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Description of document: Report of Investigation performed by the Department of Energy Office of Inspector General, for the Integrity Committee of the Council of Inspectors General for Integrity and Efficiency (CIGIE), concerning allegations regarding the NRO Inspector General, 2012

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U.S. Department of Justice

Federal Bureau of Investigation
Washington, D.C. 20535

March 20, 2014

FOIPA Request No.: 1249362-000
Subject: DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL FINAL
REPORT

While processing your Freedom of Information Act (FOIA) request, the *United States Department of Energy Office of Inspector General* located FBI information in their records. This material was referred to the FBI for direct response to you.

Enclosed are copies of the referred material. Deletions have been made pursuant to Title 5, United States Code, Section(s) 552/552a as noted below. See the enclosed form for an explanation of these exemptions.

Section 552

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Section 552a

☐ (d)(5)

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11 pages were reviewed and 11 pages are being released.

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Sincerely,

David M. Hardy
Section Chief,
Record/Information
Dissemination Section
Records Management Division

Enclosure



U.S. Department of Energy
Office of Inspector General

Special Inquiry Report

I12IG001

December 7, 2012

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U.S. Department of Energy
Office of Inspector General

December 7, 2012

MEMORANDUM FOR THE COUNCIL OF INSPECTORS GENERAL FOR INTEGRITY
AND EFFICIENCY, INTEGRITY COMMITTEE

FROM:

[REDACTED]

Deputy Inspector General for Investigations
Office of Inspector General

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SUBJECT: Executive Summary: Alleged Conflict of Interest by the National
Reconnaissance Office's Inspector General (OIG Case No. I12IG001)

The attached report outlines the results of a special inquiry by the U.S. Department of Energy's (DOE) Office of Inspector General (OIG) regarding allegations that the Inspector General (IG) at the National Reconnaissance Office (NRO) engaged in an activity that constituted a conflict of interest. This Executive Summary provides an overview of the allegations and findings.

Summary of Allegations

In a letter dated August 29, 2012, the General Counsel for the Department of Defense (DOD) OIG forwarded to the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) allegations of a conflict of interest involving [REDACTED] NRO Inspector General. Two separate anonymous complaints had been filed—one with the Central Intelligence Agency (CIA) OIG and one with the DOD OIG—alleging IG [REDACTED] may have a conflict of interest relative to NRO's Polygraph Office. Specifically, it was alleged, in part, that a conflict existed because IG [REDACTED] lobbied NRO Polygraph officials in 2011 to employ the girlfriend of [REDACTED] son and, separately, is now conducting a review of allegations that NRO Polygraph officials engaged in misconduct in the administration of polygraphs. Because the NRO OIG has oversight responsibilities for the NRO Polygraph Office, it was alleged IG [REDACTED] lobbying efforts posed a conflict of interest.

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On September 6, 2012, the Integrity Committee reviewed the complaints and decided to begin an administrative investigation. Pursuant to Integrity Committee policies and procedures dated 2009, the Integrity Committee requested the DOE OIG to lead the administrative investigation.

Focus

As requested by the Integrity Committee, the focus of the DOE OIG inquiry was to identify and present facts regarding whether IG [REDACTED] was directly or indirectly involved in attempts

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OIG Case No. I12IG001

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to obtain employment for the girlfriend of [REDACTED] son in the NRO Polygraph Office.

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Summary of Findings

The allegations were unsubstantiated. DOE OIG investigators confirmed [REDACTED] son had a personal relationship with a subordinate to the personnel officer during at least a portion of her employment in the OIG. Evidence suggested that as a result of the relationship, in May of 2012, the individual was transferred to a position within the NRO's Human Resources office, outside the OIG. The move was prompted by [REDACTED] self-reporting—to the Director of NRO's Human Resources office—the potential conflict of interest involving her son's relationship with her subordinate. Key personnel involved with the transfer testified that IG [REDACTED] had no involvement with the process, including speaking or meeting with Polygraph Office officials. Witnesses told investigators the transfer was initiated and completed without any input or involvement by IG [REDACTED]

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Investigators confirmed that, at her request, IG [REDACTED] did meet with managers from the NRO Polygraph Office on two occasions in May of 2011. However, testimony from the participants indicated the purpose of the meetings was to discuss office downsizing and lessons learned from a recent Polygraph Office closure. [REDACTED]

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[REDACTED] According to testimony, at no time did these discussions involve employment opportunities in the Polygraph Office for any OIG employees, including the girlfriend.

SPECIAL INQUIRY REPORT

I. ALLEGATION

On July 19, 2012, the Central Intelligence Agency's (CIA) Office of Inspector General (OIG) fraud hotline received an anonymous complaint against the National Reconnaissance Office (NRO) Inspector General (IG) [REDACTED]. Specifically, it was alleged that [REDACTED] and [REDACTED] met with two Polygraph Office officials, [REDACTED] and [REDACTED] in an effort to obtain employment for [REDACTED] son's girlfriend, [REDACTED]. The meetings reportedly occurred on May 19 and 23, 2011. Because the NRO OIG has oversight responsibilities for the NRO Polygraph Office, it was alleged that the meetings and relationship posed a conflict of interest for IG [REDACTED]. The CIA OIG forwarded the complaint to the Department of Defense (DOD) OIG.

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Separately, on July 23, 2012, the DOD OIG received a complaint that the NRO OIG (no specific names mentioned) had previously been made aware of the allegations of misconduct involving the NRO Polygraph Office. This complainant wrote, in part, "This appears to be a conflict of interest that now the NRO OIG is conducting an inquiry into something they potentially knew was occurring."

In a letter dated August 29, 2012, the General Counsel for the DOD OIG informed the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) about the allegations of misconduct against IG [REDACTED].

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II. POTENTIAL STATUTORY AND REGULATORY VIOLATIONS

The *Quality Standards for Federal Offices of Inspector General* reads in relevant part:

- Section II.A: "Objectivity imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest."
- Section II.C: "The IG and OIG staff must be free both in fact and appearance from personal, external, and organizational impairments to independence. The IG and OIG staff has a responsibility to maintain independence, so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. The IG and OIG staff should avoid situations that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the OIG is not able to maintain independence in conducting its work."

¹ The original complaints did not include the full names of all the participants. The DOE OIG determined the names upon initiation of the inquiry.

Additionally, Title 5 C.F.R. part 2635.101, Standards of Ethical Conduct for employees of the Executive Branch, states, in part, "Employees shall not use public office for private gain," and "Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts."

III. FOCUS

As requested by the Integrity Committee, the focus of the DOE OIG inquiry was to identify and present facts regarding whether IG [REDACTED] was directly or indirectly involved in attempts to obtain employment for [REDACTED] son's girlfriend in the NRO Polygraph Office.

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IV. INVESTIGATIVE FINDINGS

The allegations were unsubstantiated. Witness testimony revealed that IG [REDACTED] met with officials from the NRO Polygraph Office May 19 and May 23, 2011. Investigators were told by those who participated that the purpose of the meetings was to discuss office downsizing and lessons learned from a Polygraph Office closure in Los Angeles, California [REDACTED]

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[REDACTED] All of the witnesses testified that the discussions never involved employment opportunities in the Polygraph Office for [REDACTED] who was an OIG employee at the time, or any other OIG employees.

DOE OIG investigators confirmed that [REDACTED] had a personal relationship with [REDACTED] son during at least a portion of her employment in the OIG. In May 2012, [REDACTED] was moved from a position in the OIG to a position elsewhere within the NRO, but not to the Polygraph Office. According to those responsible for this transfer, IG [REDACTED] was not involved in the process. In fact, the transfer was prompted by [REDACTED] self-reporting the potential conflict of interest involving her son's romantic relationship with [REDACTED] [REDACTED] told investigators that she was uncomfortable with the situation and felt a duty and obligation to report it to [REDACTED] the NRO Human Resources Office, an entity outside of the OIG. The NRO Director of Human Resources stated that he alone made the decision to move the referenced employee out of the OIG, and that he placed her under his supervision within the NRO Human Resources office. According to those involved with the transfer, IG [REDACTED] had no involvement with the process, including speaking or meeting with Polygraph Office officials. Witnesses indicated the transfer was initiated and completed without any input or involvement by IG [REDACTED]

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IG [REDACTED]

During an interview with DOE OIG investigators, IG [REDACTED] stated that she had "no correspondence whatsoever," nor did she meet, with anyone in the NRO Polygraph Office regarding obtaining employment for [REDACTED] She denied the allegations.

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IG [] stated that she met with officials from the NRO Polygraph Office on one or more occasions; however, she generally recalled it occurred earlier than May 2011.² According to IG [] the meeting(s) took place at her request. She said the purpose of the meeting(s) was to discuss "lessons learned" from the perspective of the Polygraph Office with respect to the downsizing and/or closing of a field office. IG [] was aware that the Polygraph Office had recently gone through such a downsizing and had experienced several personnel issues. []

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[] some of the problems they had experienced. She recalled meeting with [] of the NRO Polygraph Office; [] was in attendance. IG [] said [] was not discussed.

IG [] could not recall a meeting with []³

[]
During an interview with DOE OIG investigators, [] identified herself as [] the NRO OIG, a position she has held since []. She stated that in January 2011, [] began working for her at the NRO OIG. After being assigned to the NRO OIG, [] began dating [] son, who was also an NRO employee. [] indicated she became aware of the dating relationship between [] and [] around the spring of 2012. As a result of the initiation of this romantic relationship between a direct report and [] son, [] self-reported this potential conflict of interest to [] at NRO Human Resources Office, []⁴ After this meeting with [] [] was reassigned in May 2012 from the OIG to a position in the main NRO Human Resources Office with []. The decision to reassign [] was made by [].

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According to [] subsequent to [] decision to reassign [] [] advised IG [] of the reassignment and why it was made. According to [] this was her only conversation with IG [] regarding this matter, and IG [] gave no input or instruction on the topic.

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With respect to meetings with the NRO's Polygraph Office, [] recalled that in the summer of 2011, she sat in on a meeting between IG [] and [] of the NRO Polygraph Office. The meeting focused on []. According to [] IG [] was considering []. The NRO

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² Investigators examined IG [] calendar and confirmed the meeting occurred in May 2011.

³ Investigators examined IG [] calendar and confirmed that a meeting occurred in May 2011.

⁴ While the NRO OIG is an independent organization within the NRO, the OIG's Human Resources Manager reports to the NRO's main Human Resources office.

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Polygraph Office had experience in this area since they had recently gone through a similar process, and [redacted] thought best practices could be identified through a meeting. The discussion at this meeting was limited to best practices associated with an office downsizing. No other topics were discussed during the meeting, including finding employment for [redacted]

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[redacted]

During an interview with DOE OIG investigators, [redacted] identified himself as [redacted] of Human Resources for NRO, a position that falls outside of the NRO OIG. [redacted] is an NRO OIG employee, however, she ultimately reports to him. According to [redacted] around the spring of 2012 he became aware of a "dating relationship" between [redacted] and [redacted] son. [redacted] advised him of the situation out of concern that [redacted] thereby posing a potential conflict of interest.

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[redacted] indicated that he "monitored the situation" for a short period of time until he became aware that the relationship had developed into a "cohabitation" situation. At that time, he made the decision to reassign [redacted] out of the OIG. He stated it was his decision and that he assigned [redacted] Human Resources team outside of the OIG workspace. According to [redacted] he never discussed [redacted] reassignment with IG [redacted]. He did, however, discuss it with [redacted]. It is his understanding that [redacted] advised IG [redacted] of [redacted] reassignment.

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According to [redacted] has since rotated [redacted] ending her employment at the NRO.

[redacted]

During an interview with DOE OIG investigators, [redacted] identified herself as the former [redacted] NRO Polygraph Office. She retired from Federal service in April 2012. [redacted] did recall a meeting between IG [redacted] and [redacted] around May 2011. The meeting was called by IG [redacted]. The purpose of the meeting was to discuss the [redacted] [redacted] office had recently gone through an office closure and IG [redacted] was interested in learning from their experience. [redacted] offered to facilitate contact with [redacted] a Polygraph Office manager who oversaw their office closure, for a follow-on meeting.

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[redacted] believes that she suggested during the meeting that [redacted]. Her rationale was that [redacted]. [redacted] but she is not aware of any specific individuals. According to [redacted] she has never heard of [redacted] nor did she ever have any discussions with IG [redacted] or [redacted] about finding employment

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for [REDACTED]

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During an interview with DOE OIG investigators, [REDACTED] identified himself as [REDACTED] the NRO Polygraph Office. [REDACTED] At some time during 2011, his supervisor, [REDACTED] requested that he meet with the NRO IG to discuss issues [REDACTED] It was his understanding that [REDACTED] had already met with the NRO IG to discuss this issue.

[REDACTED] explained that [REDACTED] had recently gone through a downsizing and office closure in Los Angeles, California. He understood that [REDACTED]

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According to [REDACTED] he met with IG [REDACTED] and one other individual he believes was [REDACTED] around the spring of 2011. The meeting focused on the issue of an office closure. At no time did they discuss the potential for the NRO Polygraph Office to take on OIG employees. He does not know and has never met [REDACTED] He stated that he has never discussed any issue regarding [REDACTED] with anyone from the OIG.

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[REDACTED] did recall a male OIG employee from the Los Angeles office applying for a position with the Polygraph Office. It was determined he was not a good fit for the position, and he was not selected.

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DOE OIG investigators interviewed [REDACTED] who currently works in Human Resources [REDACTED] She began working for the NRO OIG around January 2011. Prior to that, she worked within another section of Human Resources at NRO (outside the OIG). At the NRO OIG, she was part of a team of [REDACTED] staff members supporting OIG Human Resources functions, and she reported directly to [REDACTED]

According to [REDACTED] during the summer of 2011, she began dating [REDACTED] son. By May 2012, as a result of her relationship with [REDACTED] son progressing and the potential conflict for [REDACTED] a decision was made that she could not be in [REDACTED] chain of command. She was then moved out of the OIG and into another Human Resources office at NRO. [REDACTED] is aware that discussions took place between [REDACTED] and [REDACTED] regarding this matter.

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[REDACTED] stated that she has no knowledge of IG [REDACTED] being aware of her relationship with [REDACTED] son and her being moved out of the OIG. In fact, she does not even know if IG [REDACTED] knows who she is.

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[redacted] stated that at some point, she did seek employment with, and applied for a position at, the NRO Polygraph Office. She was not selected for the job. She did not seek IG [redacted] assistance with trying to obtain the job. [redacted] stated that she has no knowledge of any meeting between IG [redacted] and personnel from the NRO Polygraph Office regarding potential employment opportunities for her.

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V. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

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Integrity Committee

Council of the Inspectors General for Integrity and Efficiency

935 Pennsylvania Ave., NW, Room 3973
Washington, D.C. 20535-0001

September 21, 2012

Personal & Confidential

[Redacted]
Inspector General
National Reconnaissance Office (NRO)
14675 Lee Road
Chantilly, VA 20151-1715

TO [Redacted]

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IC# 725

Dear [Redacted]

The Integrity Committee (IC), Council of the Inspectors General for Integrity and Efficiency (CIGIE), is charged with receiving and conducting an appropriate review of complaints against an Inspector General (IG) and in certain circumstances designated staff members of an Office of Inspector General (OIG). In August 2012, the IC received an anonymous complaint referred from the Central Intelligence Agency and a similar complaint from the Department of Defense. The anonymous complaint alleges that you, as the IG, NRO, were involved in attempts to obtain employment in the NRO polygraph office for the girlfriend of [Redacted] son.

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The IC reviewed the complaint during its September 2012 meeting and decided to initiate an administrative investigation into the matter.

Additional allegations may be investigated if they become known through the investigation or by additional complaint(s). You will receive notice of any such additional allegations if they concern new subject matter.

At the request of the IC, the Department of Energy (DOE)-OIG, has been assigned to lead the administrative investigation regarding this matter. Once the investigation is complete, the DOE-OIG will prepare a Report of Investigation (ROI) for the IC.

[redacted]

An investigator from the DOE-OIG may contact you for an interview regarding this matter. You may choose to participate or decline the interview. You will have the opportunity to comment on the final ROI report, including the accuracy of the interview transcript or summary memorandum, prior to final consideration of the ROI by the IC. You may submit additional statements or documents to the IC for its consideration; subject to the caveat the documents are not unnecessarily voluminous. You may submit this information either through the DOE-OIG, as part of the ROI, or directly to the IC at the time you comment on the ROI.

The ROI along with the findings, conclusions, and opinions of the IC will be forwarded for review by the CIGIE Executive Chairperson and to the Oversight Committees of Jurisdiction of DOD and the IC. You will be notified in writing when the IC completes its review of the complaint and the ROI, as well as when the IC forwards the ROI to the CIGIE Chairman for review.

If you have questions regarding this matter, please contact IC Program Manager
Supervisory Special Agent [redacted] at [redacted]

Sincerely,

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[redacted]
Acting Chair, Integrity Committee

✓ 1 - [redacted]
Inspector General
Department of Energy (DOE)
1000 Independence Avenue, S.W.
Washington, DC 20585