, Office of Human Resources: Conduct and document a timely, appropriately scoped, workforce analysis that systematically identifies and analyzes core competencies and skills mix and facilitates an NRO workforce needs-gap analysis that would enable the development of a strategic Cadre workforce plan.

DoD
Cadre/OHR

~~(U//FOUO)~~ The Executive Director, DoD Cadre and the Director, OHR reported the NRO Cadre is transitioning from a

[REDACTED]

This

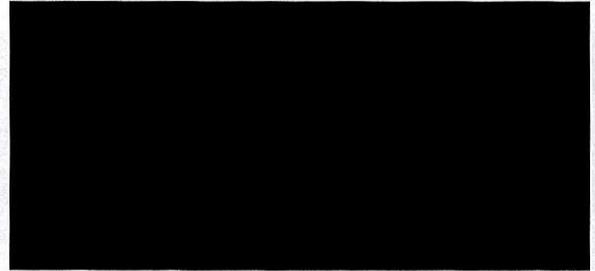
recommendation remains open pending receipt of a documented workforce analysis that systematically identifies and analyzes core competencies and skills mix and facilitates an NRO workforce needs-gap analysis.

ECD: TBD

~~(U//FOUO)~~ Recommendation #6A for the Executive Director for the NRO DoD Cadre in Coordination with the Director, Office of Human Resources:

DoD
Cadre/OHR

A. Assess the Cadre vacancy process, including the posting and advertising of Cadre vacancies; the feasibility of concurrently posting vacancies through multiple venues; and the feasibility of enhancing Cadre personnel mobility by expanding NRO job opportunities to which Cadre employees may apply. Determine most appropriate course of action and establish or update policies and implementation guidance, as appropriate.



~~(U//FOUO)~~ The Executive Director, DoD Cadre, in coordination with OHR, assessed the Cadre vacancy process and are piloting alternative options. Changes in the recruitment process for NRO Cadre will continue to develop as we implement a more a robust billet management process which directly relates to

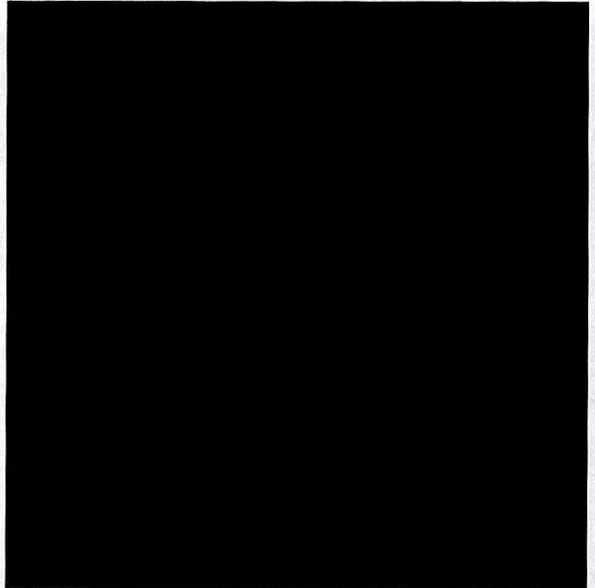
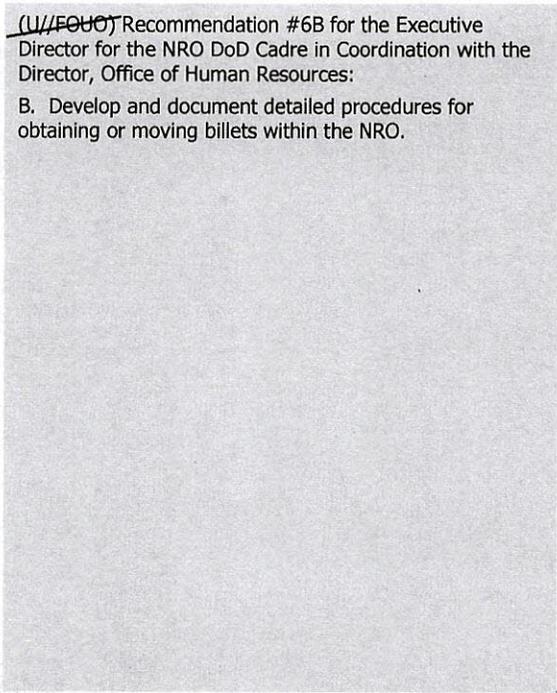
and implementation of the Career Field Management. This recommendation remains open pending receipt of a documented assessment of the Cadre vacancy process, the resulting determination of the appropriate course of action, and established or updated policies with implementation guidance, as appropriate.

ECD: TBD

~~(U//FOUO)~~ Recommendation #6B for the Executive Director for the NRO DoD Cadre in Coordination with the Director, Office of Human Resources:

DoD
Cadre/OHR

B. Develop and document detailed procedures for obtaining or moving billets within the NRO.



This recommendation remains open pending receipt of documented detailed procedures for obtaining or moving billets within the NRO.

ECD: TBD

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