



governmentattic.org

"Rummaging in the government's attic"

Description of document: National Aeronautics and Space Administration (NASA) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of the Inspector General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 24-April-2012

Released date: 04-May-2012

Posted date: 22-February-2021

Source of document: NASA Headquarters
300 E Street, SW
Room 5Q16
Washington, DC 20546
Fax: (202) 358-4332
Email: hq-foia@nasa.gov
[Online FOIA submission form](#)

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

The governmentattic.org web site ("the site") is a First Amendment free speech web site and is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



~~---~~ MAY 4 2012

VIA ELECTRONIC TRANSMISSION

SUBJECT: Freedom of Information Act (FOIA) Request
Office of Inspector General FOIA Request Number 2012-26

I am responding to the April 15, 2012, FOIA request that you submitted to the NASA Office of Inspector General (OIG). It was received by the OIG on April 24, 2012. You requested a copy of "each biannual response to Senators Grassley and Coburn regarding their April 8, 2010, request to the NASA Office of the Inspector General to provide a summary of your non-public management advisories and closed investigations."

My initial determination is to provide you the enclosed documents. One page has been redacted to remove the identifying information of an individual pursuant to FOIA exemption (b)(6), which protects individuals from unwarranted invasions of personal privacy, and (b)(7)(C), which protects personal privacy related to law enforcement records. 5 U.S.C. §§ 552(b)(6) & (7)(C).

You have the right to appeal this initial determination to the Inspector General. Under 14 CFR § 1206.605 (b), the appeal must: (1) be in writing; (2) be addressed to the Inspector General, NASA Headquarters, Washington, DC 20546; (3) be identified clearly on the envelope and in the letter as an "Appeal under the Freedom of Information Act;" (4) include a copy of the request for the Agency record and a copy of the contested initial determination; (5) to the extent possible, state the reasons why the requester believes the

contested initial determination should be reversed; and (6) be sent to the Inspector General within 30 calendar days of the date of receipt of the initial determination.

Sincerely,

A handwritten signature in black ink, appearing to read "K. H. Winters", followed by a horizontal line extending to the right.

Kevin H. Winters
Assistant Inspector General for Investigations
OIG FOIA Officer – Investigations

Enclosures

National Aeronautics and
Space Administration

Office of Inspector General
Washington, DC 20546-0001



April 13, 2010

The Honorable Darrell E. Issa
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Issa:

This letter responds to your March 24, 2010, request for updated information about open and unimplemented audit recommendations made to the National Aeronautics and Space Administration (NASA) by the NASA Office of Inspector General (OIG). As of March 31, 2010, 66 recommendations remain open and unimplemented, none of which have associated cost savings.

You also requested that we identify what we consider to be the three most important open and unimplemented recommendations. This information follows in the sections below.

- **FY 2009 NASA Financial Statement Audit (Report No. IG-10-002)** Our contracted independent public accounting firm (IPA) found serious weaknesses in the design of internal controls over the completeness and accuracy of legacy assets, in particular the International Space Station and Space Shuttles, which prevented material misstatements in NASA's financial statements from being detected and corrected in a timely manner. The IPA recommended that NASA improve implementation of SFFAS No. 35, *Estimating the Historical Cost of G-PP&E [property, plant, and equipment]*. Areas for particular focus include: (1) appropriate approaches in critically assessing prior recorded amounts for legacy assets when the initial documentation to support recorded amounts is not available and the extent to which such initial recorded amounts can be viewed as reasonable estimates, and (2) the extent to which NASA must associate ongoing outlays with individual items of PP&E versus recording amounts based on contractor-provided estimates. Proper implementation of the agreed-upon recommendation should enable NASA to develop a sound methodology to establish reasonable estimates of the historical cost of legacy PP&E. We issued the report on November 13, 2009; NASA's expected implementation date is November 30, 2010.

- **Jet Propulsion Laboratory (Report No. IG-09-022)** We determined that a single cost-plus-award-fee contract is not the best contract vehicle to procure services to manage and operate the Jet Propulsion Laboratory (JPL) as a federally funded research and development center. We found that NASA did not perform a cost-benefit analysis or adequately evaluate alternative contract vehicles to support JPL operations and therefore may not be getting the best value for the taxpayer. We recommended that NASA consider alternative contract vehicles, or a mix of contract vehicles, for any follow-on contracts. We issued this report on September 25, 2009; NASA's expected implementation date is December 31, 2012.
- **Landsat Program (Report No. IG-09-021)** We found that NASA's efforts to develop, launch, and operate a land remote sensing system to maintain long-term data continuity are in jeopardy because no Federal agency has overall responsibility for the Landsat program. Landsat 7 – the only operational on-orbit source of complete global Landsat imagery – and Landsat 5 are operating in a degraded state and are likely to fail prior to the next Landsat satellite reaching orbit, ending over three decades of Landsat data continuity. We recommended that NASA develop a plan for continuous provision of Landsat-type data should Landsat 7 and Landsat 5 become inoperable before the next Landsat is operational. We issued this report on September 2, 2009; NASA's expected implementation date is August 31, 2010.

For each of these recommendations, NASA management concurred that our findings were accurate and that the recommendations need to be implemented.

Finally, since January 5, 2009, NASA management has implemented 125 recommendations made by the OIG in a variety of reports. NASA OIG has accepted the Agency's corrective actions and considers these recommendations closed.

If you or your staff have questions about this response, please contact Ms. Renee Juhans, NASA OIG Executive Officer, at (202) 358-1712.

Sincerely,



Paul K. Martin
Inspector General

cc:

The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate

National Aeronautics and
Space Administration

Office of Inspector General
Washington, DC 20546-0001



June 15, 2010

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
Washington, DC 20510

Dear Senator Grassley and Senator Coburn:

This letter responds to your April 8, 2010, request for information related to ensuring that Federal Offices of Inspectors General (OIG) have the independence necessary to carry out audits, evaluations, and investigations within their respective agencies.

Specifically, you requested that the National Aeronautics and Space Administration (NASA) Office of Inspector General (OIG): (1) list and describe any instances when the Agency "resisted and/or objected to oversight activities and/or restricted your access to information;" (2) provide biannual reports on all closed investigations, evaluations, and audits conducted by the NASA OIG that were not disclosed to the public; (3) alert you to any attempts to impede our office's ability to communicate with Congress on budget or other matters; and (4) provide you with information about open and unimplemented audit recommendations made to NASA by the OIG.

To date, the NASA OIG has experienced no impediments to the independence necessary to carry out our audits, evaluations, and investigations at NASA, nor has this office received any threats from federal officials or attempts to impede this office's ability to communicate with Congress.

As requested, and after consultation with your staff, we have summarized selected non-public, closed investigative matters from January 2009 through April 2010. The enclosed summary contains 29 investigations associated with the following matters:

- Cases in which the OIG submitted a written referral to NASA management recommending management action;
- Cases in which subjects were senior NASA personnel (GS-15 and higher);
- Cases involving whistleblowers; and
- Cases involving breaches of the public trust (e.g., conflicts of interest, lying to Congress)

Additionally, on April 13, 2010, we provided your office with a copy of my response to Congressman Issa's request for information on open and unimplemented audit recommendations made to NASA by the OIG. For your convenience, we enclose another copy of that document.

If you or your staff have questions about this response, please contact Renee Juhans, NASA OIG Executive Officer, at (202) 358-1220.

Sincerely,

A handwritten signature in black ink, appearing to read "P. K. Martin". The letters are stylized and connected.

Paul K. Martin
Inspector General

Enclosures

cc:

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate

The Honorable Carl Levin
Chairman
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate

NASA OFFICE OF INSPECTOR GENERAL
Summary of Selected Closed Investigations
(January 2009 – April 2010)

1. NASA Contractor Failed to Pay Sub-Contractors

Predicate: Allegation that a NASA contractor failed to pay several subcontractors for work on a NASA contract.

Disposition: Matter was declined for prosecution and referred to NASA management.

2. NASA Contractor Circumvented Contract Specifications

Predicate: Allegation that a subcontractor was circumventing contract specifications to cut time and costs.

Disposition: The matter was declined for prosecution but was referred to NASA management because the allegations raised potential safety concerns.

3. Conflict of Interest

Predicate: Allegation that an Associate Administrator used their position to hire a personal friend.

Disposition: Allegation unsubstantiated.

4. Contractor Mischarging Time

Predicate: Allegation that a NASA contractor required its employees to charge time to Small Business Innovative Research (SBIR) projects on which they were not working and that the company used SBIR funds for work outside the scope of those projects.

Disposition: This matter was declined for prosecution but was referred to local NASA management with a recommendation that they conduct a review to ensure that the SBIR contractor is in compliance with the terms of its contracts.

5. Travel Fraud

Predicate: Allegation that a NASA employee submitted false travel expense claims for time spent at his official duty station.

Disposition: Allegations were substantiated. OIG referred the matter to NASA management recommending that action be taken against the employee's supervisors for approving the employee's travel orders and claims for travel to his official duty station. NASA recouped the money owed and gave written letters of counseling to the traveler and his supervisors.

6. **False Claims**

Predicate: Allegations that a NASA contractor submitted false claims in connection with its work on an Interagency Agreement involving NASA and the United States Army. Specific allegations stated that a GS-15 NASA employee knowingly approved false reports submitted by the contractor.

Disposition: Allegations were substantiated, but the matter was declined for prosecution. OIG referred the matter to management with a recommendation that administrative action be taken against the NASA employee. NASA reassigned the employee to a position in which he would have no involvement with the management of contracts.

7. **Misuse of Training Funds**

Predicate: Allegations that NASA improperly allowed the use of training funds by a former Deputy Assistant Administrator and that the former employee did not reimburse NASA when he left the agency before fully complying with the terms of the training agreement.

Disposition: The allegations were substantiated. The OIG referred the matter to NASA management and recommended 1) that NASA review its training regulations to ensure they are in compliance with the Government Employees Training Act; 2) that NASA employees responsible for administration of training funds receive further instruction on regulations related to training eligibility; 3) and that NASA seek reimbursement from the former employee for the cost of training for which he was ineligible. NASA concurred with the first two general recommendations, but not the recommendation to collect the funds owed. The OIG stated its disagreement with NASA management's decision to waive the debt and not collect the monies owed.

8. **Time and Attendance Fraud**

Predicate: Allegation that a NASA employee was working for a private company while on extended sick leave.

Disposition: The allegations were substantiated. An administrative settlement with NASA was negotiated in which the employee resigned and paid restitution. The matter was declined for criminal prosecution.

9. **Misuse of Social Security Number**

Predicate: Allegation that a NASA employee used a false Social Security number and failed to disclose a criminal record when completing personnel documents.

Disposition: Investigation substantiated the allegations. NASA OIG referred the matter to NASA management to re-evaluate the employee's suitability for employment. The employee resigned after being informed that a removal action was forthcoming.

10. Abuse of Authority

Predicate: Allegation that a GS-15 NASA Project Manager used his position to obtain sexual favors from NASA contractor employees.

Disposition: Allegation substantiated. NASA OIG referred the matter to NASA management for disciplinary action, but the employee resigned prior to formal action being taken.

11. Contractor Employee Viewing Pornography

Predicate: Allegation that a contractor employee was viewing pornography on a NASA-issued computer utilizing a NASA Center's computer network.

Disposition: Investigation substantiated the allegation. The OIG referred the matter to NASA management for appropriate action. As a result of the referral, the contractor verbally counseled the employee and records related to the issue were included in the employee's personnel file.

12. Post-Government Employment Violation

Predicate: Allegation that an SES employee retired from NASA and accepted a position with a NASA contractor over which he previously had award fee input.

Disposition: The allegations were found to be without merit.

13. Time Mischarging

Predicate: Allegation that a contractor used inappropriate codes to account for labor costs.

Disposition: No criminal misconduct substantiated. The OIG issued a management referral identifying vulnerabilities in NASA's labor charges under the contract.

14. False Statements to Congress

Predicate: Allegation that a former Deputy Assistant Administrator lied to a staff member from the House of Representatives concerning receipt of an e-mail.

Disposition: Investigation substantiated the allegation. The matter was declined for prosecution due to the difficulty in proving the falsity of an oral statement. Because the subject was no longer a NASA employee, no administrative action could be taken.

15. NASA Employee Viewing Pornography

Predicate: Allegation that a NASA employee accessed over 40,000 pornographic images using his NASA computer.

Disposition: Investigation substantiated the allegation that the employee used his NASA computer and the NASA computer system to download adult pornography. The OIG referred the matter to NASA management who suspended the employee for 60 days.

16. Conducting an Outside Business on Government Time

Predicate: Allegation that a Chief Engineer at a NASA Center was conducting an outside business as a building inspector.

Disposition: Investigation found that the employee was not conducting outside business activities during his NASA duty hours. However, the employee was directed to remove any references to NASA from his private website.

17. Issue Involving Training Session

Predicate: Allegation that the NASA Office of General Counsel (OGC) was improperly collecting money from its employees to pay for a "hospitality suite" during the office's 2008 annual training meeting.

Disposition: The OIG recommended that the OGC cease the practice of requiring employees, as a condition of attending a Government meeting, to pay for such non-reimbursable expenses. NASA OGC concurred with the recommendation.

18. Procurement Irregularities

Predicate: Multiple allegations related to the conduct of the Chief Information Officer (CIO) of a NASA Center. Specifically, the allegations concerned a procurement and the personal behavior and actions of the CIO.

Disposition: The investigation did not substantiate the allegations regarding the procurement. However, the OIG referred to NASA OGC an issue related to a planned "promotion party" for the CIO that included a possible solicitation of gifts from contractors and subordinate employees. The OGC counseled the CIO as to her obligations under the Standards of Conduct and directed that the invitation to the party be edited to delete references to solicitations.

19. Conflict of Interest/Unethical Relationship

Predicate: Allegations of an unethical relationship between an Associate Administrator (AA) and a NASA contractor, and the improper hiring of a family friend.

Disposition: An OIG investigation did not substantiate the allegations. The investigation found that the AA recused herself from all contracting matters involving the contractor, properly disclosed her previous position with the contractor on her SF 278s, and did not make loans to the contractor as had been alleged. The OIG also found that the son of a family friend of the AA was hired through a competitive process and that the AA was not improperly involved in the hiring.

20. Misuse of Official Position/Conflict of Interest

Predicate: Allegation that a NASA OIG employee misused his official position by accessing confidential information related to his outside business activity contained within a NASA computer system, conducted outside employment activities while on official duty, and improperly utilized Government office equipment in doing so.

Disposition: The investigation determined that the employee did not have access to the confidential data contained within the computer system, did not violate conflict of interest statutes, and had requested and received authorization to conduct the outside business activity. However, the OIG also determined that the employee's company was awarded a government contract with another government agency in 2006, in possible violation of Federal Acquisition Regulations. This finding was referred to that agency's OIG and the employee was issued a Letter of Caution regarding his outside business activities.

21. Procurement Integrity Act

Predicate: Allegation that an employee may have violated the Procurement Integrity Act.

Disposition: Criminal allegations were not substantiated. However, investigation disclosed that the employee provided procurement sensitive information to a bidder in what appeared to be an attempt to influence a contract award. The OIG referred this matter to Center management for administrative action. The employee received a written reprimand.

22. Procurement Irregularities

Predicate: Allegations that a cooperative agreement between NASA and George Mason University (GMU) was improperly awarded; that a questionable relationship existed between the NASA Technical Officer and the GMU Principal Investigator; of improper hiring practices relating to the agreement; and of impartiality caused by a father-son relationship involving the agreement.

Disposition: The investigation did not substantiate the allegations. However, the OIG recommended to NASA management that the father-son relationship be reviewed. The Office of Chief Counsel at Goddard Space Flight Center evaluated the matter and recommended that a waiver be issued.

23. Viewing of Child Pornography

Predicate: Allegation that a Marshall Space Flight Center computer was used to browse web sites having Uniform Resource Locations (URLs) that suggested child pornography.

Disposition: The investigation substantiated that a NASA employee was conducting internet searches targeting images of non-nude children and pre-teens. Prosecution was declined. A management referral was issued recommending administrative action, and the employee retired.

24. Release of Personally Identifying Information

Predicate: The OIG was notified of a potential compromise of Personally Identifying Information (PII) from a NASA computer server that stores information relating to “NASA ONE” badges.

Disposition: Investigation revealed no clear evidence that PII data had been compromised. The OIG issued a management referral letter recommending that employees receive proper training and that the system be made more secure. NASA management concurred with the recommendations.

25. Relocation of Former Center Director

Predicate: Allegations that NASA paid to move a Center Director to a job in the private sector, only to pay to move him back to the Center a few months later.

Disposition: The allegation was unsubstantiated.

26. Procurement Irregularities

Predicate: Allegation that a former NASA Program Executive Officer and a former Associate Administrator steered contracts to companies that employed their spouses.

Disposition: The allegation was unsubstantiated.

27. Improper Release of Proprietary Information

Predicate: Allegation that a NASA employee improperly released proprietary information from one contractor to another.

Disposition: No criminal misconduct was identified. However, the employee was found to have violated NASA Regulations. The matter was referred to NASA management for administrative action and the employee was given additional training in the handling of Sensitive But Unclassified Information.

28. ARES I Launch Vehicle (Thrust Oscillation Problem)

Predicate: Allegations that unidentified NASA senior management attempted to downplay thrust oscillation problems with the Ares I Launch Vehicle.

Disposition: During the OIG’s interview of the complainant, he advised that he had no personal knowledge or documentation of any wrongdoing by NASA senior management. Based on this information, the investigation was closed.

29. Mismanagement of NASA Funds

Predicate: Allegation that an Associate Administrator mismanaged NASA funds by improperly hiring personnel; improperly awarding contracts and grants; utilizing NASA funding for unauthorized trips for friends and family members; fostering a hostile work environment; and allowing or encouraging the unethical handling of individuals on Intergovernmental Personnel Act assignments.

Disposition: Allegations were not substantiated.

National Aeronautics and
Space Administration



Office of Inspector General
Washington, DC 20546-0001

January 14, 2011

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
Washington, DC 20510

Dear Senators Grassley and Coburn:

In response to your letter dated April 8, 2010, and subsequent discussion with your staff, please find enclosed a summary of selected investigative matters disposed of by the NASA Office of the Inspector General (OIG) during the period May 1, 2010, through September 30, 2010.

The summary describes non-public matters in the following categories that were closed during this 6-month period:

- Cases in which the OIG submitted a written referral to NASA management recommending management action;
- Cases in which subjects were senior NASA personnel (GS-15 and higher);
- Cases involving whistleblowers; and/or
- Cases involving breaches of the public trust (e.g., conflicts of interest, lying to Congress)

As you may recall, on June 15, 2010, the OIG sent a similar letter containing a summary of closed investigative matters to you that covered the period January 2009 through April 2010.

If you have questions about this information, please contact me or Renee Juhans, OIG Executive Officer, at (202) 358-1220.

Sincerely,

A handwritten signature in black ink that reads "PKM".

Paul K. Martin
Inspector General

Enclosures

NASA OFFICE OF INSPECTOR GENERAL

Summary of Selected Closed Investigations

(May 1, 2010 – September 30, 2010)

1. Fraud, Misuse of Funds, and Conflict of Interest

Predicate: Allegation of fraud, misuse of NASA funds, and conflict of interest involving researchers at the University of Idaho and a NASA civil servant.

Disposition: Allegations were unsubstantiated.

2. Misuse of Position

Predicate: Allegation that a senior official at NASA's Langley Research Center used NASA contractor personnel and equipment for personal purposes, improperly procured government equipment for personal use, and sexually harassed contractor employees.

Disposition: The OIG found that the official used a contractor's truck to move personal property to his farm. The OIG reported its findings to Center management and the official received a written reprimand. The remaining allegations were unsubstantiated.

3. Procurement Irregularities

Predicate: Allegations that the Director of Procurement at a NASA Center was showing favoritism to certain contractors and that her husband was telling prospective contractors that he could influence the procurement process in their favor in return for financial benefit.

Disposition: The OIG found that the Director of Procurement recommended personal friends for employment to prospective and current contractors and also did not properly report her husband's earnings or business relationships on her financial disclosure forms. The matter was declined for prosecution. The OIG referred its findings to Center officials who counseled the Director and provided additional ethics training to Center procurement staff.

4. Procurement Integrity Act Violation

Predicate: Allegation that procurement sensitive information related to construction of a test stand at the Stennis Space Center was improperly shared with prospective contractors and that NASA employees were receiving kickbacks in connection with the contract award.

Disposition: Allegations were unsubstantiated.

5. Unethical Activities

Predicate: Allegation that a Contract Officer Technical Representative (COTR) at the Marshall Space Flight Center used his position for personal gain and for the gain of friends and relatives

Disposition: The OIG found an appearance of impropriety in connection with the COTR's involvement in obtaining employment for friends and relatives. The OIG referred its findings to Center management. The COTR was relieved of his COTR responsibilities and received a written reprimand.

6. Conflict of Interest

Predicate: Allegation that the Chief Scientist at a NASA Center held an improper outside position and that an Aerospace Engineer at the Center was promoting software produced by a company owned by a friend.

Disposition: Allegations were unsubstantiated.

7. Conflict of Interest

Predicate: Allegation that NASA employees were being pressured by a senior NASA Headquarters official and his wife to work with an educational foundation with which the wife was affiliated.

Disposition: Allegations were unsubstantiated.

8. Bid-rigging and Conflict of Interest

Predicate: Allegation that a contract for modifications to access gates at the Stennis Space Center was awarded based on a personal relationship between the NASA contracting officer and a contractor employee.

Disposition: Allegations were unsubstantiated.

9. False Price Quote Submitted to NASA by a Contractor

Predicate: Allegation that a contractor submitted a false price quote in connection with a contract to build a cryogenics control center at the Stennis Space Center

Disposition: Allegations were unsubstantiated. However, the OIG found that Stennis officials had failed to timely notify the OIG of the allegations and we issued a management referral to Center management regarding our finding. In response, management required Center procurement officials to receive additional fraud awareness training.

10. Procurement Irregularities

Predicate: Allegation that a [REDACTED] assigned to NASA attempted to steer a procurement to favor particular bidders.

Disposition: The OIG investigation uncovered no evidence that the [REDACTED] b(6) & b(7)(C) used her public office for private gain or committed other ethical violations. The OIG brought the matter to the attention of NASA officials before award of the contract and the officials took proactive steps to ensure a proper procurement process was followed.

11. Prohibited Personnel Practice

Predicate: Allegation that management at Glenn Research Center compromised safety by selecting a safety engineer based on nepotism rather than qualifications.

Disposition: OIG investigation determined that the hiring at issue had not compromised safety at Glenn and then referred the matter to Center management for further review. Management's review revealed no indications of unlawful discrimination or a prohibited personnel action.

12. Improper Use of Government Travel Card

Predicate: Allegation that an official at Ames Research Center used his government travel card for personal purchases.

Disposition: The OIG substantiated the allegation and referred the matter to NASA management for action. The employee was suspended for 3 days.

13. FAR Disclosure

Predicate: The FAR requires contractors to disclose in writing to the agency Office of Inspector General any credible evidence that a principal, employee, agent, or subcontractor of the contractor has committed a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations or a violation of the civil False Claims Act. The OIG received a FAR disclosure from a NASA contractor regarding an alleged failure to notify NASA of a part failure on a piece of equipment.

Disposition: The OIG found that the contractor was not required to notify NASA about the alleged failure because the parts at issue were from a sample lot rather than a "flight lot." Nevertheless, the OIG referred the matter to NASA management for a determination whether the parts posed a safety hazard. NASA concluded that all parts were acceptable for flight and no further action was necessary.

National Aeronautics and Space Administration

Office of Inspector General
Washington, DC 20546-0001



July 12, 2011

The Honorable Charles E. Grassley
Ranking Member
Committee on Judiciary
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
Washington, DC 20510

Dear Senator Grassley and Senator Coburn:

In response to your letter dated April 8, 2010, and subsequent discussion with your staff, please find enclosed a summary of selected investigative matters disposed of by the NASA Office of Inspector General (OIG) during the period October 1, 2010, to March 30, 2011. The summary describes non-public matters in the following categories that were closed during this 6-month period:

- Cases in which the OIG submitted a written referral to NASA management recommending management action;
- Cases in which subjects were senior NASA personnel (GS-15 and higher);
- Cases involving whistleblowers; and/or
- Cases involving breaches of the public trust (e.g., conflicts of interest, lying to Congress).

If you or your staff have questions about this information, please contact me or Renee Juhans, OIG Executive Officer, at (202) 358-1220.

Sincerely,

A handwritten signature in black ink that reads "PKM-A".

Paul K. Martin
Inspector General

Enclosure

NASA OFFICE OF INSPECTOR GENERAL

Summary of Selected Closed Investigations

(October 1, 2010 – March 30, 2011)

1. Contract Fraud and Whistleblower Reprisal

Predicate: Allegation that NASA prime contractor had engaged in cost mischarging and submitted false certifications. During the course of the investigation, a contractor employee who had provided information to the OIG was forced to resign his position and alleged whistleblower reprisal.

Disposition: Allegations concerning contract fraud were unsubstantiated. However, an investigation found that the contractor employee's cooperation with the OIG was a contributing factor to his forced resignation and we referred the matter to the NASA Administrator to consider action under the Federal Acquisition Streamlining Act. The Administrator found insufficient evidence to support a finding of retaliation against the contractor and therefore took no action.

2. Improper Purchase of Assault Weapons

Predicate: Allegation that several employees of a NASA security contractor had improperly purchased AR-15 assault rifles in April and June 2005. We found that the contractor employees had purchased the weapons by modifying NASA stationery to create "authorization" letters stating the weapons were for official use.

Disposition: The matter was declined for criminal prosecution and referred to NASA management for appropriate action. As a result of this referral, each of the employees was suspended and required to take additional training. In addition, all NASA letterhead was removed from the contractor's office.

3. Computer Intrusion

Predicate: Allegation that the e-mail account and computer system of a Jet Propulsion Laboratory (JPL) employee was hacked resulting in a large amount of data being stolen and transferred to an IP address in China. Our investigation disclosed that the data compromise had occurred as a result of system security weaknesses.

Disposition: The OIG submitted a referral to JPL and NASA management regarding the incident. In response JPL instituted a corrective action plan to strengthen its security system and the NASA Office of the Chief Information Officer imposed stronger security requirements on JPL.

4. Post-Employment Violations

Predicate: Allegation that a former NASA employee was listed as the Principal Investigator (PI) on two university grant proposals that related to research projects for which he had been the PI during his NASA employment. It was also alleged that the employee had been involved in the decision to shift the research funding from NASA to an external grant so that he could continue his research using NASA funds.

Disposition: Our investigation found that the employee submitted the university grant proposals at the request of his NASA supervisor, who believed that NASA would benefit from the employee's continued work on the project. Accordingly, the matter was declined for prosecution.

5. Contract Fraud

Predicate: Allegation that a contracting firm submitted false claims relating to installation of a security fence. During the course of the investigation, we uncovered evidence that the contractor employed individuals who did not have legal status to be employed in the United States.

Disposition: The matter was declined for prosecution. We referred the matter to NASA management recommending that the Agency take steps to ensure contractor hiring practices comply with federal law. In response, NASA management required contractors to submit certified payrolls and provided additional training to NASA personnel with oversight responsibilities.

6. Timecard Fraud

Predicate: Allegation that a contractor employee submitted false claims for 800 hours of overtime.

Disposition: The investigation found that the subject had submitted timesheets containing hundreds of hours of overtime that could not be substantiated through review of badge access records. NASA was reimbursed by the contractor for the improperly charged time.

7. Computer Intrusion

Predicate: Allegation that a NASA computer system had been infected by malware. Our investigation determined that the intrusion occurred because of inadequate security controls on the system. We discovered that the system had been infected for more than 11 months and that over 3000 unauthorized connections had been made during that time. Due to the lack of controls on the system, we were unable to determine the origin of the intrusion.

Disposition: NASA management implemented improved security controls and provided additional training to the relevant employees.

8. Conflict of Interest

Predicate: Allegation that a NASA employee submitted a research proposal to NASA on behalf of a university that had just hired him. The proposal at issue was directly related to a project he was working on as a NASA employee. The investigation found that the subject coordinated the proposal to shift the funding to the university with his NASA supervisor.

Disposition: The case was declined for prosecution and referred to NASA management. As a result of the referral, the involved employees received additional ethics training.

9. Misuse of Government Fuel Card

Predicate: Allegations that government fuel cards assigned to a NASA contractor had been used by the contractor's employees for personal use.

Disposition: Our investigation confirmed some misuse of the cards, but because of lack of internal controls we were unable to identify the specific individuals involved. As a result of our investigation, the contractor repaid \$13,461.00 to NASA.

10. Conflict of Interest

Predicate: Allegation that a former NASA civil servant was using his NASA contacts to improperly steer contracts to his company.

Disposition: The allegations were unsubstantiated.

11. Unethical Behavior

Predicate: Allegation that a Center Director directed staff to use the NASA scholarship program to improperly pay tuition for certain individuals.

Disposition: Allegation was unsubstantiated.

12. Misuse of Government Owned Vehicle

Predicate: Allegation that a contractor employee used a government owned vehicle for commuting purposes for several years.

Disposition: The employee admitted to the misuse of the vehicle. The matter was declined for criminal prosecution and referred to NASA management. As a result of the referral, NASA recouped more than \$9,000.00 and the contractor received a lower award fee based, in part, on its lack of oversight of the use of government vehicles.

13. Mismanagement and Favoritism

Predicate: Allegation that an acting program director showed favoritism toward his friends in matters such as distribution of workload and promotions and was unfair in his appraisal of the work of contractors.

Disposition: The investigation revealed that many members of the acting director's staff were unhappy with his management style but that the employee was not engaged in any criminal activity. The employee was not selected as the permanent program director and was transferred to another program.

14. Conflict of Interest

Predicate: Allegation that a NASA employee had inappropriately obtained a home loan from the president of a NASA contractor that was providing services on a NASA project with which the NASA employee was involved.

Disposition: Investigation found that the NASA employee had previously been employed by the contractor and had obtained a home loan from the president of the company during that employment. However, no evidence was found that the employee was involved in any NASA business with his former employer. In addition, although the employee paid off the loan after becoming a NASA employee, he failed to inform his supervisor about the loan. We referred the matter to management, and the employee was counseled about the need to avoid even the appearance of a conflict.

15. Conflict of Interest

Predicate: Allegation that two NASA employees provided advantages to contractors in exchange for financial favors from the contractors.

Disposition: No evidence was found to substantiate the allegations.

16. Conflict of Interest

Predicate: Allegation that a NASA employee was improperly involved in the hiring of his wife by a NASA contractor.

Disposition: The investigation found that the employee had informed his wife about the job opening and was involved in initial discussions with the contractor about the scope of the task order. However, no evidence was found that the task order was tailored to the qualifications of the employee's wife or that she was not in fact qualified for the position. The case was declined for prosecution and referred to NASA management. NASA management conducted additional training for all employees in the affected directorate.

17. Whistleblower Retaliation

Predicate: Allegation that a NASA contractor employee was fired for submitting a complaint to the OIG.

Disposition: The OIG investigated this claim and found that the employee's termination was due to performance issues and not in retaliation for any complaint to the OIG.

18. Conflict of Interest

Predicate: Allegation that a NASA project manager steered work to a company where his wife was employed.

Disposition: The allegation was unsubstantiated.

19. Failure to Report Misconduct to the OIG

Predicate: Allegation that a NASA Center Counsel failed to provide information to the OIG concerning possible criminal activity and employee misconduct.

Disposition: The investigation found that the Counsel had not shared information with the OIG that the OIG believed should have been reported. The OIG brought the matter to Counsel's attention, and Counsel and the OIG agreed to meet on a monthly basis to discuss all information that may be of interest to the OIG.

20. Improper Contact with Prospective Bidder

Predicate: Allegation that a Center Director had improper contact with a prospective bidder during an ongoing procurement action.

Disposition: Allegation was not substantiated.

21. Unauthorized Outside Employment

Predicate: Allegation that a NASA employee was conducting a personal income tax preparation business without approval.

Disposition: Investigation found that the employee had received approval for the outside employment several years earlier but that the approval had since lapsed. The OIG referred the matter to NASA management, and the employee was counseled regarding the need to renew outside employment requests in accordance with NASA requirements.

22. Conflict of Interest

Predicate: Allegation that a NASA employee was steering contracts to his friends.

Disposition: The allegation was not substantiated.

23. False Statement

Predicate: Allegation that a NASA employee altered the wording of a contract modification to make it appear that work that had already been completed remained undone, resulting in additional payments to the contractor.

Disposition: Allegation was not substantiated.

24. Nepotism

Predicate: Allegation that a supervisory NASA employee was showing favoritism toward her sister-in-law, who was a member of the staff.

Disposition: Investigation found that NASA had taken the proper steps to alleviate the potential conflict of interest by assigning a different supervisor to the sister-in-law.

25. Improper Use of Government Time

Predicate: Allegation that a NASA program office hosted a party that wasted employee work time and tax dollars. Investigation found that the party did occur during business hours and was held as a "team building activity."

Disposition: A referral was sent to NASA Center management expressing concerns as to whether the party was a proper use of Government of time. In response, NASA management counseled the program manager on the importance of following the applicable ethical rules and avoiding the appearance of time abuse. Also, Center Counsel conducted additional ethical training and added information to the office website to address the issue of use of official time.

26. Contractor Malfeasance

Predicate: Allegation that NASA contractors improperly removed materials from a NASA demolition worksite and sold them for scrap.

Disposition: The investigation found that the material had been improperly removed. The OIG suggested that NASA seek an offset to the contract based on the value of the removed material. NASA management responded that in lieu of such an adjustment, NASA had received additional work from the contractor.

National Aeronautics and Space Administration
Office of Inspector General
Washington, DC 20546-0001



January 25, 2012

The Honorable Charles E. Grassley
Ranking Member
Committee on Judiciary
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Homeland Security and Governmental Affairs Committee
United States Senate
Washington, DC 20510

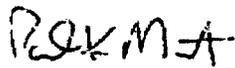
Dear Senators Grassley and Coburn:

In response to your letter dated April 8, 2010, and subsequent discussion with your staff, enclosed is a summary of selected investigative matters disposed of by the NASA Office of Inspector General (OIG) during the period April 1, 2011, to September 30, 2011. The summary describes non-public matters in the following categories that were closed during this 6-month period:

- Cases in which the OIG submitted a written referral to NASA management recommending management action;
- Cases in which subjects were senior NASA personnel (GS-15 and higher);
- Cases involving whistleblowers; and/or
- Cases involving breaches of the public trust (e.g., conflicts of interests, lying to Congress).

If you or your staff has questions about this information, please contact me or Renee Juhans, OIG Executive Officer, at 202-358-1220.

Sincerely,


Paul K. Martin
Inspector General

Enclosure

cc:

The Honorable Patrick J. Leahy

Chairman

Committee on Judiciary

The Honorable Carl Levin

Chairman

Permanent Subcommittee on Investigations

Homeland Security and Governmental Affairs Committee

NASA OFFICE OF INSPECTOR GENERAL

Summary of Selected Closed Investigations

April 1, 2011 – September 30, 2011

1. Contract Fraud

Predicate: Allegation that a subcontractor submitted duplicative charges and made false statements and claims.

Disposition: The investigation found that the subcontractor used an unauthorized method to add legitimate charges to the prime contractor's billing database. After the matter was declined for prosecution, we recommended that NASA management require the contractor to improve procedures and processes to mitigate the vulnerabilities that allowed the subcontractor to enter these charges. In response, NASA management worked with the contractor to implement controls to prohibit unauthorized database access.

2. Undocumented Workers

Predicate: Allegation that a NASA subcontractor was employing undocumented workers.

Disposition: Investigation resulted in the conviction of two of the subcontractor's undocumented employees. In addition, based on our management referral NASA implemented new procedures to ensure that undocumented workers are not employed on NASA construction contracts.

3. Grant Fraud

Predicate: Allegation that a company obtained grants from multiple Federal agencies for the same counseling and mentoring programs.

Disposition: Our investigation found that the grantee failed to comply with all the terms of the grant. The matter was declined for prosecution, but the government is evaluating possible suspension or debarment of the grantee.

4. Alleged Conflict of Interest Involving Senior Management

Predicate: Allegation that a former NASA senior manager steered contracts to friends and directed contractors to hire his friends and associates.

Disposition: The allegations were unsubstantiated.

5. Conflict of Interest

Predicate: Allegation that a senior NASA manager improperly received over \$12,500 in reimbursement of travel expenses from a foreign institute.

Disposition: Our investigation found that the manager improperly accepted travel, per diem, and honoraria from the institute and failed to report the gifts to NASA. The matter was declined for prosecution and referred to NASA management for action. The money was returned and the employee was disciplined.

6. Mismanagement and Favoritism

Predicate: Allegation that a NASA employee improperly influenced members of a Source Evaluation Board and directed a contractor to subcontract with a company owned by the employee's friend.

Disposition: The matter was declined for prosecution and referred to NASA management for action. NASA suspended the employee for 14 days and reassigned him to a non-supervisory position.

8. Contract Fraud

Predicate: Allegation that a contractor fraudulently billed NASA for maintenance services.

Disposition: Our investigation did not substantiate fraudulent billing practices, but uncovered performance issues. We referred those issues to NASA for corrective action.

9. Unethical Behavior

Predicate: Allegation that an unknown individual was using a NASA cell phone to solicit a minor.

Disposition: The OIG found that the cell phone had been reported stolen but that the NASA contractor had failed to terminate service following receipt of the report. We also located the caller, who was not affiliated with NASA, who admitted making suggestive communications to a minor. The matter was declined for criminal prosecution. We referred the matter to NASA management to address the contractor's poor internal controls. NASA placed new requirements on the contractor to ensure that all unaccounted for cell phones are reported and that service is terminated following reports of their loss.

10. Missing Hard Drive

Predicate: Allegation that an external hard drive containing NASA information was left unsecured by a contractor employee

Disposition: We were unable to locate the hard drive or identify a suspect and ultimately referred the matter to NASA management. As a result of the referral, the contractor implemented standard operating procedures requiring encryption of external storage devices and increased employee training.

11. Conflict of Interest

Predicate: Allegation that due to a personal and financial relationship with a contractor employee, a senior NASA manager approved an agreement that improperly allowed the contractor to collect cost overrun fees on its contracts.

Disposition: The allegation was unsubstantiated.

12. Conflict of Interest

Predicate: Allegation that a NASA employee had a conflict of interest with a company formed as a result of the commercialization of a NASA product the employee had helped develop.

Disposition: The allegation was unsubstantiated.

13. Misuse of Government Travel Card

Predicate: Allegation that a group of NASA employees used their government travel cards for personal expenses.

Disposition: Our investigation found that five employees used their government travel cards for personal purchases. The matter was declined for criminal prosecution and referred to NASA management. The employees were suspended and NASA collected \$9,433 in reimbursement for the improper purchases.

14. Travel Fraud

Predicate: Allegation that a NASA employee traveled to Kennedy Space Center (KSC) from Vandenberg Air Force Base in California to provide secretarial support for 3-4 weeks at a time every other month.

Disposition: The investigation found that the employee took nine official trips to KSC between June 2009 and December 2010 at a cost to the Government of \$49,265. Although the trips were for a legitimate Government purpose, we referred the matter to NASA management and questioned the efficiency of this practice. In response, NASA management restructured the position and is considering more efficient alternatives.

15. Computer Intrusion

Predicate: Allegations that a user account on a NASA computer was attempting to elevate its permissions to the administrative level without authorization. NASA determined from review of its network and system log files that the

computer was compromised by an intruder attempting to gain unauthorized access.

Disposition: The OIG investigation found that no sensitive or controlled information had been compromised. Our investigation also disclosed that the NASA systems administrator responsible for the network failed to follow established IT Security protocol regarding the intrusion. The matter was referred to NASA management for action. The employee was reprimanded and provided additional training.

16. Suspicious Financial Activity

Predicate: Allegation that a NASA astronaut improperly “structured” approximately \$30,000 in cash deposits.

Disposition: Our investigation revealed a technical violation of bank deposit rules but no underlying misconduct. Accordingly, the matter was declined for prosecution.

17. Improper Use of Government Travel Card

Predicate: Allegation that a NASA employee misused his government travel card.

Disposition: Our investigation found that the employee used the card for personal purpose and sought and received reimbursement from NASA for these charges. The total loss to the government was \$545, which the employee repaid. NASA management proposed a three-day suspension, which is being held in abeyance for a period of one year contingent on no further misconduct by the employee.

18. Misconduct and mismanagement by a Senior NASA Manager

Predicate: Allegations that a senior NASA manager approved improper bonuses for a senior employee, engaged in other financial improprieties, and had an inappropriate relationship with a subordinate.

Disposition: We found no criminal or administrative misconduct and either disproved or could not substantiate most of the allegations we investigated. However, we substantiated several allegations that we believed reflected poorly on the manager’s judgment. Accordingly, we referred the matter to NASA management for appropriate action.

19. Improper Use of Government Vehicle

Predicate: Allegation that a senior NASA manager was using government-owned vehicles for personal use.

Disposition: We found that the manger inappropriately used two NASA-owned vehicles to travel to his personal residence, vacation home, and golf courses. The matter was declined for prosecution and referred to NASA management. As a result of our investigation, the manager retired from the Agency and NASA management is taking steps to improve internal controls over the use of Government vehicles.

20. Time Card Fraud

Predicate: Allegation that a NASA contractor was spending an inordinate amount of time at the fitness center during scheduled work hours.

Disposition: Our investigation substantiated the allegation and we referred the matter to NASA for action. The contractor terminated the employee and reimbursed NASA \$39,469. In addition, the contractor conducted training and implemented a new policy related to employee use of the fitness center.

21. Mismanagement of Funds, Discrimination, and Unethical Behavior

Predicate: Allegation that a senior NASA manager was influencing the hiring and compensation practices of contractors and creating an atmosphere of favoritism and unfairness in the workplace.

Disposition: The allegation was unsubstantiated.

22. Conflict of Interest

Predicate: Allegation that a NASA senior manager was abusing his official position by conspiring with lobbyists to generate earmarks to fund projects, which he would then steer to the contractors who hired the lobbyists.

Disposition: The allegation was unsubstantiated.

23. Conflict of Interest

Predicate: Allegation that a NASA astronaut inappropriately represented a company with which he had a consulting relationship during a meeting with another NASA manager.

Disposition: The matter was declined for prosecution and referred to NASA management for action. As a result of the referral, NASA has taken steps to improve internal controls relating to outside employment by NASA employees.

26. Misuse of Government Travel Funds

Predicate: Allegation that a NASA senior manager misused NASA funds so that he could travel with a contractor employee with whom he allegedly had a personal relationship.

Disposition: The allegation was unsubstantiated.