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Description of document: Office of the Director of National Intelligence (ODNI)  
Office of the Inspector General (OIG) Semi-Annual  
Reports, 2010 – 2012\*

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Source of document: Freedom of Information Act Request  
Chief, Information and Data Management Group  
Office of the Director of National Intelligence  
Washington, D.C. 20511  
Fax: (703) 874-8910  
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\* Note: Reports contained in this FOIA response are:

- Semiannual Report, 1 January 2010 - 30 June 2010
- Semiannual Report, 1 July 2010 - 31 December 2010
- Semiannual Report to the Director of National Intelligence for the period of 8 November 2011 to 30 June 2012

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OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE  
WASHINGTON, DC 20511

JUN 4 2013

Reference: DF-2013-00080

This is in response to your 24 February 2013 email addressed to the Office of the Director of National Intelligence (ODNI), wherein you requested, under the Freedom of Information Act (FOIA), **“Office of the Director of National Intelligence (ODNI) Semi-Annual reports from 2010 to the present.”**

Your request was processed in accordance with the FOIA, 5 U.S.C § 552, as amended. The ODNI found three documents responsive to your request. Upon review, it is determined that the documents may be released in segregable form with deletions made pursuant to FOIA exemptions (b)(1), (b)(3), and (b)(5).

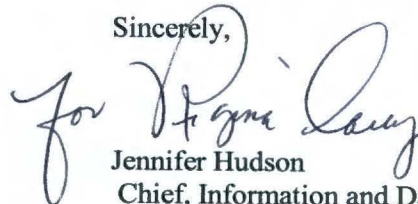
Exemption (b)(1) protects information which is currently and properly classified in accordance with Executive Order 13526. Exemption (b)(3) protects information that is specifically covered by statute. In this case, the applicable statute is the Central Intelligence Agency Act of 1949, 50 U.S.C. § 403g, as amended, which protects, among other things, the names of CIA and ODNI personnel and the National Security Act of 1947 as amended, which protects information pertaining to intelligence sources and methods. Exemption (b)(5) protects privileged interagency or Intra-Agency information.

The documents, as approved for release, are enclosed. Should you wish to appeal this determination, please do so in writing within 45 days of the date of this letter to:

Office of the Director of National Intelligence  
Information Management Office  
Washington, DC 20511

If you have any questions, please call the Requester Service Center at (703) 874-8500.

Sincerely,

A handwritten signature in cursive script, appearing to read "for Jennifer Hudson".

Jennifer Hudson  
Chief, Information and Data Management Group

Enclosures

~~SECRET//NOFORN~~

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**(U) Office of the Director of  
National Intelligence  
Office of the Inspector General**



**(U) Semiannual Report  
1 January 2010 – 30 June 2010**



(b)(1)  
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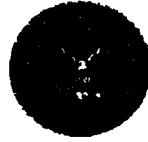
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**(U) The Inspector General of the Office of the Director of National Intelligence (ODNI) provides policy direction for, and plans, conducts, supervises, and coordinates inspections, audits, investigations, and other inquiries relating to the programs and operations of the ODNI and the authorities and responsibilities of the Director of National Intelligence (DNI). The Inspector General is charged with detecting fraud, waste, and abuse; evaluating performance; and making recommendations to promote economy, efficiency, and effectiveness in the ODNI and the Intelligence Community.**

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## **(U) A Message From the Inspector General**

(U) The Office of the Director of National Intelligence (ODNI) Office of the Inspector General (OIG) made significant contributions to the missions of the ODNI and the Intelligence Community (IC) during the 1 January 2010 through 30 June 2010 reporting period. We conducted complex audits, inspections, investigations, and reviews aimed at improving the efficiency and effectiveness of ODNI and IC programs. In addition, we led several initiatives that promoted integration and collaboration across the IC Inspector General (IG) Community in furtherance of the objectives of the Intelligence Reform and Terrorism Prevention Act of 2004, the *National Intelligence Strategy*, and ODNI critical missions.

(U//FOUO) In response to the attempted Christmas Day bombing of Northwest Flight 253, we coordinated efforts by IC IGs to update the status of the terrorist watchlisting recommendations they had made in previous OIG reports. These IC IG reports focused on recommendations for improving standards and policies for nominating individuals to the consolidated terrorist watchlist. As of January 2010, 70 percent of these IG recommendations were implemented by IC agencies. During the latter part of this reporting period, IC IG agencies implemented new policies and initiatives governing terrorist watchlisting to address the issues presented by the Flight 253 incident.

(U//FOUO) During this reporting period, we completed two significant audits, which are described in detail in the Completed Projects section of this report. The first audit, *Audit of the Internal Controls over Office of Director of National Intelligence Fund Balance with Treasury (FBWT)*, addressed internal controls necessary to facilitate timely reconciliations of the ODNI's FBWT accounts on a regular and recurring basis. The second audit, *Increasing the Value of the Intelligence Community's Federal Information Security Management Act (FISMA) Reports*, identified ways to enhance the thoroughness, reliability, and comparability of IC agencies' FISMA reporting.

(U) From a community perspective, we continued to enhance collaboration in the IC IG community through the 16<sup>th</sup> Annual IC Inspectors General Conference and the Second Annual IC IG Awards Ceremony. The Annual Conference was held at the National Reconnaissance Office (NRO) and was attended by over 280 IC OIG professionals. Conference panels and discussions addressed IC management challenges, congressional oversight perspectives, cybersecurity issues, practical tools for OIG projects, and procurement irregularities.



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The 22 June 2010 IC IG Awards Ceremony, hosted by Vice Admiral Robert B. Murrett, Director, National Geospatial-Intelligence Agency (NGA), honored the accomplishments of IC OIG projects and professionals, including lifetime achievement awards for two IG professionals, each with over 30 years of OIG experience.

(U) We also continued to support the DNI and senior ODNI officials in enhancing the mission of the ODNI. ODNI management worked diligently to implement pending OIG recommendations such that 96 percent of OIG recommendations made in reports issued since 2007 are now either closed or resolved. Included among the recommendations implemented in this reporting period are recommendations from our inspection of IC Acquisition Oversight, our review of the IC Civilian Joint Duty Program, and our audit of internal controls over the ODNI's Fund Balance with Treasury.

(U) In June 2010, I appointed Edward Haugland as Assistant Inspector General for the Inspections Division. Ed comes to the OIG with over 25 years experience in the IC, including service in the ODNI, Central Intelligence Agency, NGA, Department of Energy Office of Intelligence, and in the private sector. We are delighted to have Ed join our management team.

(U) We appreciate the continued support for our mission from ODNI management and Congress. As the ODNI welcomes new leadership, the OIG will continue to assist the ODNI in accelerating integration, promoting efficiency and effectiveness, and reducing fraud, waste, and abuse. I continue to be impressed and inspired by the talent and dedication of OIG personnel across the IC. We are committed to performing our work with the highest standards of professionalism, objectivity, independence, and integrity.



Rosalyn A. Mazer  
Inspector General  
August 2010

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## I. (U) Overview

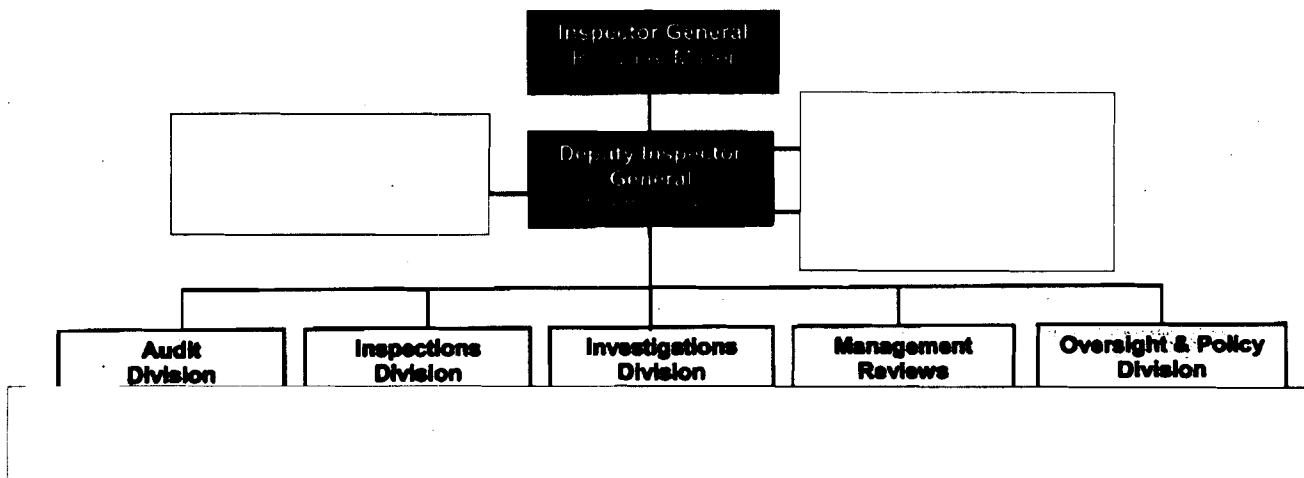
(U) The mission of the Office of the Inspector General (OIG) is to improve Intelligence Community (IC) performance by: 1) conducting oversight of the Office of the Director of National Intelligence (ODNI) and IC programs and operations that fall within the authorities and responsibilities of the Director of National Intelligence (DNI); 2) exercising a unique cross-agency focus; and 3) drawing upon the collaborative efforts of IC Inspector General (IG) partners. The OIG conducts audits, investigations, inspections, and reviews of ODNI and IC performance to detect and deter waste, fraud, and abuse and to promote efficiency, effectiveness, and accountability. The OIG's completed and ongoing projects are described in sections III and IV, respectively, of this report.

(U) The OIG makes recommendations to the DNI for improving the performance of ODNI and IC programs and activities. Section VI of this report includes an update as of 30 June 2010 on the status of ODNI management's implementation of recommendations made in OIG reports completed since 2007.

### (U) OIG Organization

(U) An organization chart delineating the OIG's front office and division structure is below.

(U) Figure 1. OIG Organization Chart 2010





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(U) The OIG is comprised of the following divisions:

(U) Figure 2. OIG Divisions 2010

Office of the Inspector General Divisions	
<b>Audit Division</b>	Executes program, compliance, and financial audits and evaluations of ODNI and IC programs, information technology, procurement, acquisitions, internal controls, financial statements, and financial management.
<b>Inspections Division</b>	Conducts inspections, reviews, and evaluations to improve IC-wide performance; examines information access, collaboration, intelligence collection, analysis, and compliance with laws and regulations.
<b>Investigations Division</b>	Investigates allegations of violations of criminal laws and administrative regulations arising from the conduct of ODNI and IC employees and contractors.
<b>Management Reviews Division</b>	Conducts management and programmatic reviews of the ODNI, its centers, and the IC; evaluates management and processes to assist the IC in developing and implementing processes and procedures to improve both effectiveness and efficiency.
<b>Oversight and Policy Division</b>	Performs reviews of programs and activities to assess whether oversight and compliance are effective, monitors and analyzes trends and patterns concerning intelligence oversight activities across the IC, and prepares reports on intelligence oversight issues in coordination with the ODNI Office of General Counsel (OGC) for the President's Intelligence Advisory Board's Intelligence Oversight Board (IOB).

### (U) OIG Personnel and Resources

(U//FOUO) To accomplish our IC-wide oversight roles and responsibilities, the OIG has developed a diverse, highly-experienced workforce from a variety of professional backgrounds and IC elements. Our staff includes professionals with experience as auditors, investigators, attorneys, and inspectors within other OIGs across the IC. As a complement to these professionals, our staff also includes professionals with extensive IC experience working in military and civilian intelligence organizations as collectors, analysts, and project managers.

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## **II. (U) IC Inspectors General Activities**

(U) To achieve its oversight objectives, the ODNI OIG facilitates collaboration, information sharing, and strategic planning among the IC Inspectors General. This section highlights some of the ways the OIG fulfilled this mission during this reporting period.

### **(U) IC Inspectors General Forum**

(U) The ODNI IG chairs the IC Inspectors General (IC IG) Forum, which meets quarterly to consult on topics of common interest, to facilitate the development of cross-agency projects, and to promote the role of IC IGs across the IC. The ODNI OIG serves as the Executive Secretariat for the IC IG Forum, performing such functions as hosting meetings, developing agendas, distributing pertinent documents, and maintaining meeting minutes.

(U) During this reporting period, the IC IG Forum promoted collaboration and coordination among the IC IGs by exchanging ideas and work plans, sharing best practices, and identifying collaborative projects affecting two or more IC OIGs. To this end, IC IGs continued to review acquisition oversight across the IC and planned to conduct in FY 2011 a concurrent inspection of IC continuity of operations (COOP) and intelligence readiness during national emergencies (discussed in detail in section IV). These reports will strengthen the collective role and effectiveness of OIGs throughout the IC. In addition to these collaborative efforts, the IC IG Forum sponsored the Second Annual IC IG Awards Ceremony (discussed in detail below).

(U) As part of the IC IG Forum activities, the Deputy Inspector Generals' Working Group and Assistant Inspectors General (AIG) Working Groups for Audit, Inspections, and Investigations each met to exchange ideas on a wide variety of topics. The Deputy Inspector Generals' Working Group also served as the IC IG Awards Review Board to select award recipients and make recommended revisions to the IC IG Awards Program. In addition, the Deputy Inspector Generals' Working Group developed a draft agenda and speakers for the IC IG 16<sup>th</sup> Annual Conference held in May 2010.

(U) The AIGs for Investigations Working Group collaborated on proposed legislation affecting investigations and exchanged best practices regarding proactive efforts to detect waste, fraud, and mismanagement. It also shared the names of working targets to ensure all agencies are aware of any fraudulent schemes or efforts. The Working Group established a new Peer Review process, modeled after the current Council of Inspectors General on Integrity and Efficiency (CIGIE) peer review process. In June, a team designated by the Working Group implemented this new process when it conducted a Peer Review of IC OIGs' Offices of Investigations. The Group also encouraged and participated in the IC IG Joint Duty Rotational Assignment Program, collaborated on several joint investigations, and facilitated joint training within the IC.

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(U//FOUO) The Joint Audit Working Group (JAWG) sponsored presentations on fraud auditing and the use of forensics in auditing; coordinated current and future work plans; and met with and discussed audit support to key IC leaders, including officials from the Business Transformation Office, the Assistant Director of National Intelligence/Chief Financial Officer (ADNI/CFO), and the IC Chief Information Officer (IC CIO). The JAWG also established a subgroup comprised of members from 10 agencies to focus on how the OIG community can share resources, perform audits, and best assist their agencies in accomplishing cybersecurity-related mandates.

(U//FOUO) The OIG Audit Division serves as the IG representative co-chair on the CFO/IG Council. The Council is comprised of the Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency (NSA), and ODNI CFO and IG representatives. The Council is responsible for: 1) monitoring the IC implementation of the *Financial Statement Auditability Plan*; 2) providing assistance to the components on the resolution of IC-wide challenges; and 3) developing and executing an IC audit validation strategy. As the co-chair of the CFO/IG Council, the OIG led the quarterly council meeting that resulted in an IC IG position on OIGs' responsibilities for financial statement validation and audit work.

(U//FOUO) The Audit Division also assumed the responsibility formerly performed by the IC CIO to coordinate, provide guidance, and consolidate the annual Federal Information Security Management Act (FISMA) reports for 10 IC agencies or departmental components.

### **(U) Second Annual IC Inspectors General Awards Ceremony**

(U) On 22 June 2010, Vice Admiral Robert B. Murrett, United States Navy, Director of NGA, hosted the Second Annual IC Inspectors General Awards Ceremony. The ceremony recognized personnel from OIGs throughout the IC who made extraordinary contributions in 2009 to the mission and objectives of the OIGs and the *National Intelligence Strategy*. Honorees were presented awards in the following categories:

- Leadership Award
- Lifetime Achievement Award
- Collaboration Award
- Audit Award
- Inspections Award
- Investigations Award

(U) Vice Admiral Robert B. Murrett was the keynote speaker for the awards ceremony. Admiral Murrett expressed his thanks to the IG community for assisting all IC personnel in maintaining the highest standards of management, resource allocation, and accountability. Admiral Murrett highlighted the IC IG community leadership and collaboration, which enables

cross-agency projects and fulfillment of IC-wide objectives. He stressed how vital OIG work is to maintaining the public trust, increasing accountability, and improving mission performance.

(U) Lifetime Achievement Awards were presented to LeRoy E. Elfmann, who was recognized for more than 36 years of service to the DIA OIG, and Brian R. McAndrew, who provided over 35 years of service to the NSA OIG. The Leadership Award was presented to Robert A. Vignola for his outstanding service and leadership as a Deputy Inspector General and manager in the NRO OIG.

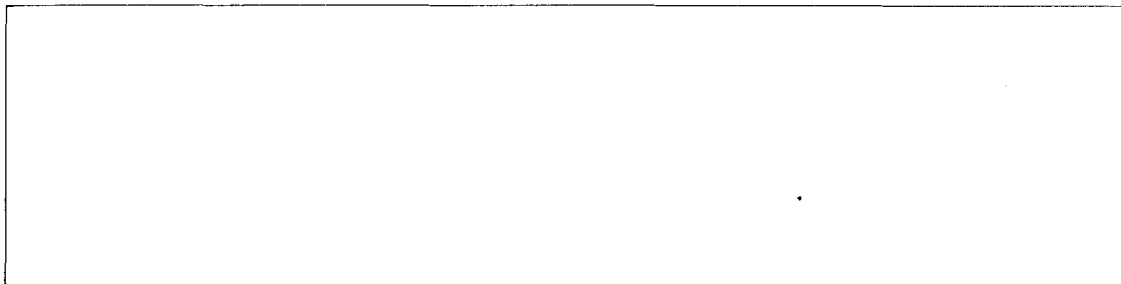
(U) ODNI Inspector General Roslyn A. Mazer and other IC IGs presented the Collaboration Award to individuals in four OIGs – CIA, NSA, Department of Defense (DoD), and ODNI – who worked jointly to complete a comprehensive review of the President's Surveillance Program, as required by Title III of the Foreign Intelligence Surveillance Act (FISA) Amendments Act of 2008. The IC IGs also presented Audit Awards to the Financial Management Audit Team at the NRO and to the CIA Audit Team for its work on a Covert Action Program. The Inspections Award was presented to the NGA OIG's Office of Global Navigation Inspection Team. The Investigations Award was presented to an NSA investigation team in recognition of its work on a case involving alleged improprieties at the NSA/Central Security Service Georgia.

(U) The IC IG awards program is part of the National Intelligence Professional Awards Program that the ODNI established in 2007.

#### **(U) 16<sup>th</sup> Annual IC Inspectors General Conference**

(U) The ODNI OIG hosted the 16<sup>th</sup> Annual IC Inspectors General Conference on 18 May 2010 at the Jimmie D. Hill Conference Center at the NRO. Over 280 OIG personnel from across the IC IG Community attended the conference.

(U) The conference theme was *Intelligence Reform Five Years Later*. The objectives of the conference were to discuss how the IC IG community views the IC's progress in meeting the objectives established in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The conference afforded participants an opportunity to hear perspectives from distinguished IC leaders, other OIG experts, and congressional intelligence oversight committee staff.



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## **(U) Intelligence Oversight Activities**

(U) This report marks the second year that Executive Order 13462 has governed OIG intelligence oversight activities. The Executive Order elevated accountability for intelligence oversight reporting to the heads of departments and agencies and incorporated a more timely method for reporting significant and highly sensitive intelligence oversight matters from IC components to the President's Intelligence Oversight Board (IOB). Under the Executive Order, the DNI has responsibility to analyze IC component intelligence oversight reporting submitted to the IOB. This responsibility is carried out jointly by the ODNI OIG and the ODNI Office of the General Counsel (OGC). The Executive Order also requires the DNI to review IC agencies' internal guidelines governing reporting to the IOB to assess their consistency with section 1.6(c) of Executive Order 12333, as amended. This review has also been jointly initiated by the ODNI OIG and ODNI OGC.

(U) The OIG also participates as a member of the joint ODNI and Department of Justice oversight team that conducts periodic reviews to assess IC compliance with procedures and guidelines issued pursuant to Section 702 of the Foreign Intelligence Surveillance Act (FISA), 50 U.S.C. §1801 *et seq.*, as amended by the FISA Amendments Act of 2008, 50 U.S.C. §1881a. The results of these compliance reviews are summarized by the DNI and the Attorney General in joint semiannual reports submitted to the SSCI, HPSCI, Senate Judiciary Committee, House Judiciary Committee, and the Foreign Intelligence Surveillance Court.

## **III. (U) Completed Projects**

### **(U) Inspections**

#### **(U) Status Update on the Implementation of IC OIGs' Watchlisting Recommendations**

(U//FOUO) In response to the attempted bombing of Northwest Airlines Flight 253 on 25 December 2009, the OIG surveyed the IC OIGs that participated in the 2008 IC-Wide Review of the Terrorist Watchlist Nomination Process to assess the implementation status of the recommendations from that review. The 2008 review, which was led by the ODNI OIG and involved the CIA, Department of Homeland Security, DIA, Department of Justice, Department of Energy, Department of State, and NSA OIGs, focused on whether:

1. Processes and standards for nominating individuals to the consolidated watchlist were consistent, articulated in policy or other guidance, and understood by nominators;

2. Quality control processes were in place to ensure that nominations were accurate, understandable, updated with new information, and included all individuals who should be placed on the watchlist based on information available to the agencies;
3. Responsibility for terrorist watchlist nomination was clear, effective, and understood;
4. Nominators received adequate training, guidance, or information on the nominations process;
5. Agencies maintained records of their nominations, including the source of the nomination and what information was provided with the nomination; and
6. Collection organizations appropriately participated in the nomination process.

(U//FOUO) The ODNI OIG reviewed the implementation status of the recommendations made in this report, as well as all other watchlisting-related recommendations made by these IGs previous to this report. As of January 2010, agencies had closed approximately 70% of all OIG watchlisting recommendations. The Federal Bureau of Investigation (FBI) closed approximately half of its open recommendations, and the remaining IC agencies implemented approximately 85% of their respective recommendations.

(U) The table below (Figure 3) lists the status of IC OIG recommendations as of January 2010. As a result of the joint IC IG reviews of the terrorist watchlisting nomination process, more agencies now are directly participating in the nomination process.

(U//FOUO) Figure 3: Status of IC OIG Watchlisting Recommendations (2007-2009)

Watchlisting Recommendations from the IC OIGs (2007-2009)					
OIG	Number of Recommendations			Total	
	Total	Closed	Open	Total	Open
CIA	3	3	0	0	N/A
DHS	2	2	0	1	0
DIA	5	5	0	0	N/A
DOE	2	2	0	0	N/A
DDI	8	5	3	3	2
	10	5	5	0	N/A
NSA	4	2	2	1	0
ODNI	9	8	1	0	N/A
STATE	3	3	0	0	N/A
Total	52	38	14	5	2

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## **(U) Audits**

### **(U) Audit of Internal Controls over The ODNI's Fund Balance with Treasury (FBWT)**

~~(U//FOUO)~~ The ODNI OIG initiated an audit of internal controls over the ODNI's FBWT in April 2009. The audit objective was to evaluate the adequacy and effectiveness of internal controls as they relate to the ODNI's FBWT. Specifically, the audit's purpose was to ensure that policies and procedures are in place to perform reconciliations of the FBWT account on a periodic and recurring basis.

[REDACTED] The FBWT account plays a critical role in an agency's financial statement auditability.

~~(S//NF)~~ We found that since the ODNI's inception in April 2005, it had not complied with statutory requirements under the Federal Managers' Financial Integrity Act (FMFIA) to perform annual assessments and reported on its systems of internal accounting and administrative controls. In addition, [REDACTED]

~~(S//NF)~~ The OIG made five recommendations to improve internal controls over the ODNI's FBWT account. These included recommendations [REDACTED]

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**(U) Increasing the Value of the IC Federal Information Security Management (FISMA) Act Reports**

~~(U//FOUO)~~ The ODNI OIG initiated this evaluation to examine issues identified during the OIG's FY 2009 FISMA evaluation of the ODNI. During the FY 2009 FISMA review, we noted FISMA-related issues that were beyond the scope of the OIG's FISMA evaluation and therefore not appropriate for inclusion in the FY 2009 FISMA report. These issues included the following: 1) the consequences of delayed receipt of the Office of Management and Budget's (OMB) annual FISMA reporting requirements, 2) the inability of IC agencies to use OMB's new unclassified database for annual FISMA reporting, and 3) the lack of a standard definition of an "information system." This evaluation examined those broader issues.

~~(U//FOUO)~~ The review identified the following issues that affect the ability of the ODNI and other IC elements to provide timely, comprehensive, and meaningful FISMA reports:

1. (U) The timing of OMB's annual FISMA reporting instructions to IC agencies limits the agencies' ability to provide thorough and meaningful reports and consequently limits FISMA's value as a tool to ensure the effectiveness of security controls over IC information.
2. (U) IC agencies are unable to enter classified data into OMB's new unclassified FISMA database for annual reporting purposes, thus requiring the IC CIO to establish another method for agencies to use to report IC FISMA data for FY 2010 and future years.
3. ~~(U//FOUO)~~ The IC lacks a clear definition for an "information system," which creates inconsistencies in FISMA reporting among IC agencies and in turn diminishes the thoroughness, reliability, comparability, and value of these reports.

~~(U//FOUO)~~ Our report contained four recommendations to the IC CIO that, when fully implemented, will increase the value of the IC agencies' annual FISMA reports submitted to OMB and Congress and will improve accountability over information system security. The IC CIO concurred with all four recommendations and has taken steps during the course of the audit to address the findings. For example, the IC Information Assurance (ICIA) office within the IC CIO has been examining alternatives in light of OMB's changes in FISMA reporting policies and methodologies. Additionally, the ICIA office established the FISMA and Metrics working group to address FY 2010 reporting challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges. The ICIA office stated that once OMB's FY 2010 FISMA instructions are finalized, they will advise OMB of the IC CIO's decision pertaining to instructions that will be used by the IC for the FY 2010 FISMA review.

~~(U//FOUO)~~ On 10 March 2010, the ODNI IG sent a letter to OMB on behalf of and with the support of the IC OIGs and the IC CIO to identify issues that diminish the ability of the IC OIGs to perform meaningful FISMA reviews. The letter outlined the two major challenges



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for IC agencies in performing and reporting on their annual FISMA reviews: 1) increasingly compressed timeframes for completion of FISMA reviews due to OMB delays in issuing FISMA instructions, and 2) the unclassified nature of OMB's new database for annual FISMA reporting requirements that precludes its use by the IC agencies. Although OMB has not yet responded to the letter formally, at the request of the ODNI OIG, OMB officials agreed to permit IC OIGs to initiate their FISMA reviews using draft FY 2010 metrics.

#### **(U) Investigations**

~~(U//FOUO)~~ During this reporting period, the OIG conducted 21 investigations on a variety of allegations including misuse of position, improper use of government resources, contract irregularities, time and attendance abuse, voucher fraud, and inappropriate conduct.

#### **(U) Alleged Time and Attendance Fraud by Former Contractors to ODNI**

(U) The OIG investigated allegations that employees of a government contractor billed the government more than \$100,000 for work they did not perform. The OIG completed an investigation and analysis of estimated loss to the government, and the government contractor has made full restitution to the government.

#### **(U) Use of Subpoena Authority**

~~(U//FOUO)~~ During this reporting period, the OIG did not exercise subpoena authority under section 7(a)(4) of ODNI Instruction 2005-10.

### **IV. (U) Ongoing Projects and Activities**

#### **(U) Inspections and Reviews**

#### **(U) Evaluation of the President's Daily Briefing (PDB): Sources, Resources, Processes, and Outcomes**

~~(U//FOUO)~~ The DNI relies on the PDB to provide the President and his senior advisors with a baseline of intelligence to inform their perspective on world events, potential threats, and the capabilities and intentions of our adversaries. The OIG is evaluating the sources, resources, and processes used to develop the PDB and is assessing the incentives and disincentives for agency participation in producing the PDB. To date, the OIG has interviewed 17 PDB principals to evaluate the overall utility and effectiveness of PDB products and services.

**(U) Review of the Status of Integration of the IC's Departmental and Service Elements**

(U) Recent OIG reviews indicate that many senior representatives from the IC's Departmental and Service elements believe their elements' missions and capabilities are not known, not understood, or not fully leveraged by the ODNI and other IC elements. The OIG is conducting a review to identify the unique roles, capabilities, expertise, and functions of the Departmental and Service elements; identify any barriers to their integration; and determine how these elements can be more effectively leveraged and integrated in the IC.

**(U) Evaluation of the Administration and Management of ODNI Core Contractors Supporting Critical Missions**

(U) As a result of interest expressed by the DNI and Congress, the ODNI OIG is conducting an evaluation of ODNI administration and management of core contractors supporting critical missions. The objectives of the evaluation are to assess the risks associated with the administration and management of core contracts; review ODNI initiatives to improve the administration and management of contracts; consolidate and synthesize similar agency-level evaluations of contractor resource strategies; and identify systemic or recurring problems, trends, and best practices, including risk mitigation measures.

**(U) IC-Wide Acquisition Oversight: Strategies, Policies, and Processes**

(U) In May 2009, the ODNI OIG inspected the ODNI acquisition oversight strategies, policies, and processes. The report contained recommendations to provide for more effective stewardship of major investments through total acquisition lifecycle management. The DNI endorsed the report recommendations, and the ODNI is making significant progress towards implementation.

(U) To leverage the findings of this report, the OIG requested through the IC IG Forum that other IC OIGs conduct similar organizational reviews. The OIG is coordinating with the OIGs of the NGA, NRO, DIA, and NSA to review their respective agencies' acquisition practices. The OIG will analyze and, if appropriate, integrate the collective findings and recommendations requiring DNI action into a summary report for the DNI.

**(U) Audits**

**(U) FY 2010 Federal Information Security Management Act (FISMA) Evaluation**

(U) FISMA requires agencies to conduct an annual independent evaluation of information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a subset of agency systems. The OIG is performing the FY 2010 FISMA evaluation of the ODNI's information security programs and practices.

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**(U) FISMA Capstone Report**

(U) FISMA requires OIGs to perform independent evaluations of the information security programs and practices of federal agencies in order to provide an independent assessment from the agency CIOs' assessments. Through FY 2009, the IC CIO assumed the responsibility for consolidating the IC agencies' FISMA reports – including OIG reports – largely because the ODNI OIG was not sufficiently staffed to assume the responsibility. Effective FY 2010, the ODNI OIG is assuming responsibility for IC OIG reports and will prepare a capstone report that will be submitted to OMB and congressional oversight committees.

**(U) Audit of the DNI's Monitoring and Coordination of the Comprehensive National Cybersecurity Initiative (CNCI)**

(U//FOUO) The President has identified cybersecurity as a top priority for U.S. national security. National Security Presidential Directive 54/Homeland Security Presidential Directive 23 (NSPD 54/HSPD 23), jointly known as the CNCI, instructs the DNI, as the head of the IC and consistent with Section 1018 of IRTPA, to implement the policies and initiatives of the CNCI within and throughout the IC. Through the DNI's statutory budget, tasking, and intelligence information sharing authorities, the DNI is charged with ensuring the appropriate resource allocation and integration of all cybersecurity efforts and initiatives.

[redacted] The OIG is evaluating the effectiveness of the ODNI's implementation of [redacted]

[redacted] The OIG is assessing whether the ODNI has established the policies and procedures, roles and responsibilities, and governance structures necessary to effectively monitor and coordinate CNCI implementation. The OIG also is examining whether there are gaps or additional measures that should be addressed from a CNCI or ODNI perspective.

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**(U) Investigations**

(U//FOUO) The OIG continues to receive allegations of wrongdoing from within the ODNI and the IC, including alleged procurement fraud, contract fraud, ethics violations, labor mischarging, and time and attendance fraud.

(U//FOUO) In the course of its investigations, the OIG may identify systemic weaknesses in ODNI processes and procedures. In such cases, the OIG makes immediate referrals to ODNI management so that management can take action to address the identified issues. During this reporting period, the OIG made recommendations for improvement of the contract management practices of an ODNI component and has worked with the component, as appropriate, to ensure implementation of the recommendations.

(U//FOUO) Select cases representing the breadth of ongoing investigations are highlighted below.

**(U) Alleged Contracting and Administrative Misconduct by an ODNI Official**

(U) The OIG is investigating allegations that the director of an ODNI component committed administrative misconduct and numerous contracting violations. This matter has been briefed to the Director of the Intelligence Staff and senior ODNI management and has resulted in significant action to address the OIG's preliminary findings.

**(U) Alleged Unauthorized Possession of a Firearm at Work**

(U) The OIG is investigating allegations that ODNI employees erroneously were issued credentials to carry a firearm as part of their employment. The ODNI has recovered all of these credentials, and the OIG is investigating why these credentials were issued.

**(U) Alleged Voucher Fraud by a Senior IC Official**

(U) The OIG is investigating allegations that a senior IC official committed voucher fraud by submitting several travel vouchers containing questionable reimbursement expenses.

**(U) OIG On-Line Complaint Intake System**

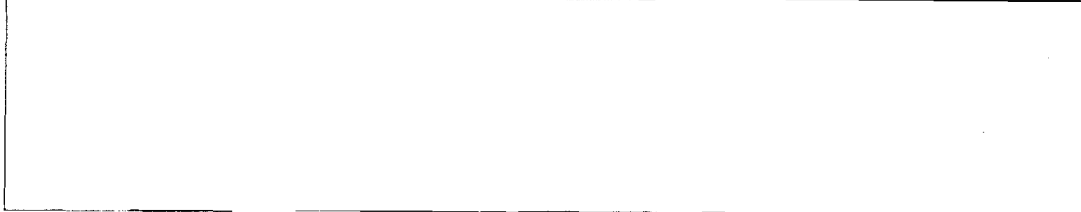
(U//FOUO) The ODNI OIG manages a complaint intake channel that allows IC personnel to file complaints on topics ranging from ethics violations to "urgent concerns" handled under the Intelligence Community Whistleblower Protection Act. During this reporting period, the OIG intake channel received nine complaints, which included allegations of the misuse of government funds, unfair hiring practices, conflicts of interest, harassment or reprisals involving contractors, and misleading of Congress regarding an intelligence capability. The ODNI OIG has investigated each of these cases or referred them for follow up to the appropriate IC investigative component.

**V. (U) Congressional Engagements**

(U) During this reporting period, the OIG engaged with Members and congressional staffers on a wide variety of issues. In March 2010, the Inspector General briefed recent OIG reports to the Members of the HPSCI Subcommittee on Intelligence Community Management. Members were most interested in the OIG's November 2009 IC Management Challenges report, which summarized the most critical IC and ODNI management challenges based on IC OIGs' reports conducted over the past year.

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~~(S//NF)~~ The Inspector General addressed three challenges noted in recent OIG reports:



~~(U//FOUO)~~ With regard to Information Sharing and Information Security, the Inspector General referenced the OIG's 2008 Terrorist Watchlisting report, which summarized the reports on terrorist watchlisting by eight other IC OIGs. In the Human Capital area, the Inspector General summarized the findings of the OIG's Joint Duty report, noting that the program enjoys strong support, but stronger leadership advocacy and a strong corporate communications policy would improve the program.

~~(U//FOUO)~~ In February 2010, Deputy Inspector General Scott S. Dahl briefed staff from the House Appropriations Committee Subcommittee on Defense (HAC-D) on the OIG's 2009 IC Management Challenges report, the OIG's FBWT report, and the OIG's semiannual report for the period 1 July – 31 December 2009. He explained the progression of the Management Challenges report and how the OIG is in a much better reporting posture than in years past. Mr. Dahl highlighted that the FBWT report provided a firm foundation for the ODNI to begin addressing the organization's financial management problems. Finally, Mr. Dahl provided an overview of the draft OIG Work Plan for 2010-2011.

(U) In early April, Mr. Dahl briefed SSCI staffers on the FY 2010-2011 OIG Work Plan and answered questions related to the OIG's 2009 IC Management Challenges report and the 1 July – 31 December 2009 OIG semiannual report. He also responded to specific questions on the IC's current management challenges, including financial auditability, cybersecurity, and information sharing.

## **VI. (U) Status of OIG Recommendations for Completed Reports**

(U) The implementation status of OIG recommendations made in reports completed since 2007 is noted in Appendix A, listed by report in the order in which the reports were issued. Recommendations are "closed" if they have been fully implemented (designated in green); "resolved" if the ODNI has taken significant steps to implement them so that the OIG believes they will be fully implemented, but they are not yet entirely closed (designated in yellow); and "open" if they have not been implemented and substantial steps have not been taken yet towards implementation (no color designation).

(U) The OIG and ODNI management have instituted a process to ensure timely and effective implementation of OIG recommendations. As a result, a significant number of

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recommendations have been closed or resolved. Specifically, 67 percent of the recommendations in the reports listed below are closed, 29 percent are resolved, and 4 percent remain open.

(U) In the past 6 months, 21 recommendations have been closed, and the ODNI has made substantial progress in resolving 10 others. During this reporting period, the ODNI promulgated guidance for the development and validation of capability requirements for IC Major System Acquisitions (MSAs) in response to recommendations in our 2009 report on acquisition oversight. This new process, if effectively enforced, will substantially reduce risks of "requirements creep" and cost overruns on the IC's most expensive and important investments over the years to come. The ODNI staff elements also established well-defined roles and responsibilities for the governance of these MSAs. The agreement among the staff elements addresses the OIG recommendation requiring the ODNI acquisition oversight workforce to ensure comprehensive lifecycle management in the acquisition oversight domain, providing Congress with metrics on the achieved performance of MSAs as part of the Annual Program Management Plan Report.

(U) The IC Chief Human Capital Office (CHCO) implemented several important recommendations from the OIG's Joint Duty report, including: a) establishing and implementing a comprehensive communications strategy, and b) finalizing and distributing a "Memorandum of Understanding" to the IC to standardize Joint Duty Program terminology and processes. The development of a comprehensive communications plan is significant because it clarifies the purpose of the IC Civilian Joint Duty program and builds support, increased interest, and participation in the program. Likewise, the development of standard terminology in Joint Duty policy, guidance, and application forms reduces confusion concerning Joint Duty information and processes.

(U//FOUO) The ODNI Comptroller and Director of the ODNI MSC implemented two significant recommendations from the OIG's FBWT report.

Such reviews are essential to achieve accountability for programs and funding by systematically and proactively identifying operational and financial control weaknesses and by taking corrective actions.

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## **Appendix**

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

**This Table is ~~SECRET//NOFORN~~**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<b>IC: REVIEW OF IC WIDE DISSEMINATION OF SENSITIVE REPORTING</b> <b>NOVEMBER 2007</b> <b>(TOTAL: 3, CLOSED: 3, RESOLVED: 1)</b>		
a. ( <del>U//FOUO</del> ) Appoint a senior ODNI official reporting directly to the DNI or Principal Deputy DNI (PDDNI), with the authority and duty to promulgate policies and procedures on intelligence dissemination and access.	DNI 1 June 2007	( <del>U//FOUO</del> ) CLOSED. Per ICD 101, the DDNI/PPR has the authority to promulgate IC Policy Guidance.
b. ( <del>U//FOUO</del> ) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for monitoring implementation of the policies and procedures by the agencies.	DNI 1 June 2007	( <del>U//FOUO</del> ) CLOSED. The IC CIO has been appointed the IC Information Sharing Executive.
c. ( <del>U//FOUO</del> ) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for adjudication of dissemination disagreements.	DNI 1 June 2007	( <del>U//FOUO</del> ) CLOSED.
d. (U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met.	DDNI/PPR lead IC CIO	(U) RESOLVED. By issuing ICD 501, ICPG 501.1, and 501.2, the ODNI has implemented some of this recommendation by establishing common IC policies and procedures for the discovery and dissemination or retrieval of sensitive intelligence and by creating Sensitive Review Boards (SRB) to oversee dispute resolution and to "take proactive measures to help ensure information is made available to authorized IC personnel" (ICD 501, G.3.a.).  ( <del>FOUO</del> ) However, these standards do not fully address the part of the recommendation relating to sensitive intelligence dissemination and Sensitive Review Boards.

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## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

**This Table is ~~SECRET//NOFORN~~**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<p>FOR REVIEW OF IC-WIDE DISSEMINATION OF SENSITIVE REPORTING, NOVEMBER 2007</p> <p>TOTAL: 5 - CLOSED, 4 - RESOLVED, 1</p>		
a. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or Principal Deputy DNI (PDDNI), with the authority and duty to promulgate policies and procedures on intelligence dissemination and access.	DNI 1 June 2007	(U//FOUO) CLOSED. Per ICD 101, the DDNI/PPR has the authority to promulgate IC Policy Guidance.
b. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for monitoring implementation of the policies and procedures by the agencies.	DNI 1 June 2007	(U//FOUO) CLOSED. The IC CIO has been appointed the IC Information Sharing Executive.
c. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for adjudication of dissemination disagreements.	DNI 1 June 2007	(U//FOUO) CLOSED.
d. (U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met.	DDNI/PPR lead IC CIO	<p>(U) RESOLVED. By issuing ICD 501, ICPG 501.1, and 501.2, the ODNI has implemented some of this recommendation by establishing common IC policies and procedures for the discovery and dissemination or retrieval of sensitive intelligence and by creating Sensitive Review Boards (SRB) to oversee dispute resolution and to "take proactive measures to help ensure information is made available to authorized IC personnel" (ICD 501, G.3.a.).</p> <p>(FOUO) However, these standards do not fully address the part of the recommendation relating to sensitive intelligence dissemination and Sensitive Review Boards.</p>

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
a. (FOUO) Assess the current compartmentation policies constraining the use and release of the Analysis Integration Center (now the Integrated Operations Center for Special Projects) reporting.	PPR/SSC lead	(FOUO) CLOSED. NGA performed this analysis in the establishment of a control system for compartmented GEOINT.
	IC CIO	
	IC CIO	
<b>IC-WIDE REVIEW OF THE TERRORIST WATCHLIST NOMINATION PROCESS FEBRUARY 2009 STATUS: CLOSED &amp; RESOLVED</b>		
a. (U) Promulgate a comprehensive IC-wide policy clearly defining agency/departamental roles and responsibilities with regard to the watchlist nomination process.	NCTC lead; DDNI/PPR/ Policy	(FOUO) Recommendation will close upon NCTC issuing a policy that is consistent with the 25 May 2010 Terrorist Screening Center guidance.

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Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
b. (U) Publish interim IC-wide guidance that states the DNI's vision for the IC watchlist mission and requires each agency/department to: assign responsibility for watchlist functions, collaborate with NCTC to align responsibilities for IC watchlist functions, and identify watchlist activities/program funding requirements and/or shortfalls.	NCTC; DDNI/PPR/ Policy	(U) CLOSED.
c. (U) Develop a formal plan (with timelines) for agencies/departments to assume responsibility from CIA for reviewing their own real-time cable traffic for the purpose of terrorist watchlist nominations to NCTC.	NCTC	(U) CLOSED.
d. (U) Develop a standardized format for agency/department nominations to NCTC and formalize the business process for IC watchlist nominations to NCTC.	NCTC	(U) CLOSED.
e. (U) Develop and maintain a central repository for watchlist governing documents for the IC.	NCTC	(U) CLOSED.
f. (U) In coordination with DOJ/FBI, build on the Terrorist Screening Center (TSC) protocols and provide additional guidance to the watchlist community.	NCTC, in coordination with DOJ/FBI	(U) CLOSED.
g. (U) Update the TSC Memorandum of Understanding (MOU) on the Integration and Use of Screening Information and Addendum B to the MOU to ensure all participating IC agencies/departments are signatories.	NCTC	(U) CLOSED.
h. (U) Consider options for incorporating the resources that fund the IC's support for the watchlisting effort into the NIP budget rather than relying primarily on CT supplemental funding.	NCTC and CPO	(U) CLOSED.
i. (U) Work with Congress to change the provisions of 50 U.S.C. 404a-2 to reflect the establishment of NCTC's Terrorist Identities Datamart Environment (TIDE) as the USG's central and shared knowledge bank of international terrorist information, replacing the Terrorist Identification Classification System (TICS) requirements specified under this section.	NCTC, OGC, and OLA	(U) CLOSED.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<p>STATUS: (U) = INFORMATION AND COOPERATION DIAGNOSTIC AND RECOMMENDATIONS            AUGUST 2008            (U) OPEN = (U) CLOSED = (U) REVISED = (U) OPEN =</p>		
a. (U) Appoint a senior officer to assist the DNI in ensuring the implementation of and compliance with recommendations contained in OIG reports and relevant recommendations from other reports.	DNI 12 September 2008	(U) CLOSED. The Director of the Intelligence Staff has been given this responsibility.
b. (U) Make the EXCOM and DEXCOM permanent entities.	DNI	(U) CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.
c. (U) Clearly define and communicate the roles and responsibilities of the DEXCOM to the IC.	DNI 12 October 2008	(U) CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.
d. (U) Direct IC leaders to instruct their respective elements to coordinate hardware acquisition requirements through the appropriate ODNi organization.	IC CIO 12 October 2008	(U) CLOSED.
e. (U) Finalize and communicate an IC systems architecture plan that acknowledges stakeholder inputs and requirements as appropriate.	IC CIO 12 November 2008	(U) CLOSED. Joint Architecture Reference Model V 1.0 baselined by Joint Systems Engineering forum 29 April 2009 and briefed to IC2PAC 16 June 2009.
f. (U) Identify and develop an action plan to address the technological challenges that inhibit collaboration and information sharing – particularly, non-compatible IT networks deployed across the IC, and insufficient bandwidth for video teleconferencing.	IC CIO	(U) CLOSED. Information Integration Program (I2P) Roadmap Version 2.51 published June 2009 provides integrated plan to align over 38 initiatives to improve information integration across the IC.
g. (U) Require ODNi organizations to inform IC organizations of the purpose and outcomes of data calls as part of the tasking process.	DIS	(U) CLOSED. Memo from the DIS to all component heads directed them to provide this information in conjunction with ODNi tasking.

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
h. (U) Share the results of this Diagnostic with IC elements.	DIS 12 September 2008	(U) CLOSED.
i. (U) Brief the ICLC on the results of this baseline Diagnostic.	OIG/DIS	(U) CLOSED.
j. (U) Require all DNI direct reports and Mission Managers to develop and articulate their respective roles and responsibilities.	DIS	(U) CLOSED.
k. (U) Develop an audio-visual presentation introducing the DNI and the role of the ODNI in the IC to all new IC members.	PAO	(U) CLOSED. ODNI PAO released the ODNI Command Briefing in March 2010 for use across the IC.
l. (U) Coordinate and consolidate hardware and software acquisition requirements.	CIO	(U) CLOSED.
m. (U) Direct the DDNI for Analysis to develop and implement procedures to ensure the accuracy and quality of information in the Analytic Resources Catalog (ARC).	DDNI/A and CHCO	(U) CLOSED. CHCO has launched Intelligence Capabilities Catalogue (IC3) to replace the ARC.
n. (U) Ensure that all IC elements are incorporating the requirements of ICD 651 in employee performance appraisals.	ADNI/CHCO	(U//FOUO) CLOSED. CHCO has documented that 16 IC elements have implemented the requirements of ICD 651 in performance appraisals. 1 is in the process of implementing.
o. (U) Direct the IC CIO, in coordination with the DDNI/C and DDNI/PPR, to ensure through appropriate guidelines, policies, directions, standards and business practices that web-based tools and technology enable and enhance mission effectiveness.	IC CIO DDNI/A, DDNI/C, DDNI/PPR	(U) CLOSED. A-space User's Guide and Sourcing Requirements for Disseminating Analytic Products. A-Space is covered in Analysis 101.
p. (U) Identify, compile, maintain, and distribute to the IC a list of the expertise of all IC elements.	CHCO 12 October 2008	(U) RESOLVED. IC3 will provide resident expertise at all IC elements. Recommendation will be closed once the IC3 is deployed and accessible.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
q. (U) Create a clear and succinct mission and vision statement for the ODNI. Publish and communicate the ODNI mission and vision to the ODNI and IC elements.	DIS and PAO 12 October 2008	(U) OPEN. PAO will coordinate on a new mission and vision when a new DNI is appointed.
r. (U) Publish a definition of collaboration for the IC.	PAO 12 October 2008	(U) CLOSED.
s. (U) Determine which recommendations made in the <i>Achieving a Robust Collaborative Environment</i> study should be implemented and appoint a senior officer to implement those recommendations.	DIS	(U//FOUO) CLOSED. Per 3/25/10 email from D/DIS, who determined which recommendations from the study would be implemented.
t. (U) Establish an "Ask the Director" link on the DNI homepage to solicit questions and comments from the IC workforce.	PAO 12 September 2008	(U//FOUO) RESOLVED. PAO has proposed that the publication scheduled to launch this summer to replace the Spotlight include a feedback/request option for future topics in lieu of the "Ask the Director link." Recommendation will close upon initiation of the new feedback/request option.
u. (U) Communicate immediately to the IC all appropriate EXCOM agendas and minutes.	DIS 13 August 2008	(U) CLOSED.
v. (U) Incentivize individual and organizational collaboration.	CHCO	(U) CLOSED.
w. (U) Make Joint Duty assignments reimbursable or institute exchange arrangements in order to address the issue of mission impact.	CHCO	(U) CLOSED. Some exchange arrangements have been implemented. This recommendation and other related recommendations were captured in our Joint Duty Report (Nov 09).
x. (U) Make Joint Duty opportunities available for more IC professional categories.	CHCO	(U) CLOSED.
y. (U) Communicate Joint Duty successes and rewards to the IC as a way to encourage participation.	CHCO	(U) CLOSED.
z. (U) Regularly disseminate leadership messages, including various report findings and IC developments to the IC.	PAO	(U) CLOSED.

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
aa. (U) Provide the IC with periodic reports on progress being made in addressing the findings outlined in the November 19, 2007 ODNI IG Dissemination Report.	PFR	(U) CLOSED.
bb. (U) Communicate and implement ODNI meta-data tagging standards and processes across the IC included in the 500 Day Plan.	PFR	(U) CLOSED.
cc. (U) Direct all IC elements to recognize the Community badge for facility access and begin acquiring devices that recognize Community badges.	DNI	(U) CLOSED.
U//FOUO FEDERAL INFORMATION SECURITY MANAGEMENT ACT REVIEW AUGUST 2008 CLOSED = CLOSED, RESOLVED = OPEN		
1a. (U) CIO complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems.	CIO	<del>(U//FOUO)</del> RESOLVED. The IC CIO is in the process of implementing this recommendation. Recommendation can be closed upon receipt of copy of the official security program. OIG will confirm during FY 2010 FISMA Review.
1b. (U) CIO to establish milestones and complete strategic plans and programs and finalize system inventories.	CIO	<del>(U//FOUO)</del> RESOLVED. IC CIO has established milestones. System inventories are finalized. IC CIO published an Information Security Strategy on 6 Feb 09. Recommendation can be closed upon receipt of the official strategic plans and programs. OIG will confirm during FY 2010 FISMA Review.
1c. (U) CIO develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	CIO	<del>(U//FOUO)</del> CLOSED. IC CIO issued an IC Information Security Strategy and continues to follow OMB's security performance measures via IC-wide quarterly and annual FISMA reporting per FISMA legislation.

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
1d. (U) CIO to establish milestones for completion of the information security strategic plans.	CIO	<del>(U//FOUO)</del> RESOLVED. The IC CIO Information Security Strategy Implementation Plan is in coordination for review by the ISRMC as of April 2010.  <del>(U//FOUO)</del> Recommendation can be closed upon review of plan that identifies milestones.
2a. (U) CIO in coordination with D/DMS to establish a roadmap to identify the inventory of systems that are ODNI responsibility and those that are IC-wide responsibility and establish a timeframe for completion of roadmap.	CIO/DMSC	<del>(U//FOUO)</del> CLOSED. For MSC that has completed its roadmap. ODNI OIG reconciled the inventories during the FY 2009 FISMA review. However, this remains a legislative recurring requirement (44 USC §3505 (c) (1)) for MSC and the IC CIO.  <del>(U//FOUO)</del> OPEN. For IC CIO/ICES because they have not yet provided us a roadmap and have not established a date for its completion.  <del>(U//FOUO)</del> Recommendation can be closed if inventories can be reconciled during the ODNI OIG's FY 2010 FISMA review.
3a. (U) D/DMS to designate a senior agency official responsible for security of ODNI information and information systems whether ODNI owned or operated by another agency or by a contractor on behalf of ODNI.	MSC	(U) CLOSED.
3b. (U) D/DMS complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems.	MSC	(U) CLOSED.
3b. (U) D/DMS to establish milestones for completion of the information security program.	MSC	(U) CLOSED.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
3c. (U) D/DMS develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	MSC	(U) CLOSED.
3d. (U) D/DMS to establish milestones for completion of the information security strategic plans.	MSC	(U) CLOSED.
<b>IC OPERATIONAL MANAGEMENT CHALLENGES SEPTEMBER 2008 TOTAL: 10 CLOSED, 11 RESOLVED, 1 OPENING</b>		
a. (U) Define the relative internal authorities of the DNI, PDDNI, and other ODNI senior staff.	November 2008	(U) CLOSED.
b. (U) Publish ICD 501 and supporting directives providing IC-level policies that expand and improve information access for the analytic community.	November 2008	(U) CLOSED.
c. (U) Develop and implement an IC plan for standardizing communication systems and streamlining the IC data sharing and storage architecture to reduce redundancy and simplify data access and retrieval.	November 2008	(U) CLOSED.
d. (U) Require collaboration among the national agencies on programs, systems, and acquisitions in accordance with functional management authorities and responsibilities.	November 2008	(U) CLOSED.
e. (U) Develop MOUs for IC elements that are accountable to both ODNI and another government agency to delineate financial-related roles and responsibilities.	November 2008	(U) CLOSED.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
f. (U) Engage the DoJ at its highest levels in order to communicate national intelligence interests to the DoJ and to implement appropriate legal and policy changes throughout the IC.	November 2008	(U) CLOSED.
g. (U) Focus efforts on finalizing the ODNI's guidelines implementing EO 12333.	November 2008	(U) CLOSED.
h. (U) Finalize and publish critical ICDs, including ICD 101, ICD 303, ICD 306, and ICD 501 - "Access to and Dissemination of Intelligence."	DDNI/PPR November 2008	(U) CLOSED.
i. (U//FOUO) Develop a formal ODNI process for timely responding to OIG recommendations and for tracking implementation of recommendations that are accepted by management.	DIS November 2008	(U//FOUO) RESOLVED. OIG and the DIS follow a process for ODNI to respond to OIG recommendations in a timely manner. OIG and the DIS will continue to track and monitor open recommendations under this process until such time as this process can be formalized.
j. (U//FOUO) Appoint a senior ODNI official responsible for improving collaboration and integration between and among "traditional" intelligence agencies (those focused exclusively on intelligence gathering and analysis).	November 2008	(U//FOUO) CLOSED. 16 Jul 09 memo from DIS tasked DDNI-PPR with the responsibility for the info sharing [redacted]  Memo directs that this task be made explicit in the next update to the PPR roles and responsibilities.
k. (U//FOUO) Revise the auditability strategy with target dates for achieving auditability based on standard financial systems and ICBT initiatives and monitor progress towards auditability.	CIO, BTO, CFO November 2008	(U//FOUO) RESOLVED. The FIG (now FMO) continues to monitor agencies' progress in management controls and key areas (FBWT, IGT, and PP&E). Recommendation can be closed upon receipt of an FMO auditability strategy with target dates.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
1. (U//FOUO) Complete and submit to Congress the remaining financial plans and architectures that were due to the SSC1 in 2005.	CIO (BTO) November 2008	(U//FOUO) RESOLVED. CFO has drafted a Financial Improvement and Auditability Governance for the IC, which will be submitted to the SSC1 within 4 months after BTO submits its Business Enterprise Architecture to the SSC1. Recommendation can be closed once financial plans and architectures are provided to the SSC1.
na. (U//FOUO) Expedite the finalization and issuance of common U.S. persons rules, principles, or presumptions.	OGC November 2008	(U//FOUO) RESOLVED. OGC has been working extensively with DoJ NSD to make IC agencies' Attorney General guidelines consistent across the IC. This effort is underway, but is not yet completed.  (U//FOUO) [REDACTED]  This recommendation will be updated following the results of those reviews and implementation of any recommendations.
a. (U) Publish a definition of collaboration for the IC.	PAO August 2008	(U) CLOSED. NIS defined "collaboration."
a. (U) Lead the effort to define what constitutes a "system" for consistent IC application for both auditability and business transformation.	IC CIO; CFO; PPR	(U) CLOSED. The clear and understandable definition of a system does not exist throughout the federal government. Therefore, the IC CIO is unable to develop a definition just for the IC because most agencies are dual-hatted (IC and DoD).  (U) In our more recent report <i>Increasing the Value of the Intelligence Community's Federal Information Security Management Act (FISMA) Reports</i> , we are recommending that the IC CIO develop guidance for the IC agencies that identifies what definition should be used for FY 2010 FISMA reviews. Therefore, we are closing this recommendation and tracking it under the more recent report.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
p. (U//FOUO) Ensure prompt and complete implementation of the recommendations of the FISA Panel.	DDNI/C	(U//FOUO) <b>CLOSED.</b> ODNI has established process for ensuring implementation of the FISA Panel recommendations.
INSPECTION OF IC ACQUISITION OVERSIGHT STRATEGIES, POLICIES, AND PROCESSES MAY 2009 TOTAL: 1 CLOSED, 3 RESOLVED, 7 OPEN, 10		
a. (U//FOUO) DDNI/FC immediately ensure that programs funded within the Community Management Account and executed by the ODNI are overseen in accordance with IC acquisition policy.	DDNI/AT January 2009	(U//FOUO) <b>CLOSED.</b> DNI issued Executive Correspondence in January 2009 requiring programs funded in the Community Management Account to abide by IC Acquisition Policy and Oversight.
b. (U//FOUO) Publish IC policy no later than 120 days after signature, identifying a governance model for the ODNI AO workforce relative to the IC acquisition community, including: A. Revising ICD 1 to account for current distributions of authorities and decision rights. B. Standardizing levels of official interface and protocol between ODNI officials and IC counterparts. C. Clarifying the role of the PDDNI relative to the codified authorities of the DNI's Milestone Decision Authority (MDA) (DDNI/FC), the DDNIs, the ADNIs, and DNI Policy for the IC.	DIS; DDNI/PPR; PDDNI Executive Staff October 2009	(U//FOUO) <b>OPEN.</b> In March, 2010, the DIS signed, and communicated to the IC, a memo enforcing the fact that Milestone Decision Authority flows through the PDDNI to the DDNI/A&T. This addresses part "c" of this recommendation.  (U//FOUO) Awaiting PPR completion of ICD 1 revision and other related policy documents to review whether – in sum – they constitute a governance model. As of 8 June 2010, ICD 1, previously in draft and coordination with DNI Blair will now need to be revised to address incoming DNI delegations.
c. (U//FOUO) Document the existing processes that link DDNI/FC acquisition decisions with CFO funding decisions no later than 210 days after signature. Provide the widest possible dissemination of the documented processes to ensure members of the AO staff are aware of all options available to utilize funding authorities as a management instrument.	DDNI/AT, ADNI/CFO, ADNI/SRA January 2010	(U//FOUO) <b>RESOLVED.</b> SAE, ADNI/SRA, and ADNI/CFO agreed to a revised PPBE Cycle process to align the DNI's budgetary and Milestone Decision Authorities. The OIG will make a determination of <b>CLOSED</b> if compliance issues cited in the 2009 Final PMP Report are followed by corresponding Apportionment Footnote recommendations for the next fiscal year.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
d. (U//FOUO) DDNI/PC enforces accountability for IC agencies to have validated requirements documents as a prerequisite for MDA delegation, and permanently add such language to DDNI/PC performance objectives no later than 360 days after signature. Additionally, when the DDNI/PC delegates MDA for a program without a validated requirements document, formal justification to the DNI shall be identified in an Acquisition Decision Memorandum.	DDNI/VAT May 2010	(U//FOUO) <b>RESOLVED.</b> (Deadline for implementation has not been reached.) The DDNI/A&T's performance objectives have been amended to include "Ensure validated capability needs are documented prior to delegating Milestone Decision Authority."  (U//FOUO) DDNI/VAT requested – with OIG concurrence – a DNI waiver of this Recommendation for Corrective Action for acquisition activities that are well underway and approaching delivery. OIG will evaluate progress in 2010 to make a determination of CLOSED.
e. (U//FOUO) Publish IC policy no later than 210 days after signature, prescribing processes, authorities, and responsibilities for developing formal user requirements for Programming Committee approval and validation. The 2007 ODNI Requirements Study should be the point of reference for developing the new requirements policy.	ADNI/SRA DDNI/VAT DDNI/PPR January 2010	(U//FOUO) <b>CLOSED.</b> The DNI issued a Capabilities/ Requirements Policy for the IC on 4 Dec 09. In accordance with the DNI memo, the ADNI SRA is finalizing specific process and product guidance for distribution to the IC.
f. (U//FOUO) DDNI/PC, the CIO, and the Office of General Counsel to collaborate and codify statutorily compliant areas of oversight jurisdiction no later than 120 days after signature. We also recommend that the DNI and the CIO codify processes for oversight of IT programs under CIO jurisdiction no later than 120 days after signature, and maintain sufficient numbers of experienced IT professionals to execute the processes.	DDNI/VAT, CIO, and OGC October 2009	(U//FOUO) <b>RESOLVED.</b> The IC CIO codified the IC IT Program Assessment Process on 4 Nov 09. However, the OIG is aware of ongoing challenges within the Office of the IC CIO to hire and retain sufficiently trained personnel to effectively execute their oversight mission, and that CIO execution of Milestone Decision Authority for RAILHEAD is a maturing process.  (U//FOUO) DDNI/A&T held the first QPR for Railhead and the IC CIO as the MDA in December 2009. Railhead Program Manager and the IC CIO are still developing an ICD 801-compliant Program Management Plan.  <div data-bbox="1019 1409 1339 1577" style="border: 1px solid black; height: 80px; width: 100%;"></div>

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
g. (U//FOUO) Establish and codify a repeatable process for Major Systems Acquisition (MSA) designation no later than 90 days after signature that accounts for statutory funding thresholds.	DDNI/AT September 2009	(U//FOUO) RESOLVED. Procedure approved on 11 Aug 09 by DDNI/AT (Acting). OIG will assess execution of the 2010 MSA designation process and verify its codification before rendering a determination of CLOSED.
h. (U//FOUO) Establish a plan to provide oversight to programs before Milestone A and after Milestone C to complement current monitoring of Phase B activities no later than 120 days after signature. Additionally, the OIG recommends that the DDNI/FC coordinate with the DDNI/C, the DDNI/A, the CPO, and the CIO to codify a process no later than 120 days after signature, that includes performance data for all operational MSAs in an appendix to the annual IC Program Management Plan (PMP) report.	ADNI/SRA DDNI/AT October 2009	(U//FOUO) RESOLVED. The OIG received a briefing from DDNI/A&T leadership addressing how the A&T reorganization facilitates implementation in coordination with pre-Milestone A and post-Milestone C activities executed by CIO, CPO, and SRA. This recommendation will not close until Appendix F to the Annual PMP Report has matured, understanding that the SRA requirements inventory is a pre-requisite for a fully mature reporting process on the achieved performance of active IC MSAs.
i. (U//FOUO) DDNI/FC and DDNI/PPR to revise the ACCEA no later than 150 days after signature, with the following objectives: A. Align goals with stated strategy elements: Policy Guidance, Monitoring, and Corrective Action. B. Update ACCEA Immediate Actions to address corrective action as a priority. C. Elevate workforce qualification and certification goals.	DDNI/A&T DDNI/PPR, OGC November 2009	(U//FOUO) RESOLVED. The new National Intelligence Strategy was signed 18 Aug 09 and included Enterprise Objective 7: Improve Acquisition, negating the need to revise the ACCEA. DDNI/A&T is in the process of securing IC consent on ICPG 801.3. As of 1 June 2010, still awaiting A&T's IC coordination.
j. (U//FOUO) Establish a process to track and address instances of IC agency noncompliance with IC acquisition policy and process discipline breakdowns no later than 120 days after signature. An option the DNI may wish to consider is to establish ODNI staff liaison positions at the IC agencies to act as the forward-deployed focal points for all actions and information requests transmitted from the ODNI staff to an agency.	DDNI/AT October 2009	(U//FOUO) RESOLVED. SAE Staff includes IC agency compliance information in the Annual PMP report. OIG will verify inclusion of such information in the PMP report and ensure a mechanism is in place for the DDNI/A&T to inform the DNI and the IG of ODNI staff noncompliance with IC Acquisition Policies before making a determination of CLOSED.  (U//FOUO) Last year's and this year's report contained language addressing IC agency noncompliance. A&T also provided midyear feedback to IC agencies.

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Semiannual Report 1 January 2010 – 30 June 2010

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<del>k. (U//FOUO) DDNI develop a feedback mechanism within the ODNI staff and with the IC agencies no later than 90 days after signature. This feedback should inform the IC agencies what is being done with requested information, and it should provide details of value-added contributions by the ODNI staff.</del>	<del>DDNI September 2009</del>	<del>(U//FOUO) CLOSED. The DDNI reports to the ODNI staff (E/S/ODNI) that it is not able to conduct this recommendation.</del>
F Y 2009 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH FISMA		
JULY 2009		
TOTAL: 12 CLOSED / 1 RESOLVED / 8 OPEN / 1		
1.1. a., b., c. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, should: a) Develop and maintain an accurate inventory of systems; and b) Determine the ownership of the 7 unidentified systems; c) Make system additions, deletions, or adjustments to the Intelligence Community's (IC) Registry in a timely manner.	IC CIO D/MSC 24 Jan 2010	(U//FOUO) Recommendation a) <b>RESOLVED</b> for both MSC and IC CIO/ICES. The inventory for both ICES and MSC was reconciled during the FY 2009 FISMA review. However, whether ICES and MSC is able to maintain an accurate inventory will not be determined until the next FISMA review.  (U//FOUO) Recommendation b) <b>CLOSED</b> for MSC and IC CIO/ICES because ownership was resolved in Jan 2010.
		(U//FOUO) Recommendation 1.1 a. and c can be closed after FY 2010 FISMA review if OIG verifies an accurate inventory.
1.2. (U//FOUO) The IC CIO and the Director of MSC should reconcile the IC CIO and MSC inventories with the IC Registry, at a minimum, on a quarterly basis.	IC CIO D/MSC Oct 2009	(U//FOUO) <b>RESOLVED</b> . The IC CIO/ICES continues to coordinate and reconcile system inventory issues with the IC registry. CIO works to reconcile any discrepancies once notification of their existence has been brought to CIO/ICES' attention. Although MSC and ICES are reportedly reviewing and revising the inventory lists, the OIG needs to corroborate their efforts.  (U//FOUO) Recommendation can be closed pending OIG FY 2010 FISMA review.

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<p>2.0. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, IC CIO will develop a certification and accreditation strategy including a schedule (plan of action and milestones) for reaccrediting the cited systems and update this information in the IC Registry and the Director of the Mission Support Center will establish current certifications and accreditations for all systems identified under their ownership and update this information in the IC Registry.</p>	<p>IC CIO D/MS 24 Jan 2010</p>	<p>(U//FOUO) <b>RESOLVED</b> for MSC. As of 1 April 2010, MSC is working on its one system to obtain accreditation with the IC CIO/ICAT.</p> <p>(U//FOUO) Recommendation can be closed once OIG receives documentation that the one system received C&amp;A.</p> <p>(U//FOUO) <b>OPEN</b> for CIO as the IC CIO has not yet developed its strategy or schedule for certifications and accreditations that will comply with NIST 800-53. The IC CIO has stated that it has improved the internal processes and procedures for Certifying and Accrediting systems and has begun the effort to incorporate new processes that will comply with the implementation of NIST 800.53. This will ensure that the appropriate C&amp;A documentation has been developed and approved and that all pertinent information is updated in the IC Registry.</p> <p>(U//FOUO) Recommendation can be closed upon receipt of the CIO's strategy/schedule for C&amp;A for systems.</p>
<p>3.0.a and b. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, should: a) Perform security tests on the systems that currently have security tests that are greater than a year old; and b) Perform annual security tests on systems with a protection level greater than protection level 1.</p>	<p>IC CIO D/MS 24 Jan 2010</p>	<p>(U//FOUO) <b>RESOLVED</b> for CIO. CIO has begun implementing processes and plans to manage the security testing of systems on the anniversary of their operational date. While this process has not been fully implemented, ICES continues to prioritize and work through the backlog of operational systems, constantly testing and monitoring these systems. Anticipate elimination of the backlog by end of FY10.</p> <p>(U//FOUO) Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p> <p>(U//FOUO) <b>RESOLVED</b> for MSC. MSC stated that it has completed all testing. Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p>

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## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<p>4 a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should: a) Establish a plan for performing contingency plan tests on systems whose contingency plan tests are greater than a year old and establish a designated period for future contingency plan tests; b) Perform contingency plan tests on all systems with an availability rating of high; c) Assign availability ratings to all ODNI systems on the IC Registry.</p>	<p>IC CIO 24 Nov 2009</p>	<p>(U//FOUO) OPEN for Recommendation a) for IC CIO because the IC CIO/ICES has not yet developed a comprehensive plan. Recommendation can be closed once plan is developed and plans are tested.</p> <p>(U//FOUO) RESOLVED for Recommendation b) for the IC CIO. The IC CIO has established a failover site for the Primary Operational site and where at present, approximately 75% of the CIO/ICES portfolio has been migrated and tested. Recommendation can be closed upon evidence of completion of testing.</p> <p>(U//FOUO) RESOLVED for Recommendation c) for IC CIO. The IC CIO/ICES stated that only one current operational system has an availability rating of high and all others have been assigned to a lower category for availability. Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p> <p>(U//FOUO) Recommendations a, b, and c, are CLOSED for MSC because MSC assigned availability ratings to its systems, established a contingency testing plan for tests over a year old, and does not have systems rated as "high."</p>

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
5a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should: a) Develop a uniform written plan of action and milestone process for the ODNI; b) Revise their plan of action and milestone lists to include dates when items are placed on the lists, projected milestone dates, and actual completion dates so that progress on the actions can be monitored; c) Review existing plan of action and milestone lists and determine which items can be easily remedied so they can be closed.	IC CIO DMSC 24 Nov 2009	<p>(U//FOUO) RESOLVED. Recommendations a, b, and c are resolved for IC CIO. The IC CIO/ICES has plans and procedures for documenting all POAMs, has developed a consolidated SharePoint site that provides tracking and access to all POAMs by program managers, developers and management and has incorporated additional programmatic tracking for the completion of documented POAMs. Recommendation can be closed pending validation during the ODNI OIG FY 2010 FISMA review.</p> <p>(U//FOUO) CLOSED. Recommendations a and b are closed for MSC that has established a uniform written POAM process.</p> <p>(U//FOUO) RESOLVED. Recommendation c is resolved for MSC and can be closed pending validation during the ODNI OIG FY 2010 FISMA review to validate that the POAMs are being reviewed and remedied.</p>
6.1. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should jointly develop an ODNI configuration management policy.	IC CIO DMSC 24 Nov 2009	<p>(U//FOUO) CLOSED for MSC, which documented a configuration management plan as of January 2010.</p> <p>(U//FOUO) RESOLVED for IC CIO/ICES that is building configurations that meet FDCC requirements but has not yet validated all configurations. Anticipates completion by 31 Dec 2010. Recommendation can be closed upon receipt of documentation of validated configurations.</p>

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
6.2a,b,c. (U//FOUO) The IC CIO, within 120 days of this report, should: a) Require the Intelligence Community Enterprise Solutions to adopt and implement Federal Desktop Core Configuration standard configurations and document deviations and security control deficiencies on desktops directly controlled by ODNI; b) Require the Intelligence Community Enterprise Solutions to implement Federal Desktop Core Configuration security settings into all Windows XP™ and Vista™ desktops directly controlled by the ODNI.	IC CIO MSC 24 Nov 2009	<div></div> (U//FOUO) RESOLVED for MSC because contractors have developed a configuration management policy for MSC. Recommendation can be closed pending ODNI OIG FY 2010 FISMA review.
7.0. (U//FOUO) The IC CIO and the Director of MSC, within 90 days of this report, should develop an incident reporting policy.	IC CIO D/MSC 24 Oct 2009	(U//FOUO) CLOSED. On 10 June 2010, ODNI issued Instruction No. 115.01, "Computer Security Events and Incidents" that addresses the intent of the recommendation.
8.1a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 60 days of this report, should: a) Designate personnel who have significant responsibilities for information security; b) Develop an ODNI pilot training program and plan strategy to provide the designated personnel with training commensurate with their roles.	IC CIO D/MSC 24 Sept 2009	(U) CLOSED.
8.2. (U//FOUO) While accommodating ongoing operations and allowing time for contract modifications, ensure that contracts specify that personnel who have significant responsibilities for information security promptly receive training commensurate with their roles.	IC CIO D/MSC	(U//FOUO) RESOLVED for ICES. ICES stated that it continues to capture and track training information for contract and government employees. In addition, ICES stated that contract personnel with significant security roles (i.e. C&A staff) are requested to have appropriate training prior to hire; other personnel receive regular training commensurate with their roles. Within ICES the majority of the personnel performing significant responsibilities for information security are contractors therefore, contractual changes are required to include the training and tracking of those personnel.  (U//FOUO) Until the contracts are modified to include that training requirement, this cannot be closed. The CIO stated that it will look into doing a contract modification because the current contracts remain for another 3 years.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
		<del>(U//FOUO)</del> Recommendation can be closed upon receipt of documentation of a contract modification to demonstrate the requirement to close.  (U) CLOSED for MSC. MSC provided a copy of its "Pyramid contract" that addresses security training.
<del>9.0. (U//FOUO)</del> The IC CIO and the Director of MSC, within 60 days of this report, should fully implement all recommendations in the FY 2008 OIG FISMA report.	IC CIO D/MSC 24 Sept 2009	<del>(U//FOUO)</del> CLOSED. The OIG is closing this recommendation because implementation of the FY 2008 OIG FISMA report recommendations is being tracked independently.
<p>U.S. DEPARTMENT OF HOMELAND SECURITY OFFICE OF INTELLIGENCE AND ANALYSIS AUDIT JUNE 2010 TOTAL: 2 CLOSED, 2</p>		
<del>1.1. (U//FOUO)</del> The ADNI/CFO, within 90 days of this report, should develop and implement standard operating procedures (SOPs) to comply with ICD 104 requirements. The ADNI/CFO should develop written instructions documenting their applicable internal routines and repetitive activities.	ADNI/CFO December 2009	<del>(U//FOUO)</del> CLOSED. CFO implemented SOP BE-1 "Monitoring the Execution of Funds" on 1 Oct 09.
<del>2.1. (U//FOUO)</del> The ADNI/CFO, within 30 days of this report, should establish formal guidance to ensure that when variances from target execution rates are greater than agreed upon benchmarks, the CFO examines program options and, as necessary, reprograms NIP funds prior to a Congressional recession of those funds.	ADNI/CFO October 2009	<del>(U//FOUO)</del> CLOSED. CFO implemented SOP BE-1 "Review and Analysis of the Intelligence Program Budget Submissions" on 1 Oct 09.

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<p>THE INTELLIGENCE COMMUNITY CIVILIAN JOINT DUTY PROGRAM IMPLEMENTATION STATUS REPORT OCTOBER 2009 TOTAL: 30 CLOSED, 11 RESOLVED, 7 OPEN, 2</p>		
1. (U) We recommend that the Director of National Intelligence (DNI) issue a written statement to the Intelligence Community (IC) pronouncing strong support for the goals of the Joint Duty Program, its continued implementation, and requirements as identified in ICPG 601.01.	DNI	(U) CLOSED. DNI signed memo dated 29 Jan 2010.
2. (U) We recommend that the DNI direct IC element heads to strongly promote the IC Joint Duty Program in their organizations.	DNI	(U) CLOSED. DNI signed memo dated 29 Jan 2010.
3. (U) We recommend that the DNI hold IC element heads accountable for Joint Duty implementation by including Joint Duty rating factors in their annual performance appraisals and Personal Performance Agreements.	DNI	(U) RESOLVED. CHCO is collecting and monitoring data from elements on compliance, and will continue to monitor. If a CHCO element is non-compliant for 2 consecutive quarters, then CHCO will inform DIS for ratings factors to be incorporated. First reporting occurred in Jan 2010. CHCO received most of the Second quarter reporting on 10 May and is compiling data.
4. (U) We recommend that the DNI direct IC element heads to establish policies requiring that proposed Joint Duty assignments be reviewed and approved by employees' first-level supervisor and second-level manager.	DNI; DIS; CHCO	(U) CLOSED. DNI signed memo dated 29 Jan 2010.
5. (U) We recommend that the ADNI/CHCO clarify the purpose of the Joint Duty Program to include both leadership development and broader collaboration throughout the IC.	ADNI/CHCO	(U) CLOSED. CHCO has clarified the purpose of Joint Duty in all briefings in the IC and in other courses (e.g. ICOC).

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s), Due Date	Steps Taken Towards Implementation
<p>6. (U) We recommend that the ADNI/CHCO, in coordination with the ODNI Director of Communications, establish and implement a comprehensive Joint Duty Program corporate communication strategy to include:</p> <ul style="list-style-type: none"><li>• Periodic communications to the IC, including success stories, personal experiences, or special opportunities.</li><li>• Templates for brochures, email messages, and articles.</li><li>• Periodic town hall meetings and brown bag seminars across the IC.</li><li>• Marketing tools developed by the Joint Duty Community of Practice (COP).</li><li>• IC CHCO Council meeting minutes prepared and distributed to all IC CHCO Council members and alternates.</li></ul>	<p>ADNI/CHCO, coordinating with Director of Communications</p>	<p>(U) CLOSED. Communications strategy was submitted and accepted to ODNI Front Office 20 Jan 10. CHCO Council meeting notes distributed after meetings now SOP.</p>
<p>7. (U) We recommend that the ADNI/CHCO develop and distribute to all IC elements a list of commonly understood terms, with definitions, for use in Joint Duty Program vacancy announcements.</p>	<p>ADNI/CHCO</p>	<p>(U) CLOSED. Terminology posted on JD webpage.</p>
<p>8. (U) We recommend that the ADNI/CHCO develop and deploy a software application that automatically moves vacancy announcements posted on the unclassified Joint Duty website to the JWICS Joint Duty website.</p>	<p>ADNI/CHCO</p>	<p>(U) CLOSED. CHCO does a mass move weekly from the unclassified to the classified JD website. Agencies post classified vacancy announcements directly to the classified website.</p>
<p>9. (U) We recommend that the ADNI/CHCO develop an IC-wide, automated, online application for Joint Duty vacancies that ensures routing through the applicant's Joint Duty Program manager and supervisory chain.</p>	<p>ADNI/CHCO</p>	<p><del>(U//FOUO)</del> RESOLVED. Application tool is in prototype build phase with anticipated launch of tool in September 2010.</p> <p><del>(U//FOUO)</del> Recommendation can be closed when online application is functional and in use.</p>
<p>10. (U) We recommend that the ADNI/CHCO use the phrase "Memorandum of Understanding" in all Joint Duty Program documents to conform to ICD 601 and ICS 601-1.</p>	<p>ADNI/CHCO</p>	<p>(U) CLOSED. MOU has been finalized and posted on the Joint Duty Website for use.</p>

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Semiannual Report 1 January 2010 – 30 June 2010

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
11. (U) We recommend that the ADNI/CHCO finalize and distribute the Joint Duty Memorandum of Understanding (MOU) template for use by IC elements.	ADNI/CHCO	(U) <del>CLOSED</del> MOU has been finalized and posted on the Joint Duty website for use.
12. (U) We recommend that the ADNI/CHCO institute a policy to ensure a smooth transition for Joint Duty participants into the gaining element, to include pre-assignment meetings with the gaining element. Participants should meet with: <ul style="list-style-type: none"> <li>• Their direct supervisors to discuss the assignment and expectations, which will form the basis for the Memorandum of Understanding.</li> <li>• Human Resources to facilitate administrative aspects of the assignment (such as computer and telephone accounts and facilities access).</li> </ul>	ADNI/CHCO	(U) <b>RESOLVED</b> . CHCO has surveyed the IC as to standards that will be incorporated into an ICS or ICS annex.  (U//FOUO) Recommendation can be closed when revision of the standard and/or policy reflects assignment transition guidelines.
13. (U) We recommend that the ADNI/CHCO work with the Joint Duty Community of Practice (COP) to develop and promulgate IC reintegration best practices and timelines.	ADNI/CHCO	(U) <b>RESOLVED</b> . CHCO has surveyed the IC as to standards that will be incorporated into an ICS or ICS annex or ICD and ICPG re-write.  (U//FOUO) Recommendation can be closed when revision of the standard and/or policy reflects assignment transition guidelines.
14. (U) We recommend that the ADNI/CHCO request that IC CHCO Council members designate a senior Human Resources officer in their IC elements to be responsible for the creation and implementation of a reintegration program, to include the identification of suitable follow-on assignments.	ADNI/CHCO	(U) <b>RESOLVED</b> . CHCO sent out a request to the community in Dec 09 and is following up on responses.
15. (U) We recommend that the ADNI/CHCO discontinue the requirement for an IC element to report quarterly promotion data no later than 60 days after the IC Personnel Data Repository (PDR) has reached full operational capability and the IC element has fully complied with standards and data submission requirements for PDR – or by 1 October 2010, whichever occurs sooner.	ADNI/CHCO 1 October 2010	(U//FOUO) <b>OPEN</b> . Several IC elements have concerns with the PDR.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
16. (U) We recommend that the ADNI/CHCO develop and implement a training module to familiarize Joint Duty Program Managers with the planned PDR.	ADNI/CHCO	(U) CLOSED. JD Community of Practice (COP) was briefed in January 2010.
17. (U) We recommend that the ADNI/CHCO collect data from each IC element annually to track bonus data, comparing Joint Duty Program participants with their non-participant peers.	ADNI/CHCO	(U) RESOLVED. CHCO is collecting data.
18. (U) We recommend that the ADNI/CHCO study the feasibility of reimbursement to Joint Duty participants for mileage to assignment locations that exceeds the normal distance driven to and from their home elements. If the ADNI/CHCO determines that reimbursement for mileage, or other incentives, will enhance participation in the Joint Duty Program, the ADNI/CHCO, in conjunction with the OGC, will explore administrative and regulatory options for implementing such incentives, or, if necessary, will explore a possible legislative remedy to allow for mileage reimbursement.	ADNI/CHCO	(U//FOUO) OPEN. OGC and CHCO are working on which type of incentives can be used by the DNI under IRTPA authorities.
19. (U) We recommend that the ADNI/CHCO promote use of the 50 ODNI-funded Joint Duty positions available for the Departmental and Service IC elements through the Deputy Executive Committee, IC CHCO Council, and the Joint Duty COP to enable the Departmental and Service IC elements to backfill for those employees who are approved to take a Joint Duty assignment.	ADNI/CHCO	(U) CLOSED. The ODNI CHCO briefed the IC CHCO Council in Sept and Dec 2009 and the JD COP Oct 2009.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
20. (U) We recommend that the ADNI/CHCO: <ul style="list-style-type: none"><li>On a semi-annual or annual basis, use the IC CHCO Council to highlight and discuss initiatives used in implementing Joint Duty.</li><li>Develop opportunities, including virtual opportunities using the Joint Duty website, to broadcast these and other innovations and initiatives.</li></ul>	ADNI/CHCO	(U) <b>RESOLVED.</b> JD website will host in the administrators section an information sharing site. Plans to implement in later 2010.  (U//PGUQ) Recommendation can be closed once information sharing website is available.
INTERNAL CONTROLS OVER FUND BALANCE WITH TREASURY JANUARY 2010 TOTAL: 3 CLOSED, 4 RESOLVED, 1 OPENING		

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## Semiannual Report 1 January 2010 – 30 June 2010

## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
(U//FOUO) 1-3. We recommend that within 120 days of this report, the ODNI Comptroller develop a sustainability plan to ensure that core functions are identified and can be maintained to perform timely and repeatable FBWT account reconciliations and to facilitate progress toward auditable financial statements.	ODNI Comptroller 20 May 2010	(U//FOUO) CLOSED. OIG received sustainability plan on 3 June 2010 that meets the intent of the recommendation.
(U//FOUO) 3-1. We recommend that within 120 days of this report, the ODNI Director of the Mission Support Center establish a plan to comply with FMFIA certification requirements for FY 2010.	Director, MSC 20 May 2010	(U//FOUO) CLOSED. OIG received FMFIA plan on 3 June 2010 that meets the intent of the recommendation.
<p>U//FOUO The Agency of the IC - FISMA/R reports JUNE 2010</p> <p>TOTAL = 4 OPEN = 4</p>		
<p>1.a. (U//FOUO) The IC CIO shall establish definitive metrics for the CIOs of agencies with national security systems under the DNI's purview to use to perform their FY 2010 FISMA reviews.</p> <p>1.b. (U//FOUO) The IC CIO shall inform OMB of the IC CIO's decision to provide definitive instructions for the IC agencies to use to perform their FY 2010 FISMA reviews.</p>	IC CIO 10 July 2010	<p>(U//FOUO) The IC CIO has been examining alternatives in light of OMB's changes in FISMA reporting policies and methodologies. The IC CIO established FISMET working group to address FY 2010 challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges.</p> <p>(U//FOUO) Once the OMB's FY 2010 FISMA instructions are finalized, the IC CIO will advise OMB of its decision concerning instructions for the IC for its FY 2010 FISMA review.</p>

<sup>2</sup> This report was finalized on 25 June 2010. The implementation deadlines have not yet passed. Therefore, these recommendations are not included in the total number of OIG report recommendations.

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*Semiannual Report 1 January 2010 – 30 June 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
2.1. (U//FOUO) The IC CIO shall inform agencies with intelligence systems under the DNI's purview about how the IC agencies will receive their FY 2010 FISMA instructions and how they are to submit their FISMA reports.	IC CIO 10 July 2010	(U//FOUO) The IC CIO established FISMET working group to address FY 2010 challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges. Once developed and approved, OMB will be advised of the IC CIO's decision.
2.2. (U//FOUO) The IC CIO shall establish a detail plan of action and milestones necessary for developing and implementing a classified version of CyberScope for purposes of CY 2011 FISMA reporting.	IC CIO 10 Oct 2010	(U//FOUO) ICIA contacted ICBS to begin a technical review of the CyberScope compliance tool. ICIA and ICBS will develop the appropriate plans to guide the deployment process and ensure the tool can meet the security needs of the IC.
3.2. (U//FOUO) The IC CIO shall identify in its annual consolidated FY 2010 FISMA report instances in which the IC agencies are not complying with IC CIO guidance and the justifications for the exceptions.	IC CIO Beginning with the FY 2010 FISMA reporting cycle	

**(U//FOUO) STATUS OF OIG REPORTS (2007-2010)  
RECOMMENDATIONS**

<b>Total Recommendations*</b>	<b>Closed (% of Total)</b>	<b>Resolved (% of Total)</b>	<b>Open* (% of Total)</b>
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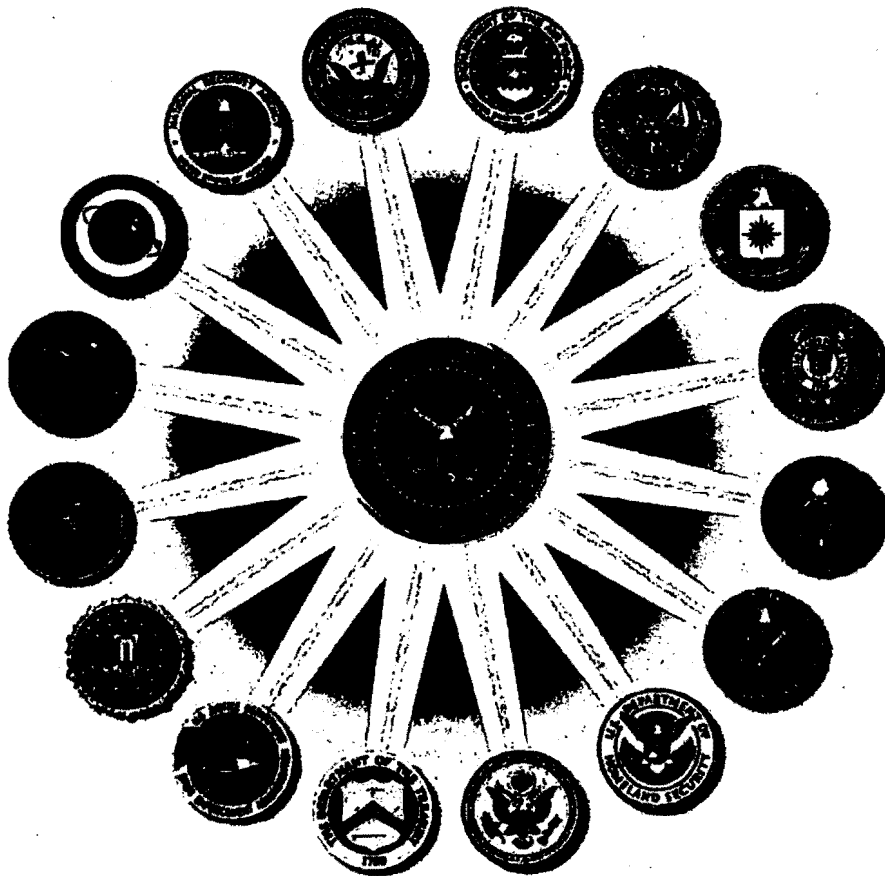
\* (U) Does not include the four OIG recommendations from the June 2010 report, *Increasing the Value of the Intelligence Community's Federal Information Security Management Act Reports*, for which the implementation deadline has not yet passed.

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*ODNI Office of the Inspector General*

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## **(U) Report Waste, Fraud, Abuse, or Misconduct**

**(U) To report allegations of waste, fraud, abuse, or misconduct in the ODNI  
or IC agencies, contact:**

**Office of the Inspector General  
Office of the Director of National Intelligence  
Investigations Division  
Washington, DC 20511**

**Commercial: (703) 482-4955**

**or**

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**(U) For additional copies of this or other ODNI OIG reports, contact:**

**Office of the Inspector General  
Office of the Director of National Intelligence  
Washington, DC 20511**

**Commercial: (703) 482-4955**

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Semiannual Report 1 January 2010 – 30 June 2010

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Responsible Element(s) Due Date	Steps Taken Towards Implementation
<del>k. (U//FOUO) DDNI develop a feedback mechanism within the ODNI staff and with the IC agencies no later than 90 days after signature. This feedback should inform the IC agencies what is being done with requested information, and it should provide details of value-added contributions by the ODNI staff.</del>	<del>DDNI September 2009</del>	<del>(U//FOUO) CLOSED. Feedback given to the ODNI staff (E/S 00730) March 2009 and forwarded their recommendations.</del>
JULY 2009 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH FISMA		
JULY 2009		
TOTAL: 12 CLOSED, 1 RESOLVED, 5 OPEN, 1		
1.1. a., b., c. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, should: a) Develop and maintain an accurate inventory of systems; and b) Determine the ownership of the 7 unidentified systems; c) Make system additions, deletions, or adjustments to the Intelligence Community's (IC) Registry in a timely manner.	IC CIO D/MS 24 Jan 2010	(U//FOUO) Recommendation a) <b>RESOLVED</b> for both MSC and IC CIO/ICES. The inventory for both ICES and MSC was reconciled during the FY 2009 FISMA review. However, whether ICES and MSC is able to maintain an accurate inventory will not be determined until the next FISMA review.  (U//FOUO) Recommendation b) <b>CLOSED</b> for MSC and IC CIO/ICES because ownership was resolved in Jan 2010.
		(U//FOUO) Recommendation 1.1 a. and c can be closed after FY 2010 FISMA review if OIG verifies an accurate inventory.
1.2. (U//FOUO) The IC CIO and the Director of MSC should reconcile the IC CIO and MSC inventories with the IC Registry, at a minimum, on a quarterly basis.	IC CIO D/MS Oct 2009	(U//FOUO) <b>RESOLVED</b> . The IC CIO/ICES continues to coordinate and reconcile system inventory issues with the IC registry. CIO works to reconcile any discrepancies once notification of their existence has been brought to CIO/ICES' attention. Although MSC and ICES are reportedly reviewing and revising the inventory lists, the OIG needs to corroborate their efforts.  (U//FOUO) Recommendation can be closed pending OIG FY 2010 FISMA review.

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ODNI Office of the Inspector General

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**(U) Office of the Director of  
National Intelligence  
Office of the Inspector General**



**(U) Semiannual Report  
1 July 2010 – 31 December 2010**



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**(U) The Inspector General of the Office of the Director of National Intelligence (ODNI) provides policy direction for, and plans, conducts, supervises, and coordinates inspections, audits, investigations, and other inquiries relating to the programs and operations of the ODNI and the authorities and responsibilities of the Director of National Intelligence (DNI). The Inspector General is charged with detecting fraud, waste, and abuse; evaluating performance; and making recommendations to promote economy, efficiency, and effectiveness in the ODNI and the Intelligence Community.**



### **(U) A Message From the Inspector General**

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(U) The Office of the Director of National Intelligence (ODNI) Office of the Inspector General (OIG) made significant contributions to the missions of the ODNI and the Intelligence Community during the 1 July 2010 through 31 December 2010 reporting period.

(U) In addition, during this reporting period there were significant developments in both the leadership of the ODNI and the legislation supporting Intelligence Community (IC) Offices of Inspector General. On 9 August 2010, the Honorable James R. Clapper was sworn in as the fourth Director of National Intelligence (DNI). As DNI, Director Clapper oversees the United States Intelligence Community and serves as the principal intelligence advisor to the President. On 1 September 2010, Robert M. Cardillo was sworn in to serve as the first Deputy Director of National Intelligence for Intelligence Integration. Director Clapper and his leadership team have initiated organizational, personnel, and policy changes that will shape the ODNI and its relationships with the rest of the Intelligence Community in the years to come. The OIG is tracking these developments closely and will assess the impact of these changes in future audits, inspections and other reviews.

(U) On 7 October 2010, the President signed into law the Fiscal Year (FY) 2010 Intelligence Authorization Act (IAA), which contains several provisions enhancing Inspector General (IG) oversight in the IC. One provision establishes an IG for the IC who is appointed by the President and confirmed by the Senate, with a requirement to report both to Congress and the DNI. The IAA also strengthens the independence of the Inspectors General of the Defense Intelligence Agency, National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office, and the National Security Agency by including these agencies as Inspectors General of Designated Federal Entities (DFE) under the Inspector General Act of 1978. In addition, the IAA accords statutory status to the Intelligence Community Inspectors General Forum, whose mission is to enhance collaboration and coordination, reduce redundancy, and strengthen the collective role of the Intelligence Community Inspectors General in conducting cross-IC oversight.

(U) During this reporting period the OIG conducted audits, inspections, investigations, and reviews designed to improve the efficiency and effectiveness of ODNI and IC programs. These matters are described in detail in the Completed Projects section of this report. The OIG also continued to conduct a variety of investigations of allegations of employee misconduct. In addition, we continued to support the DNI and senior ODNI officials in working diligently to implement pending OIG recommendations.

(U) From a community perspective, the OIG continued to enhance collaboration in the IC Inspector General community. On 7 December 2010, the OIG hosted a meeting with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) leadership team to acquaint the new DFE Inspectors General with CIGIE and to provide a forum for CIGIE to acquaint the new DFE Inspectors General with the mission, activities, and expectations that go along with CIGIE membership. The four new DFE Inspectors General discussed their respective missions and organizations. The CIGIE leadership team, the new DFE Inspectors General, and veteran IC IG who already belong to CIGIE identified opportunities for collaboration, discussed their respective peer review activities, and described how the IC IG Forum promotes collaborative projects and best practices for conducting IC audits, inspections and investigations.

(U) In October 2010, I appointed Irvin C. "Chuck" McCullough to serve as Deputy Inspector General. Chuck comes to the OIG with an outstanding record of prior government service including, service as Assistant Inspector General for Investigations at the Office of Inspector General, National Security Agency; Senior Counsel for Law Enforcement and Intelligence, Office of General Counsel, Department of Treasury; and Supervisory Special Agent, Appellate Unit, Inspections Division, Federal Bureau of Investigation. We are fortunate to have Chuck on the OIG leadership team. Chuck succeeded Scott S. Dahl, who served as Deputy Inspector General from April 2007 to October 2010. Scott's distinguished tenure at the ODNI OIG was recognized when he was awarded the Intelligence Community Superior Service Medal in October 2010.

(U) The IC IG Community was deeply saddened by the passing of NGA Inspector General Thomas J. Burton in January 2011. Tom served the IC for over 28 years, including nearly 3 years as NGA Inspector General. Tom set high standards for objective, independent evaluations and will be remembered for his tenacity, his support and mentorship of his colleagues, and his commitment to the highest standards of public service.

(U) We appreciate the continued support for our mission from ODNI management and Congress. As the OIG continues to work with the ODNI's new leadership team and prepares to transition to the Office of the Inspector General of the Intelligence Community, I want to express my appreciation for the talent and dedication of OIG personnel in the ODNI and across the IC.

Roslyn A. Mazer  
Inspector General  
February 2011

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## I. (U) Overview

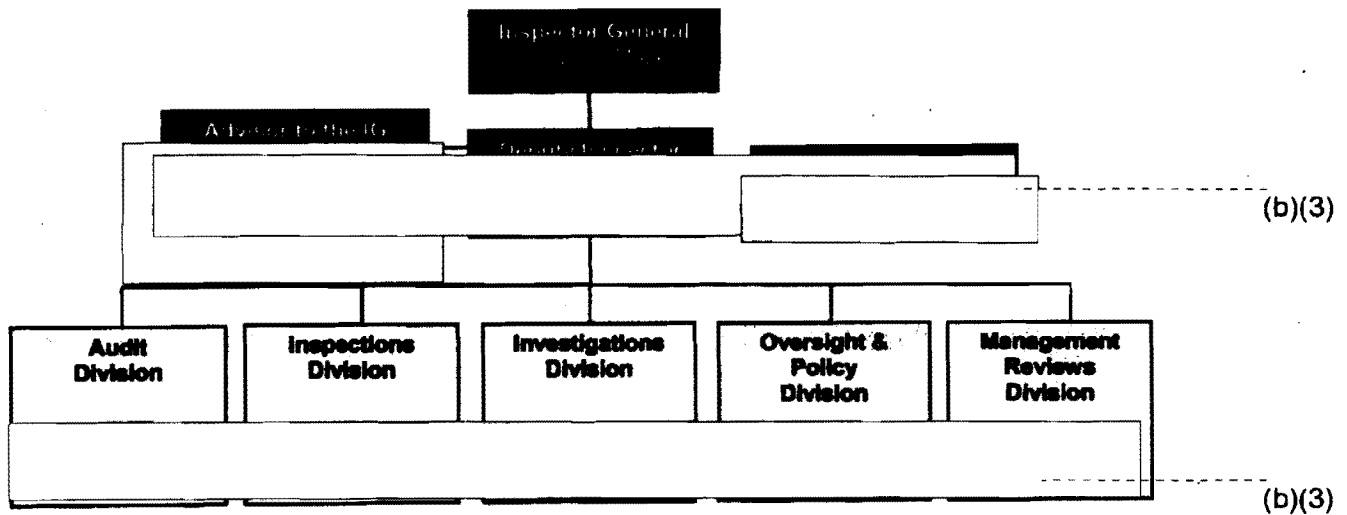
(U) The mission of the Office of the Inspector General (OIG) is to improve Intelligence Community (IC) performance by: 1) conducting oversight of the Office of the Director of National Intelligence (ODNI) and IC programs and operations that fall within the authorities and responsibilities of the Director of National Intelligence (DNI); 2) exercising a unique cross-agency focus; and 3) drawing upon the collaborative efforts of IC Inspector General (IG) partners. The OIG conducts audits, investigations, inspections, and reviews of ODNI and IC performance to detect and deter waste, fraud, and abuse and to promote efficiency, effectiveness, and accountability. The OIG's completed and ongoing projects are described in sections IV and V, respectively, of this report.

(U) The OIG makes recommendations to the DNI for improving the performance of ODNI and IC programs and activities. Section VII of this report includes an update as of 31 December 2010 on the status of ODNI management's implementation of recommendations made in OIG reports completed since 2007.

### (U) OIG Organization

(U) An organization chart delineating the OIG's front office and division structure during the reporting period is below.

(U) Figure 1. OIG Organization Chart 2010



(U) The OIG is comprised of the following divisions:

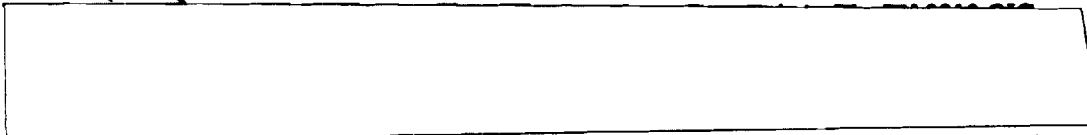
**(U) Figure 2. OIG Divisions 2010**

Office of the Inspector General Divisions	
<b>Audit Division</b>	Executes program, compliance, and financial audits and evaluations of ODNI and IC programs, information technology, procurement, acquisitions, internal controls, financial statements, and financial management.
<b>Inspections Division</b>	Conducts inspections, reviews, and evaluations to improve ODNI and IC-wide performance; examines information access, collaboration, intelligence collection, analysis, and compliance with laws and regulations.
<b>Investigations Division</b>	Investigates allegations of violations of criminal laws and administrative regulations arising from the conduct of ODNI and IC employees and contractors.
<b>Management Reviews Division</b>	Conducts management and programmatic reviews of the ODNI, its centers, and the IC; evaluates management and processes to assist the IC in developing and implementing processes and procedures to improve both effectiveness and efficiency.
<b>Oversight and Policy Division</b>	Performs reviews of programs and activities to assess whether oversight and compliance are effective, monitors and analyzes trends and patterns concerning intelligence oversight activities across the IC, and prepares reports on intelligence oversight issues in coordination with the ODNI Office of General Counsel for the President's Intelligence Advisory Board's Intelligence Oversight Board.

**(U) OIG Personnel and Resources**

(U//FOUO) The OIG has a diverse, highly-experienced workforce with a variety of professional and intelligence backgrounds. The OIG staff has experience within other OIGs across the IC, and also as collectors, analysts, and project managers from military and civilian intelligence organizations.

(S//NF) The OIG's authorized workforce level for Fiscal Year (FY) 2010 was 33. As of

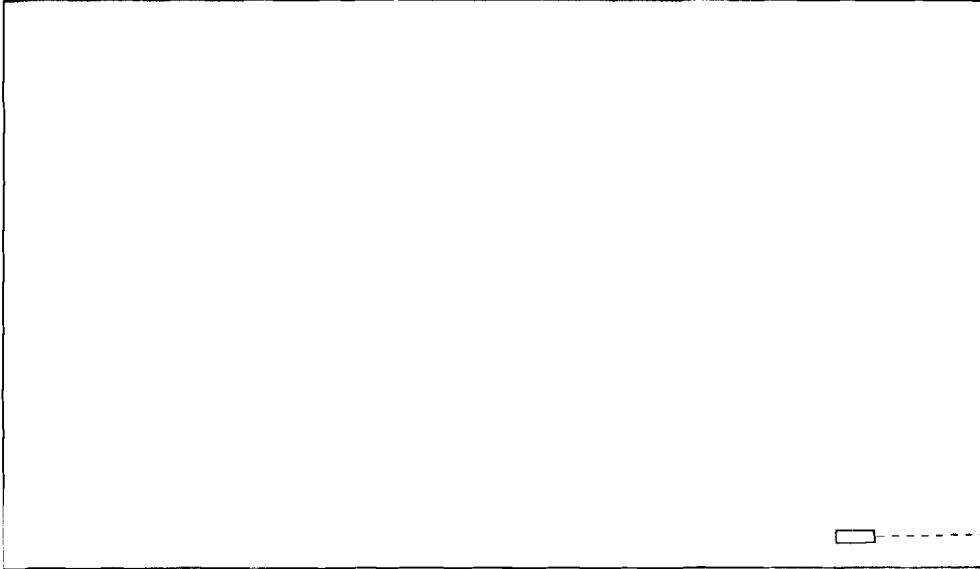


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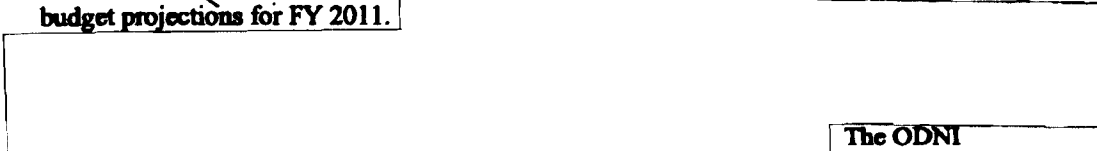
training. The amounts and percentages of OIG expenses before the Comptroller took control of end of year funds are identified in Figure 3 below.

**(U) Figure 3. OIG FY 2010 Budget Expenses**



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~~(S//NF)~~ The OIG worked with ODNI to rectify discrepancies in the FY 2010 account and budget projections for FY 2011.



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The ODNI

Comptroller will provide additional funding to cover these costs.

~~(U//FOUO)~~ Because the Federal government operated under a Continuing Resolution at the close of this reporting period, the FY 2011 resource outlook mirrors the 2010 profile in Figure 3 above. The OIG is examining the need for additional resources and positions to satisfy the FY 2010 Intelligence Authorization Act (IAA) establishment of an IG for the IC.



## **II. (U) IC Inspectors General Activities**

(U) To achieve its oversight objectives, the ODNI OIG facilitates collaboration, information sharing, and strategic planning among the IC IGs. This section highlights some of the ways the OIG fulfilled this mission during this reporting period.

### **(U) IC Inspectors General Forum**

(U) The ODNI IG chairs the IC IG Forum, which meets quarterly to consult on topics of common interest, to facilitate the development of cross-agency projects, and to promote the role of IC IGs across the IC. The ODNI IG performs such functions as hosting meetings, developing agendas, distributing pertinent documents, and maintaining meeting minutes.

(U//FOUO) During this reporting period, the IC IG Forum promoted collaboration and coordination among the IC IGs by exchanging ideas and work plans, sharing best practices, and identifying collaborative projects affecting two or more IC OIGs. As part of the IC IG Forum activities, the Deputy Inspectors General Working Group and Assistant Inspectors General (AIG) Working Groups for Audit, Inspections, and Investigations each met to exchange ideas on a wide variety of topics:

- (U//FOUO) The Deputy Inspectors General developed the program for the 17<sup>th</sup> Annual IC IG Conference, which will be held on 10 May 2011 at the Defense Intelligence Agency. The Deputies also discussed the impact of the FY 2010 IAA on their respective offices, planned for the IC IG Awards ceremony, and assessed the progress of IC OIG peer reviews.
- (U) The AIG for Inspections Working Group established a Project Agreement that specified four common objectives for the joint IC Review of Continuity of Operations and Intelligence Readiness. The Working Group also developed a preliminary checklist, criteria, and measures of effectiveness for peer reviews that are based on the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspections. The AIG for Inspections at the National Geospatial-Intelligence Agency (NGA) volunteered for the first test run of the peer review criteria, and the AIG for Inspections at the National Reconnaissance Office (NRO) volunteered to serve as team lead for the review.
- (U) The AIG for Investigations Working Group collaborated on proposed legislation affecting investigations and exchanged best practices regarding proactive efforts to detect waste, fraud, and mismanagement. It also shared the names of working targets to ensure all IC agencies are aware of any fraudulent schemes or efforts. The Working Group also encouraged and participated in the IC IG Joint Duty Rotational Assignment Program, collaborated on several joint investigations, discussed peer review models, and facilitated joint training within the IC. The Working Group is currently reviewing compliance instructions regarding current legislation. The

Working Group continues to review Investigation Manuals to ensure best practices are known and used throughout the IC OIG investigation divisions.

- (U//FOUO) The Joint Audit Working Group (JAWG) held meetings to coordinate work plans and discuss with senior officials issues such as financial auditability, business transformation, Federal Information Security Management Act (FISMA) work, forensic auditing, and cybersecurity. The JAWG obtained consensus for the ODNI OIG to issue a capstone report to address IC-wide FISMA issues identified by the IC OIGs (described in the Completed Projects section of this report). In addition, because of increasing concerns regarding cybersecurity, the JAWG initiated a separate working group to focus on cybersecurity and expedite the sharing of information and audit approaches.

(U//FOUO) In addition, the OIG Audit Division served as the co-chair of the Chief Financial Officer (CFO)/IG Council. The Council is comprised of the Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), NGA, NRO, National Security Agency (NSA), and ODNI CFO and IG representatives. The Council is responsible for: 1) monitoring the IC implementation of the *Financial Statement Auditability Plan*; 2) providing assistance to the components on the resolution of IC-wide challenges; and 3) developing and executing an IC audit validation strategy. As the co-chair of the CFO/IG Council, the ODNI OIG led key meetings and obtained speakers that facilitated resolution of long-standing issues regarding the application of accounting principles and the OIGs' roles and capabilities in support of financial statement audits.

(U//FOUO) In response to a congressional inquiry on IC employees' outside employment activities, the DNI asked the IG to conduct an IC-wide review of the policies governing outside employment activities and any employee misconduct investigations stemming from outside employment. The IG turned to the IC IG Forum members for their assistance in completing this review and provided a briefing to the House Permanent Select Committee on Intelligence (HPSCI) on the matter. The IG reported that based on information provided to the OIG in response to a questionnaire sent to IC OIG investigators, misconduct or abuse involving outside employment activities did not appear to be a systemic problem. The IG also noted that IC elements' policies adequately notify IC employees of their obligations and the unique considerations for obtaining approval for outside employment activities. However, the IG also found that IC elements would benefit from a periodic reporting requirement for IC employees approved for outside employment activities on a case-by-case basis and from maintaining records to track the number of requests and the disposition of these requests.

(U//FOUO) In addition to the quarterly IC IG Forum meetings, the ODNI OIG hosted a meeting of CIGIE leadership with the IC IGs of recently named Designated Federal Entities (DFEs). As mandated by the FY 2010 IAA, the DIA, NGA, NRO, and NSA were included as DFEs under the Inspector General Act of 1978. Thus, the IGs for these four entities now have statutory authorities under the auspices of the Department of Defense (DOD) IG. Previously, these IGs reported through the DOD IG as administrative IGs.

(U//FOUO) The meeting provided a forum for CIGIE to acquaint the new DFE IGs with the mission, activities, and expectations of CIGIE membership. The IC IGs used this opportunity to promote an understanding of their respective missions and review potential overlaps across agencies. CIGIE members also discussed leveraging their efforts and the next steps for the new CIGIE members, including participation in meetings, committees, working groups. The attendees also discussed training opportunities, Joint Duty Exchange programs, award programs, peer reviews and best practices for conducting audits, inspections and investigations, including how to avoid duplication of effort.

### **(U) Intelligence Oversight Activities**

(U) Executive Order 13462 elevated accountability for intelligence oversight reporting to the heads of departments and agencies and incorporated a more timely method for reporting significant and highly sensitive intelligence oversight matters from IC components to the President's Intelligence Oversight Board (IOB). Under the Executive Order, the DNI analyzes IC component intelligence oversight reporting submitted to the IOB. This responsibility is carried out jointly by the ODNI OIG and the ODNI Office of the General Counsel (OGC). In coordination with the ODNI OIG and OGC, the IOB issued its *Intelligence Oversight Board's Concept of Operations*, dated 8 September 2010, which set forth the President's expectation for intelligence oversight and the IOB's concept of operations for meeting those expectations. Once issued, the IOB staff and ODNI oversight personnel began scheduling meetings with oversight personnel from each IC element to discuss the updated reporting requirements and to provide feedback to the IC elements regarding past reporting.

(U) The OIG also participates as a member of the joint ODNI and Department of Justice oversight team that conducts periodic reviews to assess IC compliance with procedures and guidelines issued pursuant to Section 702 of the Foreign Intelligence Surveillance Act (FISA), 50 U.S.C. §1801 *et seq.*, as amended by the FISA Amendments Act of 2008, 50 U.S.C. §1881a. The results of these compliance reviews are summarized by the DNI and the Attorney General in joint semiannual reports submitted to the Senate Select Committee on Intelligence (SSCI), HPSCI, Senate Judiciary Committee, House Judiciary Committee, and the Foreign Intelligence Surveillance Court.

### **III. (U) Management Challenges**

(U) The Reports Consolidation Act of 2000 requires federal agency IGs to identify and report the serious management and performance challenges facing their agencies. In 2009, the OIG issued an IC Management Challenges report, which included challenges identified from its own reporting and synthesized challenges identified in reports published by other IC OIGs. In contrast, the OIG's 2010 report identified challenges exclusive to the ODNI.

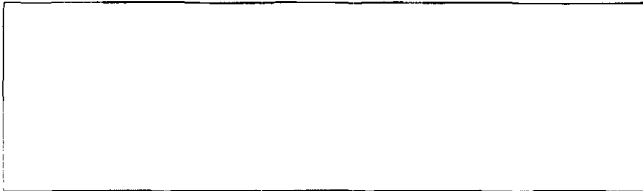
(U) To identify the challenges for our 2010 report, the ODNI OIG drew upon inspections, audits, investigations, and reviews performed in the past 2 years, challenges discussed in the IC IG Forum, issues identified by ODNI senior officials, and materials provided to Congress by elements of the ODNI.

(U) The challenges were not presented in priority order because all are critical for the ODNI. It also was not a cumulative list of all ODNI management challenges; rather, it provided a snapshot seen through the lens of recent OIG reports, OIG findings, and ODNI activities and focus areas.

~~(S)~~ As reflected in the OIG's 2010 report, we identified the following as the ☐ most serious management challenges facing the ODNI:

(b)(1)

(b)(3)



(b)(1)

(b)(3)

(U) In his response, the DNI agreed that challenges identified by the OIG do not lend themselves to one-time solutions, but require sustained focus, effort, and leadership over time. The DNI also described additional ongoing or planned efforts that address each of these challenges. He noted that the ODNI is implementing a number of changes in each challenge area in direct response to the OIG's recommendations. He also stated that the ODNI's performance in each of these areas will continue to improve as management implements more of the OIG's recommendations.

#### **IV. (U) Completed Projects**

##### **(U) Audits**

##### **(U) Increasing the Value of the IC's Federal Information Security Management Act (FISMA) Reports**

~~(U//FOUO)~~ The OIG initiated this project as a follow-up to the annual FISMA report and addressed issues identified during the FY 2009 evaluation that were beyond the scope of the annual FISMA reporting requirements and that cut across multiple elements of the IC. Specifically, the issues addressed in this audit included the effect of the delayed receipt of the Office of Management and Budget's (OMB) annual FISMA requirements, the inability of the IC to use OMB's new unclassified database for FISMA reporting, and the lack of a standard definition of an "information system."

~~(U//FOUO)~~ The evaluation examined the impact of these issues on the IC OIGs in performing annual FISMA reviews. The evaluation contained these findings:

1. OMB does not provide FISMA instructions to IC agencies in a timely manner, which hinders agencies' ability to conduct a thorough review of information security or provide OMB and Congress with a meaningful report on systems security.

2. IC agencies are unable to use the unclassified automated system mandated by OMB for reporting FY 2010 FISMA results.
3. FISMA reporting among IC agencies is inconsistent due to the absence of a clear definition for an "information system."

~~(U//FOUO)~~ The report made three recommendations to the IC Chief Information Officer (CIO) to increase the value of the IC agencies' annual FISMA reports submitted to OMB and Congress, as well as to improve accountability over information system security: 1) establish definitive metrics and guidance for IC CIOs to perform annual FISMA reviews; 2) establish a detailed plan of action and milestones for developing a classified version of OMB's unclassified tool for agencies annual FISMA reporting; and 3) provide guidance to IC agencies on the definition of a reportable entity for FISMA purpose. The IC CIO concurred with the recommendations, and all recommendations have been fully implemented.

**(U) FY 2010 Independent Evaluation of ODNI Compliance with FISMA**

~~(U//FOUO)~~ FISMA requires that an annual independent evaluation be performed by an agency OIG or by a third party to assess the security measures for information systems that support operations. To conduct this evaluation, the OIG applied OMB's FY 2010 metrics for 11 categories of information security. Within ODNI, two groups are responsible for information systems: 1) the Mission Support Division (MSD), which is responsible for internal ODNI systems, and 2) the Intelink Enterprise Collaboration Center (IECC), which is responsible for IC systems. The OIG also followed up on progress made by MSD and IECC to address recommendations made in the FY 2008 and FY 2009 FISMA reports.

(b)(1)  
(b)(3)

(b)(1)  
(b)(3)

(b)(3)

(U//FOUO) In order to eliminate potential weaknesses in ODNI information security, the open FISMA recommendations from FY 2008, FY 2009, and FY 2010 need to be implemented promptly.

**(U) FY 2010 Consolidated FISMA Capstone Report for the Intelligence Agencies' Inspectors General**

(U//FOUO) For the first time, the OIG completed an evaluation of FISMA reporting by all IC OIGs. The objective of this evaluation was to collect and summarize the FY 2010 FISMA report submissions from 11 OIGs for IC agencies that operate or exercise control of national security systems. The evaluation summarized the information security program strengths and weaknesses across the intelligence agencies, identified the causes of the weaknesses in these programs if noted by the respective OIGs, and provided a brief summary of the recommendations made for intelligence agencies' information security programs based on our review of all of the OIG reports. To perform the evaluation, the ODNI OIG applied OMB's FY 2010 FISMA metrics for 11 categories of information security.

(U//FOUO) Based on the results of the 11 OIG reports, we found that incident response and reporting ranked the strongest among the information security programs, with 8 OIGs noting that an incident response and reporting program had been established that met OMB requirements. Our evaluation also identified three areas where more than one agency reported the absence of established security programs: continuous monitoring, contingency planning, and remote access.

(b)(3)

(U//FOUO) Six intelligence agency OIGs made a total of 164 recommendations to address individual agency findings. Four of the agency OIGs reported that 42 recommendations were repeated from prior years. Unless these security concerns are addressed, these weaknesses could leave agency national security systems vulnerable to attack.

**(U) Investigations**

(U//FOUO) During this reporting period, the OIG conducted 23 investigations on a variety of allegations, including time and attendance fraud, contracting irregularities, ethics violations, misuse of government property, voucher fraud, abuse of position, and improper use of appropriated funds.

**(U) Alleged Contracting and Administrative Violations by an ODNI Official**

(U) The OIG investigated allegations that an ODNI senior official committed numerous contracting and administrative violations. This matter was briefed to ODNI executive management and resulted in significant improvements in the component's contracting and administrative practices.

**(U) Alleged Voucher Fraud by a Senior IC Official**

(U) The OIG investigated allegations that a senior IC official in another agency committed travel voucher fraud. The investigation determined that no fraud was committed. The home agency of the official was advised of the OIG's findings.

**(U) Alleged Procurement and Time and Attendance (T&A) Fraud**

(U) The OIG substantiated allegations that two contractors had charged the government for hours they had not worked. The two contractors were subsequently terminated by their employer, and the employer reimbursed the government for the estimated amount of loss, \$101,550.14.

**(U) Use of Subpoena Authority**

(U//FOUO) During this reporting period, the OIG did not exercise subpoena authority under section 7(a)(4) of ODNI Instruction 2005-10.

**V. (U) Ongoing Projects and Activities**

**(U) Inspections and Reviews**

**(U) Review of the Status of Integration of the IC's Departmental and Service Elements**

(U) The OIG is conducting a review to identify the unique roles, capabilities, expertise, and functions of the Departmental and Service elements; identify any barriers to their integration; and determine how these elements can be more effectively leveraged and integrated in the IC.

**(U) Evaluation of the Administration and Management of ODNI Core Contractors Supporting Critical Missions**

(U) The OIG is conducting an evaluation of ODNI administration and management of core contractors supporting critical missions. The objectives of the evaluation are to assess the risks associated with the administration and management of core contracts; review ODNI initiatives to improve the administration and management of contracts; consolidate and synthesize similar agency-level evaluations of contractor resource strategies; and identify

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systemic or recurring problems, trends, and best practices, including risk mitigation measures. In support of this evaluation, we asked the [ ] for access to 16 contract files associated with advisory and support contracts funded by the ODNI. We also sought interviews with the [ ] contracting officers (COs) responsible for administration of these contracts. Although [ ] provided us with some relevant contract materials, we were unable, despite repeated requests, to obtain direct access to the contract files and the COs. This restriction affected the comprehensiveness of our review.

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**(U) Evaluation of the President's Daily Briefing (PDB): Sources, Resources, Processes, and Outcomes**

(U//FOUO) The DNI relies on the PDB to provide the President and his senior advisors with a baseline of intelligence to inform their perspective on world events, potential threats, and the capabilities and intentions of adversaries. The OIG is evaluating the sources, resources, and processes used to develop the PDB and is assessing the incentives and disincentives for agency participation in producing the PDB. In light of significant changes to the PDB enterprise following appointment of Director Clapper in August 2010, the OIG decided to suspend completion of its evaluation until it can meaningfully evaluate the impact and efficacy of those changes.

**(U) Audits**

**(U) Audit of the DNI's Monitoring and Coordination of the Comprehensive National Cybersecurity Initiative**

(U//FOUO) The OIG initiated this audit to provide an assessment of the DNI's execution of his responsibilities under National Security Presidential Directive 54/Homeland Security Presidential Directive 23, commonly known as the Comprehensive National Cybersecurity Initiative (CNCI), to monitor and coordinate CNCI implementation. The objective is to evaluate whether the policies and procedures, roles and responsibilities, and governance structures have been established to effectively monitor and coordinate CNCI implementation. The audit will examine the adequacy of the coordination between the ODNI and other federal agencies responsible for implementation of the CNCI initiative and determine whether there are gaps or additional measures that should be addressed from a CNCI or ODNI perspective. To accomplish this audit, we are coordinating with agencies in the IC, other agencies responsible for CNCI initiatives and enablers, and senior administration cyber officials.

**(U) Audit of the Use of Reciprocity by the ODNI for Personnel Security Clearance and Hiring Purposes**

(U) The ODNI initiated this audit to examine security clearance reciprocity with respect to both eligibility and suitability. The OIG believes the findings of this audit will facilitate and increase the efficiency and effectiveness of security clearance and access determination reciprocity among IC agencies.

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(U) This audit also will respond in part to the FY 2010 IAA requirement for the IC IG to audit security clearance reciprocity throughout the IC. Due to resource constraints, the ODNI OIG will focus solely on reciprocity and suitability issues from the standpoint of the ODNI in connection with the three security clearance reciprocity scenarios specified in the IAA requirement: 1) an employee of an element of the IC detailed to another element of the IC; 2) an employee of an element of the IC seeking permanent employment with another element of the IC; and 3) a contractor seeking permanent employment with an element of the IC.

**(U) Investigations**

~~(U//FOUO)~~ The OIG continues to receive allegations of wrongdoing from within the ODNI and the IC, including allegations of ethical violations, contract fraud, abuse of position, and T&A fraud. Select cases representing the breadth of ongoing investigations are highlighted below:

**(U) Alleged Unauthorized Possession of Government Credentials**

(U) The OIG is investigating why certain ODNI employees were issued credentials from government entities other than the ODNI. The ODNI is in the process of recovering all known credentials issued to ODNI personnel from other government entities.

~~(U//FOUO)~~ **Alleged Ethics Violation by Senior Official**

~~(U//FOUO)~~ The OIG is investigating an allegation that a senior ODNI official violated administrative and criminal ethics rules by personally and substantially participating in the ODNI acquisition process relating to the potential acquisition of services from a former employer. The OIG investigation will examine whether the ODNI official complied with a 2-year ethics recusal period and whether the official participated in pre-negotiation meetings while holding a financial interest in the prospective vendor.

**(U) Alleged Violation of the Procurement Integrity Act**

(U) The OIG is investigating an allegation that an ODNI employee provided procurement-sensitive information to a contractor whose company was bidding on a large ODNI contract.

**(U) Alleged Ethics Violation by a Senior Official**

(U) The OIG is investigating an allegation that an ODNI official violated federal ethics rules by failing to report his ownership of stock in two public financial disclosure reports and participating in official business involving another company while he owned stock in that company.

**(U) Alleged Misuse of Position by ODNI Manager**

(U) The OIG is investigating allegations that senior officials in an ODNI component retaliated against an ODNI employee because the employee had filed a complaint about the component's management practices. The complainant claimed that after making his written complaint, he was given a low performance rating, threatened with a suitability investigation, and given a letter of warning on baseless charges.

**(U) T&A Fraud by an ODNI Employee**

(U) The OIG is investigating allegations that an ODNI employee submitted false T&A records for several months. The employee's managers allege that the employee repeatedly failed to show up for work but submitted T&A records indicating the employee was at work.

**(U) OIG Complaint Intake System**

~~(U//FOUO)~~ The ODNI OIG receives allegations of misconduct from IC employees and the general public on a variety of violations. During this reporting period, the OIG received 17 complaints, which included allegations of government credit card abuse, child pornography, ethics violations, contract fraud, and a misuse of position. The ODNI OIG has investigated or referred each of these cases to the appropriate IC investigative element.

**VI. (U) Congressional Engagements**

(U) During this reporting period, the OIG engaged with members of Congress and congressional staff on a variety of issues.

~~(U//FOUO)~~ On 12 August 2010, the ODNI OIG briefed a staff member on the U.S. House of Representatives Appropriations Committee, Subcommittee on Defense (HAC-D) on the findings and recommendations regarding an administrative investigation of a senior ODNI employee and on the results of its audit report, Increasing the Value of the Intelligence Community's FISMA Reports (discussed above at pp. 7-8).

~~(U//FOUO)~~ On 15 December 2010, the Inspector General and the Assistant Inspector General for Investigations briefed the HPSCI Intelligence Community Management Subcommittee on two recent OIG reports: 1) the OIG's Review of IC Employees Outside Employment Activities (discussed above at p. 5); and 2) the 2010 ODNI Management Challenges Report (discussed above at pp. 6-7).

~~(C//NF)~~ With regard to the 2010 ODNI Management Challenges Report, the IG outlined the five challenges noted in the OIG report. The IG described progress made by the ODNI in moving toward achieving financial statement auditability, noting that ODNI management has fully implemented all recommendations from the OIG's 2010 audit of the ODNI's Audit of Internal Controls Over Office of the Director of National Intelligence Fund Balance with Treasury and the OIG's 2009 Joint Audit of National Intelligence Program Funds at the

Department of Homeland Security Office of Intelligence and Analysis. The IG also noted that judgments made by the Congress in 2004 and 2005 led ODNI management to avoid creating duplicative systems for ODNI information technology, information security, contractor oversight, and other support services, but instead to rely on other IC elements [redacted] for infrastructure and processes.

(b)(3)

## **VII. (U) Status of OIG Recommendations for Completed Reports**

(U) The implementation status of OIG recommendations made in reports completed since 2007 is noted in Appendix A, listed by report in reverse chronological order. Recommendations are "closed" if they have been fully implemented (designated in green) and "open" if they have not been fully implemented (no color designation). At the end of this reporting period, 69 percent of the recommendations in the reports listed below are closed, and 31 percent remain open.

~~(U//FOUO)~~ During this reporting period, the ODNI has closed or made significant progress in implementing several OIG recommendations. For example, the ODNI closed one of the six open recommendations from the OIG's 2009 report on Acquisition Oversight. The recommendation dealt with establishing a reporting mechanism to track the achieved performance of fielded major system acquisitions. Over the past 2 years, the OIG worked with ODNI personnel to identify thresholds for qualitative and quantitative reporting now included in Appendix F to the Annual Program Management Plan Report.

(U) In addition, the ODNI implemented one of two remaining open recommendations from the OIG's 2009 report on the implementation status of the IC Civilian Joint Duty Program. The OIG recommended that the IC Chief Human Capital Officer (CHCO) discontinue the requirement for IC elements to report quarterly promotion data in order to reduce the reporting burden on IC elements. The IC CHCO changed the requirement from quarterly reports to annual reports, which sufficiently addressed the OIG's findings.

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## **Appendix**

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

**This Table is ~~SECRET//NOFORN~~**

Recommendation	Due Date Recipient	Actions to Date	Status
FISCAL YEAR 2010 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH FISMA Final Report TOTAL: 12 CLOSED, 0 OPEN			
(U//FOUO) Recommendation 1.1: We recommend that within 30 days of this report (15 October 2010), the D/MSO should:			
a) (U//FOUO) Assign responsibility for timely updating and reconciling D/MSO and IC IT Registry system inventories.	15 Oct 2010 D/MSO		(U//FOUO) OPEN
b) (U//FOUO) Reconcile MSC internal inventories with the IC IT Registry and make system additions, deletions, or adjustments to the IC IT Registry at a minimum on a quarterly basis.	15 Oct 2010 D/MSO		(U//FOUO) OPEN
(U//FOUO) Repeats 2009 Recommendations 1.1 and 1.2, due to be completed in January 2010.			
(U//FOUO) Recommendation 1.2: We recommend that within 30 days of this report (15 October 2010), the IC CIO should:			

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
a) <del>(U//FOUO)</del> Assign responsibility for timely updating and reconciling IECC and IC IT Registry system inventories.  <del>(U//FOUO)</del> Repeats 2009 Recommendations 1.1 and 1.2, due to be completed in January 2010.	15 Oct 2010 IC CIO		<del>(U//FOUO)</del> CLOSED
b) <del>(U//FOUO)</del> Reconcile IECC internal inventories with the IC IT Registry and make system additions, deletions, or adjustments to the IC IT Registry at a minimum on a quarterly basis.  <del>(U//FOUO)</del> Repeats 2009 Recommendations 1.1 and 1.2, due to be completed in January 2010.	15 Oct 2010 IC CIO		<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> Recommendation 2.1: We recommend that within 30 days of this report (15 October 2010), the D/MSO should develop a schedule to test each information system with a PL 2 or higher within the next 12 months.	15 Oct 2010 D/MSO		<del>(U//FOUO)</del> CLOSED
<del>(U//FOUO)</del> Recommendation 2.2: We recommend that within 30 days of this report (15 October 2010), the IC CIO should develop a schedule to test each information system with a PL 2 or higher within the next 12 months.	15 Oct 2010 IC CIO		<del>(U//FOUO)</del> CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
<del>(U//FOUO)</del> Recommendation 2.3: We recommend that within 180 days of this report (14 March 2011), the D/MSO should formalize and document the process as well as perform security tests on the systems that currently have security tests that are greater than 1-year old.	14 March 2011 D/MSO		<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> Recommendation 2.4: We recommend			
a) <del>(U//FOUO)</del> Perform security tests on systems that currently have security tests that are greater than 1-year old.	14 March 2011 IC CIO		<del>(U//FOUO)</del> OPEN
b) <del>(U//FOUO)</del> Perform annual security tests on systems with a PL greater than 1 within 12 months of their accreditation date or the date of last testing.	14 March 2011 IC CIO		<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> Recommendation 3.1: We recommend that within 60 days of this report, the D/MSO should develop a certification and accreditation strategy including a schedule for accrediting its systems (systems should be certified and accredited within 12 months and the IC IT Registry updated accordingly.)  <del>(U//FOUO)</del> Repeats 2009 Recommendation 2.0, due to be completed in January 2010.	14 Nov 2010 D/MSO		<del>(C)</del> CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Recipient	Actions to Date	Status
<del>(U//FOUO)</del> Recommendation 3.2: We recommend that within 60 days of this report (14 November 2010), the D/MSIC, leveraging ICIA, should ensure that the two systems currently operating without C&As receive their C&As.  <del>(U//FOUO)</del> Repeats 2009 Recommendation 2.0, due to be completed in January 2010.	14 Nov 2010 D/MSIC; ICIA		<del>(U//FOUO)</del> CLOSED
<del>(U//FOUO)</del> Recommendation 3.3: We recommend that within 60 days of this report, the IC CIO should develop a certification and accreditation strategy including a schedule for accrediting its systems (systems should be certified and accredited within 12 months and the IC IT Registry updated accordingly.)  <del>(U//FOUO)</del> Repeats 2009 Recommendation 2.0, due to be completed in January 2010.	14 Nov 2010 IC CIO		<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> Recommendation 4.1: We recommend that within 120 days of this report (13 January 2011), the D/MSIC should:			

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Date Date Recipient	Actions to Date	Status
a) <del>(U//FOUO)</del> Revise the security configuration management oversight program for its systems that includes OMB's FY 2010 FISMA requirements.	13 January 2011 D/MS	<div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon receipt and validation that the changes to the SLA have been made and finalized</div>	<div><del>(U//FOUO)</del> OPEN</div> <div>(b)(5)</div>
b) <del>(U//FOUO)</del> Revise its Service agreement with ISG to clarify ISG and MSC responsibilities for security.	13 January 2011 D/MS	<div></div> <div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon receipt and validation that the changes to the SA have been made and finalized.</div>	<div><del>(U//FOUO)</del> OPEN</div> <div>(b)(5)</div>
c) <del>(U//FOUO)</del> Establish responsibility for those CM functions that MSC will not include in the Service Agreement with ISG.	13 January 2011 D/MS	<div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon receipt and verification that the changes to the SA have been made and finalized</div>	<div><del>(U//FOUO)</del> OPEN</div> <div>(b)(5)</div>
d) <del>(U//FOUO)</del> Ensure the proper implementation of FDOC standards according to the milestones established for intelligence agencies and document deviations from those standards when appropriate.	13 January 2011 D/MS	<div></div>	<div><del>(U//FOUO)</del> OPEN</div>

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
		<del>(U//FOUO)</del> Recommendation can be closed upon receipt and verification that the changes to the SA have been made and finalized.	
<del>(U//FOUO)</del> Recommendation 4.2: We recommend that within 180 days of this report (14 March 2011), the IC CIO should:			
a) <del>(U//FOUO)</del> Establish a security configuration management program for its systems that meets OMB's FY 2010 FISMA requirements.	14 Mar 2011 IC CIO	<div>(b)(5)</div> <div>2009).</div> <div><del>(U//FOUO)</del> Recommendation can be closed upon revision/update of v.1 of the plan to ensure that it meets OMB's FY 2010 FISMA requirements, and upon receipt and review by OIG of documentation that the plan has been implemented and a security configuration management program established.</div>	<div>(b)(5)</div> <div><del>(U//FOUO)</del> OPEN</div>
b) <del>(U//FOUO)</del> Ensure the proper implementation of FDCC standards according to the milestones established for intelligence agencies and document deviations from those standards when appropriate.	14 Mar 2011 IC CIO	<div>(b)(5)</div> <div><del>(U//FOUO)</del> Recommendation can be closed upon proof of FDCC implementation and/or documented deviations.</div>	<div>(b)(5)</div> <div><del>(U//FOUO)</del> OPEN</div>
<del>(U//FOUO)</del> Recommendation 5.1: We recommend that within 180 days of this report (14 March 2011), the D/MSO should:			
a) <del>(U//FOUO)</del> Revise and update the incident response and reporting program to include OMB's expectations for comprehensive analysis, validation, documentation, and resolution of incidents in a timely manner and timely reporting of incident data to appropriate authorities.	14 Mar 2011 D/MSO	<div>(b)(5)</div> <div><del>(U//FOUO)</del> Recommendation can be closed upon receipt and review of the program documentation.</div>	<div>(b)(5)</div> <div><del>(U//FOUO)</del> OPEN</div>

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Date Received	Actions to Date	Status
b) <del>(U//FOUO)</del> Amend the Service Agreement with ISG to explicitly include requirements delineating specific roles and responsibilities that ISG will perform in assisting with the incident response and reporting functions; alternatively, MSC should institute measures that address incident response and reporting functions required by OMB.	14 Mar 2011 D/MS	<div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon receipt and validation that the changes to the SA have been made and finalized</div>	<div></div> <div><del>(U//FOUO)</del> OPEN</div>
<del>(U//FOUO)</del> Recommendation 5.2: We recommend that within 180 days of this report (14 March 2011), the IC CIO should:			
a) <del>(U//FOUO)</del> Finalize its draft Incident Response Plan and ensure that it meets or exceeds all requirements established by OMB and FISMA.	14 Mar 2011 IC CIO	<div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon revision/update of v.1.6 of the plan to ensure that it meets OMB's 2010 FISMA requirements.</div>	<div></div> <div><del>(U//FOUO)</del> OPEN</div>
b) <del>(U//FOUO)</del> Establish an incident response and reporting program that meets OMB's expectations for comprehensive analysis, validation, documentation, and resolution of incidents in a timely manner timely reporting of incident data to appropriate authorities.	14 Mar 2011 IC CIO	<div></div> <div></div> <div><del>(U//FOUO)</del> Recommendation can be closed upon revision/update of v.1.6 of the plan to ensure that it describes a program that meets OMB's 2010 FISMA requirements, and upon receipt and review by OIG of documentation that the plan has been implemented and an incident response and reporting program established that meets OMB's FY 2010 FISMA requirements.</div>	<div></div> <div><del>(U//FOUO)</del> OPEN</div>
<del>(U//FOUO)</del> Recommendation 6.1: We recommend that within 60 days of this report, the D/MS should revise the current POA&M process to incorporate OMB's FY 2010 FISMA metrics into MSC's written POA&M program.	14 Nov 2010 D/MS	<div></div>	<div></div> <div><del>(U//FOUO)</del> CLOSED</div>

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
			(b)(5)
(U//FOUO) Recommendation 6.2: We recommend that within 60 days of this report, the IC CIO should develop a written POA&M program for the IECC.  Repeats 2009 Recommendation 5 a, b, c, due to be completed in November 2009.	14 Nov 2010  IC CIO		(U//FOUO) OPEN  (b)(5)
(U//FOUO) Recommendation 7.1: We recommend that within 180 days of this report, the D/MSD should establish and document a continuous monitoring program incorporating all of OMB's requirements.	14 Mar 2011  D/MSD		(U//FOUO) OPEN  (b)(3)
(U//FOUO) Recommendation 7.2: Within 90 days of this report, the IC CIO should establish and document a continuous	14 Mar 2011  IC CIO		(U//FOUO) OPEN  (b)(5)

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
monitoring program incorporating all of the OMB requirements.		<del>(U//FOUO)</del> [redacted]	
<del>(U//FOUO)</del> Recommendation 8.1: We recommend that within 180 days of this report (14 March 2011), the D/MSO should:			
a) <del>(U//FOUO)</del> Complete a contingency plan program including, at a minimum, the areas outlined in the OMB FY 2010 FISMA metrics.	14 Mar 2011 D/MSO	[redacted]  <del>(U//FOUO)</del> Recommendation can be closed upon receipt and verification that the plans meet OMB requirements.	<del>(U//FOUO)</del> OPEN
b) <del>(U//FOUO)</del> Complete contingency plans for all systems with availability level of concern ratings of medium or greater.	14 Mar 2011 D/MSO	[redacted]  <del>(U//FOUO)</del> Recommendation can be closed upon OIG receipt and verification that the plans meet OMB requirements.	<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> Recommendation 8.2: We recommend that within 180 days of this report (14 March 2011), the D/MSO should:			
a) <del>(U//FOUO)</del> Establish a contingency plan program including, at a minimum, the areas outlined in the OMB FY 2010 FISMA metrics.	14 Mar 2011 IC CIO	<del>(U//FOUO)</del> 18 Nov 2010: Not reviewed because deadline has not yet passed.	<del>(U//FOUO)</del> OPEN
b) <del>(U//FOUO)</del> Establish a plan for performing contingency plan tests on systems whose contingency plans are greater than 1-year	14 Mar 2011 IC CIO	<del>(U//FOUO)</del> 18 Nov 2010: Not reviewed because deadline has not yet passed.	<del>(U//FOUO)</del> OPEN

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
old and establish a schedule for future contingency plan tests.			
c) <del>(U//FOUO)</del> Perform contingency plan tests on all systems with availability ratings of high.	14 Mar 2011 IC CIO	<del>(U//FOUO)</del> 18 Nov 2010: Not reviewed because deadline has not yet passed.	<del>(U//FOUO)</del> OPEN
d) <del>(U//FOUO)</del> Establish contingency plans for all systems with availability ratings of medium or greater.	14 Mar 2011 IC CIO	<del>(U//FOUO)</del> 18 Nov 2010: Not reviewed because deadline has not yet passed.	<del>(U//FOUO)</del> OPEN
<p>UNITED STATES DEPARTMENT OF DEFENSE INTELLIGENCE COMMUNITY FEDERAL INFORMATION SECURITY MANAGEMENT ACT (FISMA) PROPOSED BY THE OIG POINT: CLOSED / OPEN</p>			
(U) Recommendation 1: Within 30 days of this report date, the IC CIO should: Establish definitive measures for the CIOs of agencies with National Security Systems under the DNI's purview to use to perform their FY 2010 FISMA reviews. Inform OMB of the IC CIO's decision to provide definitive instructions for the IC agencies to use to perform their FY 2010 FISMA reviews.	10 July 2010 IC CIO		(U) CLOSED
(U) Recommendation 2-1. Within 30 days of this report date, the IC CIO should inform agencies with intelligence systems under the DNI's purview about how the IC agencies will receive FY 2010 FISMA instructions and how they are to submit their FISMA reports.	10 July 2010 IC CIO		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
(U) Recommendation 2-2. Within 120 days of this report date, the IC CIO should establish a detailed plan of action and milestones necessary for developing and implementing a classified version of Cyberscope for purposes of FY 2011 FISMA reporting.	10 July 2010 IC CIO		(U) OPEN
(U) Recommendation 3. We recommend that beginning with the FY 2010 FISMA reporting cycle, the IC CIO should identify in its annual consolidated FY 2010 FISMA report instances in which IC agencies are not complying with IC CIO guidance and the justifications for the exceptions.	10 July 2010 IC CIO		(U) CLOSED
E. INTERNAL CONTROLS OVER COMPLIANCE WITH TREASURY E.O. 11652 (2006) TOTAL: 1 CLOSED			

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Date Date Recipient	Actions to Date	Status
<div>(b)(5)</div>			
1-3. <del>(U//FOUO)</del> We recommend that within 120 days of this report, the ODNI Comptroller develop a sustainability plan to ensure that core functions are identified and can be maintained to perform timely and repeatable FBWT account reconciliations and to facilitate progress toward auditable financial statements.	20 May 2010 ODNI Comptroller	<del>(U//FOUO)</del> OIG received sustainability plan on 3 June 2010 that meets the intent of the recommendation.	<del>(U//FOUO)</del> CLOSED
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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
3-1. (U//FOUO) We recommend that within 120 days of this report, the ODNI Director of the Mission Support Center establish a plan to comply with FMFIA certification requirements for FY 2010.	20 May 2010 Director, MSC	(U//FOUO) OIG received FMFIA plan on 3 June 2010 that meets the intent of the recommendation.	<del>(U//FOUO)</del> CLOSED
<b>JOINT INTELLIGENCE COMMUNITY CIVILIAN JOINT DUTY PROGRAM IMPLEMENTATION RESULTS REPORT 1 July 2010</b> <b>JOINT DUTY PROGRAM CLOSED PROJECTS</b>			
1. (U) We recommend that the Director of National Intelligence (DNI) issue a written statement to the Intelligence Community (IC) pronouncing strong support for the goals of the Joint Duty Program, its continued implementation, and requirements as identified in ICPG 601.01.	DNI	(U) DNI signed memo dated 29 Jan 2010.	(U) CLOSED
2. (U) We recommend that the DNI direct IC element heads to strongly promote the IC Joint Duty Program in their organizations.	DNI	(U) DNI signed memo dated 29 Jan 2010.	(U) CLOSED
3. (U) We recommend that the DNI hold IC element heads accountable for Joint Duty implementation by including Joint Duty rating factors in their annual performance appraisals and Personal Performance Agreements.	DNI	(U) Data collection and reporting is now used as an accountability measure for IC element heads.	(U) CLOSED
4. (U) We recommend that the DNI direct IC elements heads to establish policies requiring that proposed Joint Duty assignments be reviewed and approved by employees' first-level supervisor and second-level manager.	DNI; DIS; CHCO	(U) DNI signed memo dated 29 Jan 2010.	(U) CLOSED
5. (U) We recommend that the ADNI/CHCO clarify the purpose of the Joint Duty	ADNI/CHCO	(U) CHCO has clarified the purpose of Joint Duty in all briefings in the IC and in other courses (e.g. ICOC)	(U) CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Date Recipient	Actions to Date	Status
Program to include both leadership development and broader collaboration throughout the IC.			
<p>6. (U) We recommend that the ADNI/CHCO, in coordination with the ODNI Director of Communications, establish and implement a comprehensive Joint Duty Program corporate communication strategy to include:</p> <ul style="list-style-type: none"><li>Periodic communications to the IC, including success stories, personal experiences, or special opportunities.</li><li>Templates for brochures, email messages, and articles.</li><li>Periodic town hall meetings and brown bag seminars across the IC.</li><li>Marketing tools developed by the Joint Duty Community of Practice (JDCOP).</li><li>IC CHCO Council meeting minutes prepared and distributed to all IC CHCO Council members and alternates.</li></ul>	ADNI/CHCO, coordinating with Director of Communications	(U) Communications strategy was submitted and accepted to ODNI PO 20 Jan 10. CHCO Council meeting notes distributed after meetings now SOP.	(U) CLOSED
<p>7. (U) We recommend that the ADNI/CHCO develop and distribute to all IC elements a list of commonly understood terms, with definitions, for use in Joint Duty Program vacancy announcements.</p>	ADNI/CHCO	(U) Terminology posted on JD webpage.	(U) CLOSED
<p>8. (U) We recommend that the ADNI/CHCO develop and deploy a software application that automatically moves vacancy announcements posted on the unclassified Joint Duty website to the JWICS Joint Duty website.</p>	ADNI/CHCO	(U) CHCO does a mass move weekly from the unclassified to the classified JD website. Agencies post classified vacancy announcements directly to the classified website.	(U) CLOSED

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*Semiannual Report 1 July 2010 – 31 December 2010***(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Receipt	Actions to Date	Status
9. (U) We recommend that the ADNI/CHCO develop an IC-wide, automated, online application for Joint Duty vacancies that ensures routing through the applicant's Joint Duty Program manager and supervisory chain.	ADNI/CHCO	(U) Application tool prototyped and functional. Currently in pilot phase; final security plan to be completed by end of December 2010. Currently training Joint Duty POC users for IC-wide implementation by January 2011.	(U) CLOSED
10. (U) We recommend that the ADNI/CHCO use the phrase "Memorandum of Understanding" in all Joint Duty Program documents to conform to ICD 601 and ICS 601-1.	ADNI/CHCO		(U) CLOSED
11. (U) We recommend that the ADNI/CHCO finalize and distribute the Joint Duty Memorandum of Understanding (MOU) template for use by IC elements.	ADNI/CHCO		(U) CLOSED
12. (U) We recommend that the ADNI/CHCO institute a policy to ensure a smooth transition for Joint Duty participants into the gaining element, to include pre-assignment meetings with the gaining element. Participants should meet with:  Their direct supervisors to discuss the assignment and expectations, which will form the basis for the Memorandum of Understanding.  Human Resources to facilitate administrative aspects of the assignment (such as computer and telephone accounts and facilities access).	ADNI/CHCO	(U) Joint Duty Community of Practice (CoP) discussed in detail in April 2010 and agreed to basic onboarding and reintegration practices. NSA, DIA, and CIA briefed their programs at the IC CHCO meetings October- December 2010. ICS standard on onboarding and reintegration in review with Joint Duty CoP; expect to be completed by January 2011.	(U) CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date/ Recipient	Actions to Date	Status
13. (U) We recommend that the ADNI/CHCO work with the Joint Duty Community of Practice (CoP) to develop and promulgate IC reintegration best practices and timelines.	ADNI/CHCO	(U) Input incorporated into draft ICS as outlined in Recommendation 12 above. ICS on onboarding and reintegration in review with Joint Duty CoP; expect to be completed by January 2011.	(U) CLOSED
14. (U) We recommend that the ADNI/CHCO request that IC CHCO Council members designate a senior Human Resources officer in their IC elements to be responsible for the creation and implementation of a reintegration program, to include the identification of suitable follow-on assignments.	ADNI/CHCO		(U) CLOSED
15. (U) We recommend that the ADNI/CHCO discontinue the requirement for an IC element to report quarterly promotion data no later than 60 days after the IC Personnel Data Repository (PDR) has reached full operational capability and the IC element has fully complied with standards and data submission requirements for PDR – or by 1 October 2010, whichever occurs sooner.	1 October 2010 ADNI/CHCO	(U) IC CHCO agrees to discontinue this promotion data call requirement if/when PDR report functionality is available. Promotion data calls have been transitioned from quarterly to annually to reduce the reporting burden, to the satisfaction of the CoP members. Promotion data monitoring is required by the IRTPA.  (U) Data collection has been changed to an annual reporting cycle.	(U) CLOSED
16. (U) We recommend that the ADNI/CHCO develop and implement a training module to familiarize Joint Duty Program Managers with the planned PDR.	ADNI/CHCO	(U) JD CoP was briefed in January 2010.	(U) CLOSED
17. (U) We recommend that the ADNI/CHCO collect data from each IC element annually to track bonus data, comparing Joint Duty Program participants with their non-participant peers.	ADNI/CHCO	(U) CHCO is looking into adding bonus data to the annual salary information reporting from elements.  (U) This recommendation can be closed when the data is received from the planned annual data call early in 2011 and the data is made available to the OIG and the IC.	(U) OPEN

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## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Request	Actions to Date	Status
18. (U) We recommend that the ADNI/CHCO study the feasibility of reimbursement to Joint Duty participants for mileage to assignment locations that exceeds the normal distance driven to and from their home elements. If the ADNI/CHCO determines that reimbursement for mileage, or other incentives, will enhance participation in the Joint Duty Program, the ADNI/CHCO, in conjunction with the OGC, will explore administrative and regulatory options for implementing such incentives, or, if necessary, will explore a possible legislative remedy to allow for mileage reimbursement.	ADNI/CHCO	(U) OGC has determined that specific legislation is necessary. CHCO does not plan to seek such legislation, unless it becomes necessary at some time in the future to incentivize joint duty participation.	(U) CLOSED
19. (U) We recommend that the ADNI/CHCO promote use of the 50 ODNI-funded Joint Duty positions available for the Departmental and Service IC elements through the Deputy Executive Committee, IC CHCO Council, and the Joint Duty COP to enable the Departmental and Service IC elements to backfill for those employees who are approved to take a Joint Duty assignment.	ADNI/CHCO	(U) The OCNI CHCO briefed the IC CHCO Council in Sept and Dec 2009 and the JD COP Oct 2009.	(U) CLOSED
20. (U) We recommend that the ADNI/CHCO: On a semi-annual or annual basis, use the IC CHCO Council to highlight and discuss initiatives used in implementing Joint Duty. Develop opportunities, including virtual opportunities using the Joint Duty website, to broadcast these and other innovations and initiatives.	ADNI/CHCO	(U) Revision of the standard and/or policy reflect assignment transition guidelines.	(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
U//FOUO: THE HOUSE SELECT COMMITTEE ON INTELLIGENCE AND ANALYSIS AFDH (U//FOUO) 2009-10-09 TOTAL: 27 CLOSED, 71 OPEN			
1.1. (U) The ADNICFO, within 90 days of this report, should develop and implement standard operating procedures (SOPs) to comply with ICD 104 requirements. The ADNICFO should develop written instructions documenting their applicable internal routines and repetitive activities.	December 2009  ADNICFO	(U) CFO implemented SOP BE-1 "Monitoring the Execution of Funds" on 1 Oct 09.	(U) CLOSED
2.1. (U) The ADNICFO, within 30 days of this report, should establish formal guidance to ensure that when variances from target execution rates are greater than agreed upon benchmarks, the CFO examines program options and, as necessary, reprograms NIP funds prior to a Congressional recession of those funds.	October 2009  ADNICFO	(U) CFO implemented SOP BE-1 "Review and Analysis of the Intelligence Program Budget Submissions" on 1 Oct 09.	(U) CLOSED
U//FOUO: THE HOUSE SELECT COMMITTEE ON INTELLIGENCE AND ANALYSIS AFDH (U//FOUO) 2009-10-09 TOTAL: 27 CLOSED, 71 OPEN			
1.1. a., b., c. (U//FOUO) The ADNICFO and the Director of MSC, within 180 days (January 2010) of this report, should:			
(U//FOUO) a) Develop and maintain an accurate inventory of systems;	ADNICFO	<input type="text"/>  <input type="text"/>  <input type="text"/>	(U//FOUO) OPEN

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Recipient	Actions to Date	Status
		<del>(U//FOUO)</del> Recommendation can be closed once the OIG is able to reconcile the updated inventory with the registry with minimal effort. As of 2 Dec 2010, the IC IT Registry is not yet operational, thus the OIG cannot yet reconcile.	
	DMSC	<div></div> <del>(U//FOUO)</del> Recommendation can be closed once the OIG is able to reconcile the inventory with the registry. (Inventory provided in September was based on OIG's FY 2010 reconciliation). Because the IC CIO has not yet reached IOC for the IC IT Registry, MSD cannot complete the updates and the OIG cannot yet reconcile.	<del>(U//FOUO)</del> OPEN
b) <del>(U//FOUO)</del> Determine the ownership of the 7 unidentified systems;	ADN/CIO	<del>(U//FOUO)</del> Recommendation b) CLOSED for MSC and IC CIO/VICES because ownership was resolved in Jan 2010.	<del>(U//FOUO)</del> CLOSED
	DMSC	<del>(U//FOUO)</del> Recommendation b) CLOSED for MSC and IC CIO/VICES because ownership was resolved in Jan 2010.	<del>(U//FOUO)</del> CLOSED
c) <del>(U//FOUO)</del> Make system additions deletions, or adjustments to the Intelligence Community's (IC) Registry in a timely manner.	ADN/CIO	<div></div>	<del>(U//FOUO)</del> OPEN

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Day Due Recipient	Actions to Date	Status
	D/MSD	<div></div> <p>(U//FOUO) Recommendation can be closed once the IC IT Registry is at IOC and upon review and validation of the IC IT Registry data by the OIG. Until the IC CIO achieves IOC for the IC IT Registry, MSD cannot complete the updates and the OIG cannot yet review for compliance with the recommendation.</p>	(U//FOUO) OPEN
1.2. (U//FOUO) The ADN/CIO and the Director of MSD should reconcile the ADN/CIO and MSD inventories with the IC Registry, at a minimum, on a quarterly basis.	ADN/CIO	<div></div> <p>(U//FOUO) As agreed to on 18 March 2010, recommendation can be closed once the IC IT Registry is at IOC and upon review and validation of the IC IT Registry data by the OIG</p>	(U//FOUO) OPEN
	D/MSD	<div></div> <p>(U//FOUO) Sep 2010: Recommendation was re-opened due to the inability to reconcile inventory during the FY 2010 FISMA review.</p> <p>(U//FOUO) As agreed to on 18 March 2010, recommendation can be closed once the IC IT Registry is at IOC and upon review and validation of the IC IT Registry data by the OIG. Until the IC CIO</p>	(U//FOUO) OPEN

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
		achieves IOC for the IC IT Registry, MSD cannot perform the reconciliations and the OIG cannot yet review for compliance with the recommendation.	
2.0. (U//FOUO) The ADNI/CIO and the Director of MSC, within 180 days of this report (24 January 2010), ADNI/CIO will develop a certification and accreditation strategy including a schedule (plan of action and milestones) for reaccrediting the cited systems and update this information in the IC Registry and the Director of the Mission Support Center will establish current certifications and accreditations for all systems identified under their ownership and update this information in the IC Registry.	ADNI/CIO		(U//FOUO) OPEN
	DMSC		(U//FOUO) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

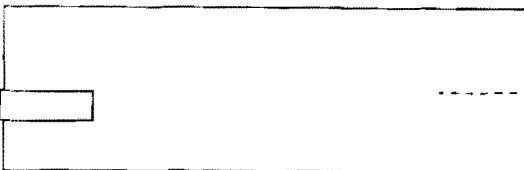


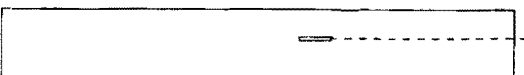
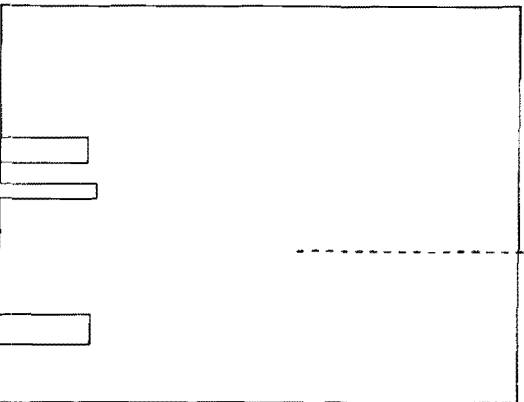

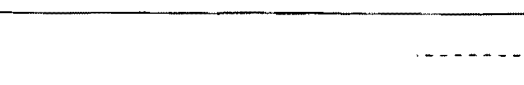
Recommendation	DoD Date Recipient	Actions to Date	Status
3.0.a and b. (U//FOUO) The ADNI/CIO and the Director of MSC, within 180 days of this report (24 January 2010), should:			
a) (U//FOUO) Perform security tests on the systems that currently have security tests that are greater than a year old.	ADNI/CIO	(U//FOUO) Recommendation can be closed upon receipt of the documentation of security tests being performed for IECC systems within the last year.	(U//FOUO) OPEN
	D/MS	(U//FOUO) The MSC systems that did not have security tests were not accredited. Therefore, they did not require testing until the C&A process was complete.	(U//FOUO) CLOSED
b) (U//FOUO) Perform annual security tests on systems with a protection level greater than protection level 1.	ADNI/CIO	(U//FOUO) Recommendation can be closed upon receipt of the documentation security tests being performed for IECC systems with a PL1 or greater.	(U//FOUO) OPEN
	D/MS	(U//FOUO) The MSC systems that did not have security tests were not accredited. Therefore, they did not require testing until the C&A process was complete.	(U//FOUO) CLOSED
4 a,b,c. (U//FOUO) The ADNI/CIO and the Director of MSC, within 120 days of this report (24 November 2009), should:			
a) (U//FOUO) Establish a plan for performing contingency plan tests on systems whose contingency plan tests are greater than a year old and establish a designated period for future contingency plan tests;	ADNI/CIO	(U//FOUO) Recommendation can be closed once plan is developed and validated by OIG. The original completion date was 24 Nov 2009.	(U//FOUO) OPEN
	D/MS		(U//FOUO) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
b) ( <del>U//FOUO</del> ) Perform contingency plan tests on all systems with an availability rating of high;	ADN/CIO		<del>(U//FOUO)</del> OPEN
		(U//FOUO) Recommendation can be closed upon OIG receipt and review of documentation of completion of testing.	
	DMSC		<del>(U//FOUO)</del> CLOSED
c) ( <del>U//FOUO</del> ) Assign availability ratings to all ODNI systems on the IC Registry.	ADN/CIO		<del>(U//FOUO)</del> CLOSED
	DMSC		<del>(U//FOUO)</del> CLOSED
5a,b,c. The ADN/CIO and the Director of MSC, within 120 days of this report (24 November 2009), should:			
a) ( <del>U//FOUO</del> ) Develop a uniform written plan of action and milestone process for the ODNI;	ADN/CIO		<del>(U//FOUO)</del> OPEN
	DMSC		<del>(U//FOUO)</del> CLOSED
b) ( <del>U//FOUO</del> ) Revise their plan of action and milestone lists to include dates when items are placed on the lists,	ADN/CIO		<del>(U//FOUO)</del> CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Recipient	Actions to Date	Status
projected milestone dates, and actual completion dates so that progress on the actions can be monitored;	DMSC		<del>(U//FOUO)</del> CLOSED
c) <del>(U//FOUO)</del> Review existing plan of action and milestone lists and determine which items can be easily remedied so they can be closed.	ADN/CIO	<div></div> <div></div> <div></div>	<del>(U//FOUO)</del> CLOSED
	DMSC	<div></div> <div></div> <div></div>	<del>(U//FOUO)</del> CLOSED
			(b)(5)
6.1. <del>(U//FOUO)</del> The ADN/CIO and the Director of MSC, within 120 days of this report, should jointly develop an ODNI configuration management policy.	24 Nov 2009 ADN/CIO DMSC		<del>(U//FOUO)</del> CLOSED
6.2 a.b. <del>(U//FOUO)</del> The ADN/CIO, within 120 d			
a) <del>(U//FOUO)</del> Adopt and implement Federal Desktop Core Configuration standard configurations and document deviations and security control deficiencies on desktops directly controlled by ODNI;	ADN/CIO	<div></div> <div></div> <div></div> <del>(U//FOUO)</del> Recommendation can be closed upon proof of FDCC implementation and/or documented deviations.	<del>(U//FOUO)</del> OPEN
b) <del>(U//FOUO)</del> Implement Federal Desktop Core Configuration security settings into all Windows XP™ and Vista™ desktops directly controlled by the ODNI.	ADN/CIO	<div></div> <div></div> <del>(U//FOUO)</del> Recommendation can be closed upon proof of FDCC implementation and/or documented deviations.	<del>(U//FOUO)</del> OPEN
			(b)(5)

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
7.0. (U//FOUO) The ADN/CIO and the Director of MSC, within 90 days of this report, should develop an incident reporting policy.	24 Oct 2009 ADN/CIO D/MS		(U//FOUO) CLOSED
8.1a,b,c. (U//FOUO) The ADN/CIO and the Director of MSC, within 60 days of this report, should: a) Designate personnel who have significant responsibilities for information security; b) Develop an ODNI pilot training program and plan strategy to provide the designated personnel with training commensurate with their roles.	24 Sept 2009 ADN/CIO D/MS		(U//FOUO) CLOSED
8.2. (U//FOUO) While accommodating ongoing operations and allowing time for contract modifications, ensure that contracts specify that personnel who have significant responsibilities for information security promptly receive training commensurate with their roles.	(Issued: Sept 2009) ADN/CIO		(U//FOUO) CLOSED
	(Issued: Sept 2009) D/MS		(U//FOUO) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
9.0. (U//FOUO) The ADNUC/O and the Director of MSC, within 60 days of this report, should fully implement all recommendations in the FY 2008 OIG FISMA report.	24 Sept 2009 ADNUC/O DVMSC	(U//FOUO) The OIG is closing this recommendation because implementation of the FY 2008 OIG FISMA report recommendations are being tracked independently.	(U//FOUO) CLOSED
<p>INSPECTION OF IC ACQUISITION OVERSIGHT STRATEGIES, POLICIES, AND PROCESSES (Issued June 2009)</p> <p>TOTAL: 11 CLOSED, 6 OPEN, 5</p>			
a. (U//FOUO) DDNI/FC immediately ensure that programs funded within the Community Management Account and executed by the ODNI are overseen in accordance with IC acquisition policy.	January 2009	(U//FOUO) DNI issued Executive Correspondence in January 2009, requiring programs funded in the Community Management Account to abide by IC Acquisition Policy and Oversight.	(U//FOUO) CLOSED
<p>b. (U//FOUO) Publish IC policy no later than 120 days after signature, identifying a governance model for the ODNI AO workforce relative to the IC acquisition community, including:</p> <p>A. (U//FOUO) Revising ICD 1 to account for current distributions of authorities and decision rights.</p> <p>B. (U//FOUO) Standardizing levels of official interface and protocol between ODNI officials and IC counterparts.</p> <p>C. (U//FOUO) Clarifying the role of the PDDNI relative to the codified authorities of the DNI's Milestone Decision Authority (MDA) (DDNI/FC), the DDNIs, the ADNIs, and DNI Policy for the IC.</p>	October 2009 P&S, CMO	<p>(U//FOUO) Awaiting P&amp;S completion of ICD 1 revision or rescission of ICD 1 and its replacement with Executive Correspondence.</p>	(U//FOUO) OPEN

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## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Recipient	Actions to Date	Status
c. (U//FOUO) Document the existing processes that link DDNI/PC acquisition decisions with CFO funding decisions no later than 210 days after signature. Provide the widest possible dissemination of the documented processes to ensure members of the AO staff are aware of all options available to utilize funding authorities as a management instrument.	January 2010  ADNI/SRA, DDNI/AT, ADNI/CPO	(U//FOUO) SAE, ADNI/SRA, and ADNI/CPO agreed to a revised PPBE Cycle process to align the DNI's budgetary and Milestone Decision Authorities. The OIG will continue to monitor developments to ensure linkage of MDA and fiscal authorities.	(U//FOUO) CLOSED
d. (U//FOUO) DDNI/PC enforces accountability for IC agencies to have validated requirements documents as a prerequisite for MDA delegation, and permanently add such language to DDNI/PC performance objectives no later than 360 days after signature. Additionally, when the DDNI/PC delegates MDA for a program without a validated requirements document, formal justification to the DNI shall be identified in an Acquisition Decision Memorandum.	May 2010  DDNI/AT	(U//FOUO) The DDNI/AT's performance objectives have been amended to include "Ensure validated capability needs are documented prior to delegating Milestone Decision Authority."  (U//FOUO) DDNI/AT requested – with OIG concurrence – a DNI waiver of this Recommendation for Corrective Action for acquisition activities that are well underway and approaching delivery. OIG will evaluate progress in 2011 to make a determination of closed.  (U//FOUO) To close, OIG needs to review Statements of Capability in accordance with IC policy and ramifications during the FY11 MDA delegation process.	(U//FOUO) OPEN
e. (U//FOUO) Publish IC policy no later than 210 days after signature, prescribing processes, authorities, and responsibilities for developing formal user requirements for Programming Committee approval and validation. The 2007 ODNI Requirements Study should be the point of reference for developing the new requirements policy.	January 2010  ADNI/SRA DDNI/AT	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	(U//FOUO) CLOSED
f. (U//FOUO) DDNI/PC, the CIO, and the Office of General Counsel to collaborate and codify statutorily compliant areas of oversight jurisdiction no later than 120 days after	October 2009  CIO	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	(U//FOUO) OPEN

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## Semiannual Report 1 July 2010 – 31 December 2010

## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Receipt	Actions to Date	Status
signature. We also recommend that the DNI and the CIO codify processes for oversight of IT programs under CIO jurisdiction no later than 120 days after signature, and maintain sufficient numbers of experienced IT professionals to execute the processes.		(U//FOUO) OIG will monitor the CIO re-organization to ensure the IT portfolio management function survives, and will monitor the relationship to ensure proper coordination, integration, and sharing of information between AT&F and CIO with the goal of closing this recommendation in the next reporting period.	(b)(5)
g. (U//FOUO) Establish and codify a repeatable process for Major Systems Acquisition (MSA) designation no later than 90 days after signature that accounts for statutory funding thresholds.	September 2009 DDNI/AT		(U//FOUO) CLOSED (b)(5)
h. (U//FOUO) Establish a plan to provide oversight to programs before Milestone A and after Milestone C to complement current monitoring of Phase B activities no later than 120 days after signature. Additionally, the OIG recommends that the DDNI/FC coordinate with the DDNI/C, the DDNI/A, the CPO, and the CIO to codify a process no later than 120 days after signature, that includes performance data for all operational MSAs in an appendix to the annual IC Program Management Plan (PMP) report.	October 2009 ADNI/SRA DDNI/AT	(U//FOUO) OIG will monitor the development of the 2011 PMP Report and work with AT&F and SRA personnel to identify opportunities for more detailed reporting at the KPP level for each MSA, if possible.	(U//FOUO) CLOSED (b)(5)
i. (U//FOUO) DDNI/FC and DDNI/PPR to revise the ACCEA no later than 150 days after signature, with the following objectives: A. Align goals with stated strategy elements: Policy Guidance, Monitoring, and Corrective Action. B. Update ACCEA Immediate Actions to address corrective action as a priority.	November 2009 P&S, OGC	(U//FOUO) The new National Intelligence Strategy was signed 18 Aug 09 and included Enterprise Objective 7: Improve Acquisition, negating the need to revise the ACCEA. DDNI/A&T is in the process of securing IC consents on ICPG 801.3. As of 1 June 2010, still awaiting A&T's IC coordination.  (U//FOUO) A revised, abbreviated version of ICPG 801.3 has been submitted for coordination. To close, ICPG 801.3 needs to be issued.	(U//FOUO) OPEN



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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
C. Elevate workforce qualification and certification goals			
<del>(U//FOUO)</del> Establish a process to track and address instances of IC agency noncompliance with IC acquisition policy and process discipline breakdowns no later than 120 days after signature. An option the DNI may wish to consider is to establish ODNI staff liaison positions at the IC agencies to act as the forward-deployed focal points for all actions and information requests transmitted from the ODNI staff to an agency.	October 2009 DDNI/AT	<del>(U//FOUO)</del> SAE Staff included IC agency compliance information in the 2008 Annual PMP report. The 2009 PMP report did not address any compliance issues though the OIG was aware of access challenges with at least one IC agency.  <del>(U//FOUO)</del> To close, the OIG needs to verify there is accountability for compliance issues identified in the annual PMP. That accountability should link to consequences from CFO (recommendation above).	<del>(U//FOUO)</del> OPEN
<del>(U//FOUO)</del> DDNI's develop a feedback mechanism within the ODNI staff and with the IC agencies no later than 90 days after signature. This feedback should inform the IC agencies what is being done with requested information, and it should provide details of value-added contributions by the ODNI staff.	September 2009	<del>(U//FOUO)</del> The DIS Memo to the ODNI staff (E/S 00770) dated 16 Jul 09 reinforced this recommendation.	<del>(U//FOUO)</del> CLOSED
<b>COMPLETED ADVISORY COMMITTEE CHALLENGES AND RECOMMENDATIONS</b>			
a. (U) Define the relative internal authority of the DNI, PDDNI, and other ODNI senior staff.	November 2008		(U) CLOSED
b. (U) Publish ICD 501 and supporting directives providing IC-level policies that expand and improve information access for the analytic community.	November 2008		(U) CLOSED

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## Semiannual Report 1 July 2010 – 31 December 2010

## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Date Received	Actions to Date	Status
c. (U) Develop and implement an IC plan for standardizing communication systems and streamlining the IC data sharing and storage architecture to reduce redundancy and simplify data access and retrieval.	November 2008		(U) CLOSED
d. (U) Require collaboration among the national agencies on programs, systems, and acquisitions in accordance with functional management authorities and responsibilities.	November 2008		(U) CLOSED
e. (U) Develop MOUs for IC elements that are accountable to both ODNI and another government agency to delineate financial-related roles and responsibilities.	November 2008		(U) CLOSED
f. (U) Engage the DoJ at its highest levels in order to communicate national intelligence interests to the DoJ and to implement appropriate legal and policy changes throughout the IC.	November 2008		(U) CLOSED
g. (U) Focus efforts on finalizing the ODNI's guidelines implementing EO 12333.	November 2008		(U) CLOSED
h. (U) Finalize and publish critical ICs, including ICD 101, ICD 303, ICD 306, and ICD 501 - "Access to and Dissemination of Intelligence."	(issued: November 2008) DDNI/FPR		(U) CLOSED
i. (U//FOUO) Develop a formal ODNI process for timely responding to OIG recommendations and for tracking implementation of recommendations that are accepted by management.	(issued: November 2008) CMO	(U//FOUO) OIG and the CMO follow a process for ODNI to respond to OIG recommendations in a timely manner. OIG and the DIS will continue to track and monitor open recommendations under this process until such time as this process can be formalized. OIG to re-send proposed process to DIS for formalization.  This can be closed when the process is formalized.	(U//FOUO) OPEN

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions To Date	Status
j. <del>(U//FOUO)</del> Appoint a senior ODNI official responsible for improving collaboration and integration between and among "traditional" intelligence agencies (those focused exclusively on intelligence gathering and analysis, such as CIA, NSA, DIA and NSA and IC entities with dual law enforcement and intelligence missions (such as the FBI and DHS).	November 2008	<input type="checkbox"/>	<del>(U//FOUO)</del> CLOSED
k. <del>(U//FOUO)</del> Revise the auditability strategy with target dates for achieving auditability based on standard financial systems and ICBT initiatives and monitor progress towards auditability.	(issued: November 2006) CFO, CIO, STO	<input type="checkbox"/> <input type="checkbox"/>	<del>(U//FOUO)</del> OPEN
l. <del>(U//FOUO)</del> Complete and submit to Congress the remaining financial plans and architectures that were due to the SSC1 in 2005.	(issued: November 2006) CIO (BTO)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<del>(U//FOUO)</del> CLOSED
m. <del>(U//FOUO)</del> Expedite the finalization and issuance of common U.S. persons rules, principles, or presumptions.	(issued: November 2008) OGC	<input type="checkbox"/> <input type="checkbox"/>	<del>(U//FOUO)</del> CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
n. (U) Publish a definition of collaboration for the IC.	August 2008 FAO	(U) NIS defined "collaboration."	(U) CLOSED
o. (U) Lead the effort to define what constitutes a "system" for consistent IC application for both audibility and business transformation.	(issued: November 2008)  ADN/CIO; CFO; coord with PPR	(U) The clear and understandable definition of a system does not exist throughout the federal government. Therefore, the IC CIO is unable to develop a definition just for the IC because most agencies are dual-hatted (IC and DoD). However, in April 2010 in response to our more recent report <i>Evaluation of Issues Related to Implementation of the Federal Information Security Management Act Within the Intelligence Community</i> , we are recommending that the IC CIO develop guidance for the IC agencies that identifies what definition should be used for FY 2010 FISMA reviews.  (U) Therefore, we are closing this recommendation and tracking it under the more recent report.	(U) CLOSED
p. (U//FOUO) Ensure prompt and complete implementation of the recommendations of the FISA Panel.	(issued: November 2008) DDN/C	(U//FOUO) ODNI has established process for ensuring implementation of the FISA Panel recommendations.	(U//FOUO) CLOSED
<b>IC AND IC-RELATED COLLABORATION DIAGNOSTIC AND RECOMMENDATIONS (IC-IC-2-05) TOTAL: 10 CLOSED, 0 OPEN</b>			
a. (U) Appoint a senior officer to assist the DNI in ensuring the implementation of and compliance with recommendations contained in OIG reports and relevant recommendations from other reports.	August 2008	(U) The Director of the Intelligence Staff was given this responsibility.	(U) CLOSED
b. (U) Make the EXCOM and DEXCOM permanent entities.	August 2008	(U) Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.	(U) CLOSED
c. (U) Clearly define and communicate the roles and responsibilities of the DEXCOM to the IC.	August 2008	(U) Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.	(U) CLOSED
d. (U) Direct IC leaders to instruct their respective elements to coordinate hardware acquisition requirements through the appropriate ODNI organization.	August 2008		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
a. (U) Finalize and communicate an IC systems architecture plan that acknowledges stakeholder inputs and requirements as appropriate.	August 2008	(U) Joint Architecture Reference Model V 1.0 baselined by Joint Systems Engineering forum 29 April 2009 and briefed to IC2PAC 16 June 2009.	(U) CLOSED
f. (U) Identify and develop an action plan to address the technological challenges that inhibit collaboration and information sharing – particularly, non-compatible IT networks deployed across the IC, and insufficient bandwidth for video teleconferencing.	August 2008	(U) Information Integration Program (I2P) Roadmap Version 2.51 published June 2009 provides integrated plan to align over 38 initiatives to improve information integration across the IC.	(U) CLOSED
g. (U) Require ODNI organizations to inform IC organizations of the purpose and outcomes of data calls as part of the tasking process.	August 2008	(U) Memo from the DIS to all component heads directed them to provide this information in conjunction with ODNI tasking.	(U) CLOSED
h. (U) Share the results of this Diagnostic with IC elements.	(issued: August 2008) DIS		(U) CLOSED
i. (U) Brief the ICLC on the results of this baseline Diagnostic.	(issued: August 2008) OIG/DIS		(U) CLOSED
j. (U) Require all DNI direct reports and Mission Managers to develop and articulate their respective roles and responsibilities.	(issued: August 2008) DIS		(U) CLOSED
k. (U) Develop an audio-visual presentation introducing the DNI and the role of the ODNI in the IC to all new IC members.	(issued: August 2008) PAO	(U) ODNI PAO released the ODNI Command Briefing in March 2010 for use across the IC.	(U) CLOSED
l. (U) Coordinate and consolidate hardware and software acquisition requirements.	(issued: August 2008) CJO		(U) CLOSED

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## (U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Date Rec'd	Actions to Date	Status
m. (U) Direct the DDNI for Analysis to develop and implement procedures to ensure the accuracy and quality of information in the Analytic Resources Catalog (ARC).	(issued: August 2008) DDNI/CHC O	(U) CHCO has launched the Intelligence Capabilities Catalogue (IC3) to replace the ARC.	(U) CLOSED
n. (U) Ensure that all IC elements are incorporating the requirements of ICD 651 in employee performance appraisals.	(issued: August 2008) ADNI/CHCO	(U) CHCO has documented that 16 IC elements have implemented the requirements of ICD 651 in performance appraisals, one is in the process of implementing.	(U) CLOSED
o. (U) Direct the ADNI/CIO, in coordination with the DDNI/C and DDNI/PPR, to ensure through appropriate guidelines, policies, directions, standards and business practices that web-based tools and technology enable and enhance mission effectiveness.	(issued: August 2008) ADNI/CIO lead; DDNI/A, DDNI/C, DDNI/PPR	(U) A-space User's Guide and Sourcing Requirements for Disseminating Analytic Products. A-Space is covered in Analysis 101.	(U) CLOSED
p. (U) Identify, compile, maintain, and distribute to the IC a list of the expertise of all IC elements.	(issued: August 2008) CHCO	(U) IC3 will provide resident expertise at all IC elements.  (U) The PDR has no expected completion date yet. Mary Kay is the POC. She hopes to have milestones by Jan 2011.  (U) Recommendation will be closed once the IC3 is deployed and accessible.	(U) OPEN
q. (U) Create a clear and succinct mission and vision statement for the ODNI. Publish and communicate the ODNI mission and vision to the ODNI and IC elements.	(issued: August 2008) DIS; PAO	(U) 13 Dec 2010 – PAO provided the CMO with a draft mission and vision statement, which is in review and coordination. PAO is drafting a communications plan to launch the mission and vision statement in January 2011.  (U) This recommendation will close when a mission and vision statement have been formalized and a communications plan has been developed that effectively publishes and communicates the mission and vision to the ODNI and IC.	(U) OPEN
r. (U) Publish a definition of collaboration for the IC.	(issued: August 2008) PAO		(U) CLOSED
s. (U) Determine which recommendations made in the <i>Achieving a Robust Collaborative Environment</i> study should be implemented and appoint a senior officer to implement those recommendations.	(issued: August 2008) DIS	(U) Per 3/25/10 email from D/DIS many of the recommendations of the study were incorporated in other DNI initiatives. Several other recommendations are not in line with the NIS and therefore should not be implemented.	(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
t. (U) Establish an "Ask the DNI" link on the DNI homepage to solicit questions and comments from the IC workforce.	(issued: August 2008) PAO	(U) PAO has updated all marketing materials and has finalized technical changes to the Ask the DNI program. <ul style="list-style-type: none"><li>• 3 week pilot to launch 17 Dec to limited ODNI</li><li>• 17 Jan launch to entire ODNI workforce</li><li>• Planned March/April launch to IC</li></ul> (U) Recommendation can be closed when "Ask the DNI" is available to the IC workforce.	(U) OPEN
u. (U) Communicate immediately to the IC all appropriate EXCOM agendas and minutes.	(issued: August 2008) DIS		(U) CLOSED
v. (U) Incentivize individual and organizational collaboration.	(issued: August 2008) CHCO		(U) CLOSED
w. (U) Make Joint Duty assignments reimbursable or institute exchange arrangements in order to address the issue of mission impact.	(issued: August 2008) CHCO	(U) Some exchange arrangements have been implemented. This recommendation – and other related recommendations – was captured in our Joint Duty Report (Nov 09).	(U) CLOSED
x. (U) Make Joint Duty opportunities available for more IC professional categories.	(issued: August 2008) CHCO		(U) CLOSED
y. (U) Communicate Joint Duty successes and rewards to the IC as a way to encourage participation.	(issued: August 2008) CHCO		(U) CLOSED
z. (U) Regularly disseminate leadership messages, including various report findings and IC developments to the IC.	(issued: August 2008) PAO		(U) CLOSED
aa. (U) Provide the IC with periodic reports on progress being made in addressing the findings outlined in the November 19, 2007 ODNI IG Dissemination Report.	(issued: August 2008) PPR		(U) CLOSED
bb. (U) Communicate and implement ODNI meta-data tagging standards and	(issued: August 2008) PPR		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
processes across the IC included in the 500 Day Plan.			
cc. (U) Direct all IC elements to recognize the Community badge for facility access and begin acquiring devices that recognize Community badges.	(issued: August 2008) DNI		(U) CLOSED
ONLY 2008 FEDERAL INFORMATION SECURITY MANAGEMENT ACQUISITION PROGRAMS TOTAL: 10 CLOSED, 0 OPEN, 0			
1a. (U) CIO complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems.	(issued: August 2008) ADN/CIO		(U) OPEN
1b. (U) CIO to establish milestones and complete strategic plans and programs and finalize system inventories.	(issued: August 2008) ADN/CIO		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
1c. (U) CIO develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	(issued: August 2008) ADN/CIO	(U) ADN/CIO issued an IC Information Security Strategy, but the strategy does not contain performance measures. CIO will have performance measures by 2011 or beyond. Recommendation closed because CIO continues to follow OMB's security performance measures via IC-wide quarterly and annual FISMA reporting per FISMA legislation.	(U) CLOSED
1d. (U) CIO to establish milestones for completion of the information security strategic plans.	(issued: August 2008) ADN/CIO		(U) CLOSED
2a. (U) CIO in coordination with D/DMS to establish a roadmap to identify the inventory of systems that are ODNI responsibility and those that are IC-wide responsibility and establish a timeframe for completion of roadmap.	(issued: August 2008) CIO/D/MSC	(U) MSC has completed its roadmap. ODNI OIG reconciled the inventories during the FY 2009 FISMA review. However, this remains a legislative recurring requirement (44 USC Sec 3505 (c) (1) for MSC and the IC CIO.	(U) CLOSED
3a. (U) D/DMS to designate a senior agency official responsible for security of ODNI information and information systems whether ODNI owned or operated by another agency or by a contractor on behalf of ODNI.	(issued: August 2008) MSC		(U) CLOSED
3b (U) D/DMS complete a documented comprehensive information security	(issued: August 2008)		(U) CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Date Recipient	Actions to Date	Status
program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems.	MSC		
3b. (U) D/DMS to establish milestones for completion of the information security program.	(issued: August 2008) MSC		(U) CLOSED
3c. (U) D/DMS develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	(issued: August 2008) MSC		(U) CLOSED
3d. (U) D/DMS to establish milestones for completion of the information security strategic plans.	(issued: August 2008) MSC		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
TOTAL: 5 CLOSED			
(U) Promulgate a comprehensive IC-wide policy clearly defining agency / departmental roles and responsibilities with regard to the watchlist nomination process.	(issued: February 2008)  NCTC lead; DDNI/PPR/ Policy		(U) CLOSED
(U) Publish interim IC-wide guidance that states the DNI's vision for the IC watchlist mission and requires each agency/department to: assign responsibility for watchlist functions, collaborate with NCTC to align responsibilities for IC watchlist functions, and identify watchlist activities/program funding requirements and/or shortfalls.	(issued: February 2008)  NCTC; DDNI/PPR/ Policy		(U) CLOSED
(U) Develop a formal plan (with timelines) for agencies/departments to assume responsibility from CIA for reviewing their own real-time cable traffic for the purpose of terrorist watchlist nominations to NCTC.	(issued: February 2008)  NCTC		(U) CLOSED
(U) Develop a standardized format for agency/department nominations to NCTC and formalize the business process for IC watchlist nominations to NCTC.	(issued: February 2008)  NCTC		(U) CLOSED
(U) Develop and maintain a central repository for watchlist governing documents for the IC.	(issued: February 2008)  NCTC		(U) CLOSED

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**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
(U) In coordination with DOJ/FBI, build on the Terrorist Screening Center (TSC) protocols and provide additional guidance to the watchlist community.	(issued: February 2008)  NCTC		(U) CLOSED
(U) Update the TSC Memorandum of Understanding (MOU) on the Integration and Use of Screening Information and Addendum B to the MOU to ensure all participating IC agencies/departments are signatories.	(issued: February 2008)  NCTC		(U) CLOSED
(U) Consider options for incorporating the resources that fund the IC's support for the watchlisting effort into the NIP budget rather than relying primarily on CT supplemental funding.	(issued: February 2008)  NCTC; CPO		(U) CLOSED
(U) Work with Congress to change the provisions of Title 50, United States Code, Section 404e-2 to reflect the establishment of NCTC's Terrorist Identifiers Dataset Environment (TIDE) as the USG's central and shared knowledge bank of international terrorist information, replacing the Terrorist Identification Classification System (TICS) requirements specified under this section.	(issued: February 2008)  NCTC; OOC; OLA		(U) CLOSED
<b>IC IDENTIFICATION AND WIDE DISSEMINATION OF SENSITIVE REPORTING (ICIDNS) (2007) (U//FOUO) (S) (CLOSED) (OPEN 3)</b>			
a. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or Principal Deputy DNI (PDONI), with the authority and duty to promulgate policies and procedures on intelligence dissemination and access.	November 2007	(U//FOUO) Per ICD 101, the DDNI/PPR has the authority to promulgate IC Policy Guidance.	(U//FOUO) CLOSED

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

Recommendation	Due Date Recipient	Actions to Date	Status
b. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for monitoring implementation of the policies and procedures by the agencies.	November 2007	(U//FOUO) The ADNI CIO was appointed the IC Information Sharing Executive in 2007. In 2010, the title of Information Sharing Executive was delegated from the IC CIO to the Deputy Assistant DNI for Policy and Strategy. The new IC ISE is directly responsible to the PDDNI.	(U//FOUO) CLOSED
c.1. (U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met. Standards should include or provide for: A common definition of sensitive intelligence	(issued: November 2007)  ADNI/P&S lead; ADNI/CIO	(U) The DNI issued ICD 501, ICPG 501.1, and 501.2, but the DNI has not defined "sensitive intelligence." The IC ISE expressed doubts about the desirability of defining sensitive intelligence but, as an alternate approach, is working to develop criteria that describe information types to be considered sensitive intelligence.  (U) OIG will evaluate the descriptive criteria to be produced by the IC ISE and close the recommendation subsequent to its promulgation to the IC.	(U) OPEN
c.2. (U) Common IC policies and procedures for the dissemination of sensitive intelligence.	IC-ISE	(U) The DNI published ICD 501 and implementation documents ICPG 501.1 and 501.2 in 2009, establishing conceptual processes for dissemination of intelligence.	(U) CLOSED
c.3. (U) A common architecture that horizontally integrates the delivery of IC sensitive reporting while ensuring that adequate safeguards are in place.	ADNI CIO	(U) The ODNI ISE has scheduled the inclusion of Sensitive Intelligence into a IC wide IT framework during Phase E of ICD 501 implementation. There is currently no set date for implementation of Phase E.  <div style="border: 1px solid black; height: 20px; width: 300px; margin-top: 10px;"></div>	(U) OPEN
c.4. (U) The creation of an IC office staffed with representatives from consumer agencies and analytic components to oversee IC sensitive reporting or a process to leverage such expertise virtually.	IC-ISE	(U) In 2007, the IC-ISE established the Information Sharing Steering Committee. Additionally, the ODNI CAPOC SRG performs much of the governance and oversight envisioned by this recommendation.	(U) CLOSED

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ODNI Office of the Inspector General

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*Semiannual Report 1 July 2010 – 31 December 2010***(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
<p>c.3.a. (U) Based upon the results of our Phase Two review, we believe that the CIA joint review board or the dissemination office concept should be adopted by all major IC collection agencies. Agencies should participate in an IC-wide policy board with support and oversight provided by the ADNI/Dissemination. This would maximize Community integration, enhance information sharing, and make best use of available resources. Functions to be accomplished by the dissemination offices/review boards would include, but not be limited to:</p> <p>b. (U) Reviewing all sensitive reporting for appropriateness of dissemination, unless the reporting is specifically exempted by the DNI or his designated representative.</p> <p>c. (U) Overseeing requests for expanded dissemination and providing an appeals process for consumers to dispute collectors' dissemination decisions. In rare cases when an impasse occurs, the final decision authority will be the DNI or his designated representative.</p> <p>d. (U) Coordinating reading requirements or developing alternatives to ensure consumer agencies and analytic components receive the intelligence they need.</p> <p>e. (U) Developing training to ensure the proper handling and use of sensitive reporting by collection agencies, consumer agencies, and analytic components.</p>	IC-ISE	<p>(U) ICPOs 501.1 and 501.2 partially address elements of this recommendation.</p> <p>(U) SRB members have not yet been granted unfettered access to all CAPs producing intelligence information. The DNI-appointed Senior Review Group (SRG) granted SRB members access to only those intelligence-producing CAPs with more than 1,000 writing members. This arbitrary limit currently limits the SRBs' ability to proactively ensure that intelligence dissemination is optimized. However, the OIG is optimistic about recent efforts of SRG leadership and the IC ISE to engage IC SRB personnel.</p> <p>(U) OIG will evaluate SRG oversight and engagement of IC SRBs over the next reporting period to ascertain whether quantity and quality of SRG engagement and oversight of IC SRBs meets the intent of this recommendation.</p>	(U) OPEN

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*ODNI Office of the Inspector General*

~~SECRET~~ // NOFORN

*Semiannual Report 1 July 2010 – 31 December 2010*

**(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010**

Recommendation	Due Date Recipient	Actions to Date	Status
f. (U) Monitoring and reporting, as appropriate, instances of improper handling or use of sensitive reporting by collection agencies, consumer agencies, and analytic components. g. (U) Coordinating and/or conducting periodic reviews of collection agencies' sensitive reporting for possible expanded dissemination to address IC concerns that sensitive reporting, once compartmented, is not further reviewed for expanded dissemination. h. (U) Coordinating the assignments of personnel from consumer agencies and analytic components to the collection agencies, on a selective basis, to enhance dissemination decision-making by providing additional Community perspective. i. (U) Coordinating access to sensitive reporting by collection agencies, consumer agencies, and analytic components; maintaining access			
d. (U//FOUO) Assess the current compartmentation policies constraining the use and release of the Analysis Integration Center (now the Integrated Operations Center for Special Projects) reporting.	(issued: November 2007)  PPR/SSC	(U//FOUO) NGA performed this analysis in the establishment of a control system for compartmented GEOINT.	(U//FOUO) CLOSED

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*ODNI Office of the Inspector General*

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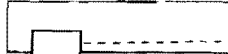
~~SECRET//NOFORN~~

## **(U) Report Waste, Fraud, Abuse, or Misconduct**

**(U) To report allegations of waste, fraud, abuse, or misconduct in the ODNI  
or IC agencies, contact:**

**Office of the Inspector General  
Office of the Director of National Intelligence  
Investigations Division  
Washington, DC 20511**

**Commercial: (703) 482-1300**



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**or**

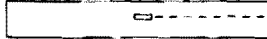
**OIG\_Complaints@dni.gov**

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**(U) For additional copies of this or other ODNI OIG reports, contact:**

**Office of the Inspector General  
Office of the Director of National Intelligence  
Washington, DC 20511**

**Commercial: (703) 482-4955**



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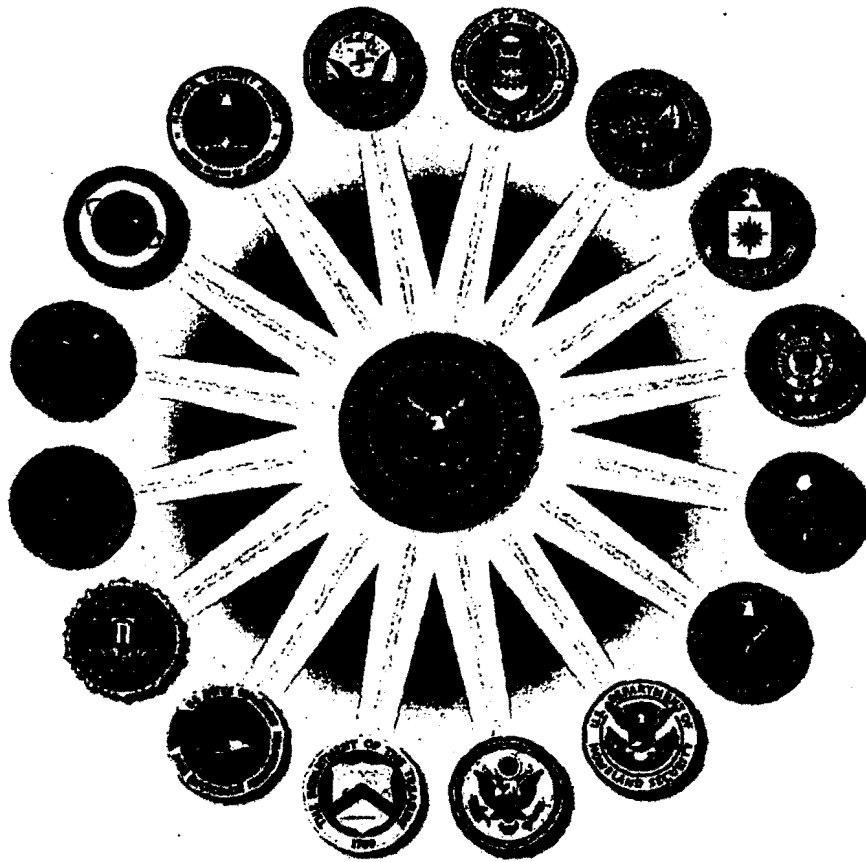
**(U) Some ODNI OIG reports are also posted on our classified website:**



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(U) OFFICE OF THE INSPECTOR GENERAL OF THE INTELLIGENCE COMMUNITY

# **SEMIANNUAL REPORT TO THE DIRECTOR OF NATIONAL INTELLIGENCE**

(U) FOR THE PERIOD OF 8 NOVEMBER 2011 TO 30 JUNE 2012

I. CHARLES MCCULLOUGH, III

~~TOP SECRET // NOFORN~~

● (U) Mission

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

● (U) Vision

(U) Speak truth; enable excellence in management and accountability.

● (U) Core Values

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

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

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

● (U) Diversity

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

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## (U) A Message from the Inspector General



(U//FOUO) I am pleased to provide this summary report of the activities of the Office of the Inspector General of the Intelligence Community (IC IG) for the period of 8 November 2011, through 30 June 2012. This report is submitted pursuant to Section

103H of the National Security Act of 1947, as amended.

(U//FOUO) I was nominated by the President for this position on 2 August 2011, and I was confirmed by the Senate Select Committee on Intelligence (SSCI) on 7 November 2011. I greatly appreciate the attention and strong support the Director of National Intelligence has provided over the course of the reporting period. I have also received a great deal of support in my initial endeavors from members of the SSCI and House Permanent Select Committee on Intelligence, and the Inspectors General from the IC IG Forum.

(U//FOUO) During the reporting period, our nascent office has focused on establishment efforts as well as conducting audits, inspections, and investigations. We completed our first two component inspections within the ODNI, covering the Office of the National Counterintelligence Executive and the Office of Equal Employment Opportunity & Diversity. Additionally, we issued an evaluation report summarizing the results of "Phase I" of a review of Intelligence Community (IC) Continuity of Operations Planning, and we completed several administrative investigations, including a senior official matter referred to us by another IC agency. Finally, we began to implement a program to lead IC-wide administrative

investigations into unauthorized disclosures of classified information (i.e., "leak") matters.

(U//FOUO) As Chair of the statutory Intelligence Community Inspectors General Forum, I met with member IGs to learn more about their various priorities, visions, and missions, and to gain insight into their expectations for the Forum. I am pleased to report that, through the IC IG Forum, we are currently collaborating on several IC-wide reviews, to include a study of the counterintelligence aspects of IC electronic waste destruction practices in the IC; an audit of IC security clearance reciprocity within the IC; and a review of employee accountability in the IC. We also plan to undertake future IC-wide reviews involving the performance of inherently governmental functions by IC contractors and the state of information sharing within the IC.

(U//FOUO) These initial project accomplishments and ongoing efforts were possible because of the hard-working and dedicated men and women of the IC IG, who have worked tirelessly to assist me in building a solid foundation. Since our stand-up in November of 2011, we have hired [REDACTED]

of our authorized billets. Recognizing our increased statutory responsibilities, the DNI adjusted our funded staffing level from [REDACTED] positions, and we appreciate these much needed resources.

(U//FOUO) I am humbled and honored to serve as the first Inspector General of the Intelligence Community. We have already reached several significant milestones, but much more work remains to achieve a full operational capacity with respect to audits, investigations, and inspections within the ODNI and across the IC. We are committed to performing our work in accordance with the highest standards of professionalism, objectivity, independence, and integrity.

**I. Charles McCullough, III**

*Inspector General of the Intelligence Community*

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# (U) Statutory Reporting Requirements

(U) This report is submitted pursuant to Section 103H of the National Security Act of 1947, as amended, requiring the Inspector General of the Intelligence Community (IG) to prepare and submit to the Director of National Intelligence (DNI), not later than 31 January and 31 July of each year, a semiannual report summarizing the activities of the Office of the Inspector General of the Intelligence Community (IC IG) during the immediately preceding six-month period ending 31 December (of the preceding year) and 30 June, respectively.<sup>1</sup>

## (U) Standards

(U) All audit activities of the IC IG are carried out in accordance with generally accepted government auditing standards. All IC IG inspection and investigation activities conform to standards adopted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

## (U) Certification of Full and Direct Access

(U) The IG has had full and direct access to all information relevant to the performance of his duties.

## (U) Subpoena Authority

(U) During this reporting period the IG issued no subpoenas.

## (U) Legislative Proposals

(U) During this reporting period the IG proposed no new legislation.

## (U) Status of Recommendations

(U) Appendix B provides an update on the status of IC IG recommendations.<sup>2</sup> Each recommendation listed outlines the Office of the Director of National Intelligence (ODNI) component or IC element responsible for the necessary corrective actions, and whether or not the corrective action has been fully implemented. Where corrective action has been completed, a description of such corrective action is provided.

## (U) Focus Areas

(U) The IC IG will review the IC element management challenges identified for Fiscal Year (FY) 2012 from the other IC Inspectors General and will develop and submit significant IC challenges for the FY 2012 reporting period.

~~(U//FOUO)~~ During this initial reporting period, the IC IG ensured that its resources to conduct audits, inspections, investigations, and reviews were used judiciously by focusing on critical IC-wide areas. That strategic focus allowed the IC IG to have a positive impact on the IC mission while at the same time establishing the office's core capabilities. Some of those focus areas included:

- Financial management
- Cyber threat information sharing
- Security clearance reciprocity
- Unauthorized disclosure
- Accountability for IC official misconduct.

<sup>1</sup> ~~(U//FOUO)~~ Since the IC IG existed for less than two months of the reporting period ending 31 December 2011, this initial IC IG Semiannual Report covers a period of 8 November 2011 – 30 June 2012.

<sup>2</sup> ~~(U//FOUO)~~ We continue to track the final 11 open recommendations from the ODNI OIG. We will report on the disposition of these ODNI OIG recommendations in a separate communication.



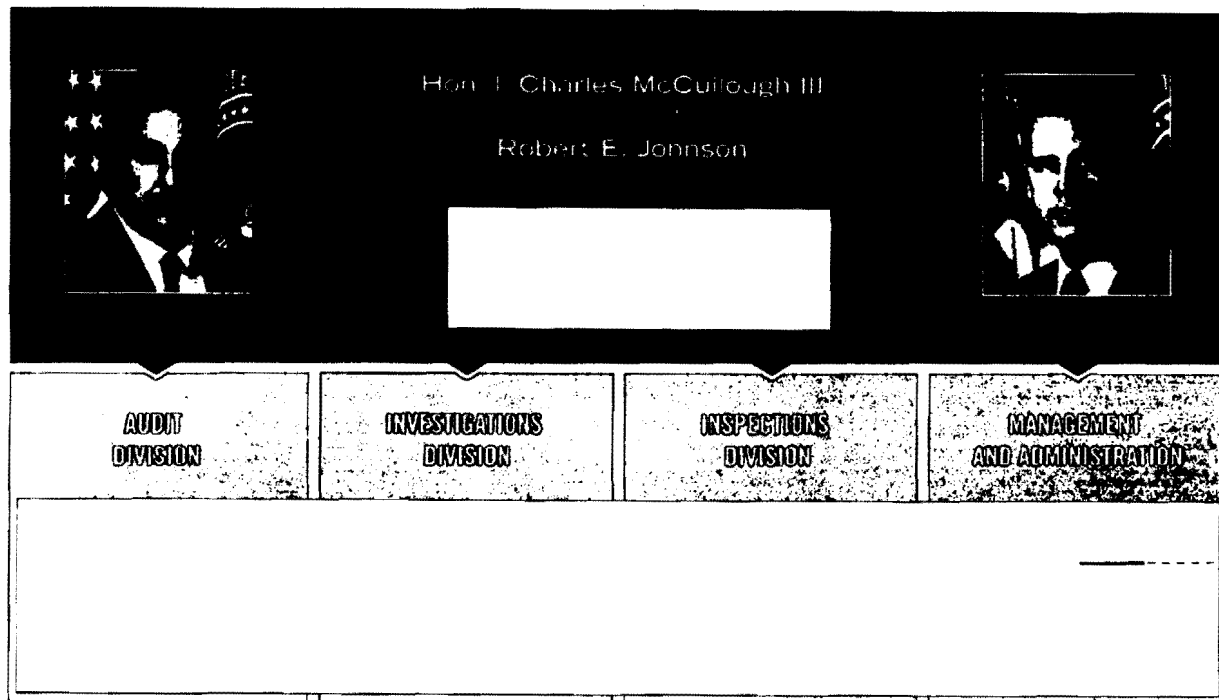
## (U) Overview

### (U) Organization

(U) The Intelligence Authorization Act (IAA) for Fiscal Year 2010 established the IC IG with the authority to initiate and conduct independent audits, inspections, investigations, and reviews on programs and activities within the responsibility and authority of the DNI. The IC IG promotes economy, efficiency, and effectiveness in the administration and implementation of such programs and activities and prevents and detects fraud, waste, and abuse. That broad authority allows the IC IG to identify and investigate systemic IC issues that impact the DNI's ability to achieve intelligence integration. In addition, the IC IG provides leadership and

coordination to other IC Inspectors General through the Intelligence Community Inspectors General Forum (IC IG Forum), which was also established by the IAA for FY 2010.

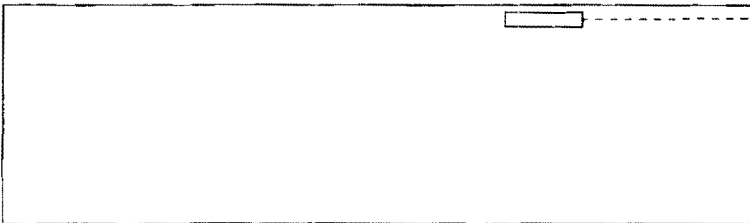
(U//FOUO) The IC IG is composed of the IG, the Deputy IG, the Counsel to the IG, and the Assistant Inspectors General (AIGs) for Audit, Investigations, Inspections, and Management and Administration (M&A). The IC IG principal operating divisions are Audit, Investigations, and Inspections. The M&A Division and the Counsel's Office provide enabling support to the operational divisions and the IC IG Front Office.



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**(U) Personnel**

(U//FOUO) The IC IG is authorized a total staffing complement of [ ] consisting of full-time and part-time civilian positions. The table below shows approved staffing billets by division and office. Filled positions, as of 30 June 2012, reflect [ ] vacancies. One individual is currently in process to fill one of the existing vacancies.



(U//FOUO) The IC IG is composed of qualified degreed and certified personnel. Their experience reflects a wide range of backgrounds, skills, and professional certifications relevant to their work and consistent with desired areas of demonstrated experience. The following figures summarize the IC IG staff's professional and academic backgrounds.

**(U) Funding**

(U//FOUO) The ODNI has provided adequate funding for the IC IG mission to date. Our budget covered personnel services and general support requirements such as travel, training, equipment, supplies, information technology support, and office automation requirements to include hardware, software purchases, and license renewals.

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Number of Degrees

## (U) Congressional Engagements

### (U) Briefings

(U) Pursuant to section 103H of the National Security Act of 1947, as amended, the IG has a statutory obligation to ensure that the congressional oversight committees are kept fully and currently informed of significant problems and deficiencies within the programs and activities of the DNI. During this reporting period, the IC IG Counsel, through the Legislative Counsel, facilitated several congressional engagements with the IG, Deputy IG, and each of the AIGs on a variety of topics of interest to the congressional oversight committees, including establishment of the IC IG, addressing congressionally directed actions, IC IG reports on Cyberthreat Information Sharing and IC Continuity of Operations (COOP) efforts, IC IG budget and resource planning, and IC IG authorities to conduct IC-wide reviews.

### (U) Hearings and Testimony

(U//FOUO) In addition to those congressional engagements, on 5 June 2012, the Senate Select Committee on Intelligence (SSCI) held a hearing on the state of the IC from the perspective of the IC elements' Inspectors General. During this hearing, the IG led a panel of IGs from the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), the National Geospatial-Intelligence Agency (NGA), the National Reconnaissance Office (NRO), and the National Security Agency (NSA) in answering SSCI members' questions on current IC issues. The Members were most interested in IG budgets, retirement benefits for criminal investigators, management responses to IG investigation reports that substantiate employee misconduct, enhanced whistleblower protections for IC civilian employees, and "leaks" of classified information. The SSCI Chairman expressed appreciation for the insights shared by the IGs.

### (U) Legislation Impacting the IC IG

(U//FOUO) The IG did not make any legislative proposals this reporting period. However, the IG engaged with congressional committees on enacted legislation and provided input to the IAA for FY 2013, the FAA Sunsets Extension Act of 2012, the Whistleblower Enhancement Act of 2012, and the Reducing Over-classification Act of 2010.

## (U) Audit Division

(U//FOUO) The IC IG Audit Division conducts program, compliance, and financial audits and evaluations of ODNI and IC programs related to information technology, procurement, acquisitions, internal controls, financial statements, and financial management.

(U//FOUO) During this reporting period, the IC IG Audit Staff completed 5 audits and issued reports containing 27 recommendations to strengthen internal controls over financial management and information technology. As of 30 June 2012, the Audit staff had three on-going audits.

### (U) Completed Audits

*(U) Joint Audit of the Status of the Sharing of Cyber Threat Information - Classified Annex (AUD-2012-001, Completed November 2011)*

(U) We found that cyber centers, IC agencies, and cybersecurity stakeholders across the IC were actively sharing or supporting the sharing of information about cyber threats, threat sources, and system and network vulnerabilities. Information was exchanged through both formal channels and informal communications, using a wide variety of communication mechanisms. However, despite such sharing, our work identified two issues that, left unaddressed, may decrease the effectiveness and efficiency of the IC's cybersecurity efforts and increase the cybersecurity risks to the community and the Federal Government. First, to support cyber threat information sharing, a number of mandates, strategies, and programs had been established to provide frameworks and tools needed to implement and facilitate cybersecurity and cyber threat sharing across the IC. However, those multiple actions taken by different organizations across the government to achieve similar sharing goals have resulted in duplication of efforts or gaps in areas of responsibility. Second, despite the significant amounts of cyber threat information being shared across the community, IC cybersecurity officials identified multiple impediments that were hindering their efforts. Impediments included classification issues, a lack of common sharing guidelines, and the volume of unfiltered data.

(U) Cybersecurity officials we interviewed identified additional issues that they encountered in the course of their work that may hinder the efficiency or effectiveness of IC cybersecurity programs. Those issues included training and career flexibility to retain personnel with the required skill sets, no obligation for Federal contractors to report internal cybersecurity incidents to Federal authorities, and the lengthy process for acquiring or developing cybersecurity systems and tools that is not keeping pace with rapid cybersecurity technology changes.

*(U//FOUO) Fiscal Year 2011 Consolidated Federal Information Security Management Act (FISMA) of 2002 Capstone Report for the Intelligence Agencies' Inspectors General (AUD-2012-002, Completed November 2011)*

(U//FOUO) The objective of this evaluation was to collect and summarize the FY 2011 FISMA report submissions from the OIGs for the federal agencies operating or exercising control of National Security Systems. Based on the results of the 11 OIG reports, we found that incident response and reporting ranks the strongest among the 11 information security programs, with 9 OIGs noting that an incident response and reporting program had been established that met Office of Management and Budget (OMB) and National Institute of Standards and Technology (NIST) requirements. None of the agencies failed to establish a program. The remaining two OIGs reported that a program had been established but needed to make improvements to meet OMB and NIST requirements.

(U//FOUO) We identified two areas where more than one agency reported the absence of an established security program for continuous monitoring and remote access. Although most of the security programs for continuous monitoring and remote access had been established, agency OIGs identified weaknesses in all 11 program areas. Of those 11 programs areas, the majority of weaknesses were found in 4 areas: Contingency Planning, Plans of Action and Milestones, Security Configuration Management, and Certification and Accreditation.

**(U) Audit Division*****(U) Fiscal Year 2011 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002 (AUD-2012-003, Completed December 2011)***

(U) The objective of this evaluation was to provide an independent review of the ODNI's information security program and practices as required by FISMA. The specific purpose of this evaluation was to determine the adequacy of the information security programs for ODNI's Mission Support Directorate (MSD) and Intelink.

**(S//NF)*****(U) Congressionally Directed Action to Assess the Auditability Plans for CIA, DIA, NSA, NGA, and ODNI (AUD-2011-005, Completed January 2012)***

(U//FOUO) We conducted an assessment of the auditability plans submitted to Congress in September 2011 by CIA, DIA, NSA, NGA, and ODNI. We assessed the auditability plans' soundness and likely success, and any recommended improvements or changes to the plans.

(U//FOUO) We found no reasonable assurance that based on the plans we reviewed, any of the five entities would be able to achieve an unqualified opinion on their FY 2015 or FY 2016 financial statements.

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***(U) Review of the Office of the Director of National Intelligence's Compliance With the Improper Payments Elimination and Recovery Act (IPERA) of 2010 (AUD-2012-006, Completed May 2012)***

(U) IPERA is an annual statutory requirement that requires each agency IG to perform a compliance review. The objective of our review was to determine whether or not ODNI was in compliance with IPERA. The results of the review revealed that although ODNI reported improper payment information in its Annual Financial Report (AFR), ODNI was not in compliance with IPERA.

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## (U) Audit Division

### (U) Ongoing Audits

#### *(U) Audit of Intelligence Community Security Clearance Reciprocity*

(U//FOUO) The IC IG initiated this audit in response to a congressionally directed action in the IAA for FY 2010. This audit examined whether there were policies and processes within the IC that facilitated timely reciprocity of personnel security clearances. Specifically, the audit assessed the time required to obtain a reciprocal security clearance for three categories of IC personnel:

1. An employee of the IC who was detailed or assigned to another element of the IC (detailees and assignees);
2. An employee of the IC who was seeking permanent employment with another element of the IC (government transfers); and
3. A contractor seeking permanent employment with an element of the IC (contractor conversions).

(U) Suitability considerations are critical for employment decisions within the IC. Therefore, we also examined the impact of suitability on hiring actions for those personnel. We will issue our report by the end of FY 2012.

#### *(U) Study of Electronic Waste Disposal Practices in the Intelligence Community*

(U//FOUO) Per section 340 of the IAA for FY 2010, the IC IG initiated a study of the electronic waste disposal practices of the largest IC elements with exclusively intelligence related missions. This study was a joint effort with participation from CIA, DIA, NSA, NRO, and NSA IGs. The study had two objectives:

1. Identify and assess the security of electronic waste disposal practices in the IC, including the potential for counterintelligence exploitation; and
2. Identify methods to improve the security of disposal practices, including steps to prevent the forensic exploitation of electronic waste.

(U) We will submit our study to the Intelligence Committees by 7 November 2012.

#### *(U) Fiscal Year 2012 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002 Report*

(U) FISMA requires Federal agencies to establish security measures for information systems that support their operations and report annually on those measures. FISMA also requires that an annual independent evaluation be performed by the agencies' OIG. The objective of this evaluation is to provide an independent review of the ODNI's information security program and practices. The FY 2012 FISMA metrics require that OIGs report on their agencies' performances in 12 program areas, including:

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

(U) We will issue our report by the end of FY 2012.

## (U) Inspections Division

(U//FOUO) The IC IG Inspections Division conducts inspections, reviews, and evaluations to improve ODNI and IC-wide performance and integration. The division examines information access, collaboration, collection and analysis, IC programs and issues, and compliance with laws and regulations.

(U//FOUO) During this reporting period, the Inspections Division developed and implemented "Component Inspections" within the ODNI. Each Component Inspection covered four primary areas: 1) mission performance, 2) management effectiveness, 3) resource management, and 4) enterprise oversight. The results of each inspection were briefed to the component head, element employees, and the ODNI front office.

(U//FOUO) During this reporting period, the inspection staff completed three inspections. As of 30 June 2012, the inspection staff had two ongoing inspections.

### (U) Completed Inspections

*(U) Intelligence Community Equal Employment Opportunity and Diversity (IC EEOD) Office (INSP-2012-0002, Completed January 2012).*

(U//FOUO) This inspection occurred during November and December 2011. We noted

(U//FOUO) We noted the following commendables: IC-wide EEOD strategic and operational planning activities; task to budget linkage; oversight of IC enterprise EEOD activities; office workforce initiatives to improve staff performance; and a family-friendly work environment.

*(U) Office of the National Counterintelligence Executive (INSP-2012-0001, Completed April 2012)*

(U//FOUO) This inspection occurred during January and February 2012. The objective was to provide the incoming Director of National Counterintelligence with information on workplace challenges upon his arrival. Given the allotted time, we did not conduct a full-scope inspection.

(U//FOUO) As part of this review, we noted challenges in the following areas:

(U//FOUO) We noted the following commendables: a dedicated workforce; wide-ranging mission authorities; strong support from the DNI; highly-respected products; increased stature within the IC and CI communities; and an effective internal tasking system.

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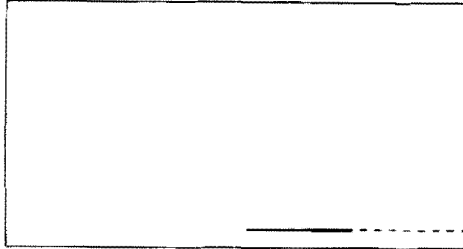
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## (U) Inspections Division

*(U) Capstone Report – Phase I: Intelligence Community Continuity of Operations Planning (COOP) (INSP-2011-003, Completed January 2012)*

(U//FOUO) Members of the Inspections Committee of the IC IG Forum agreed to participate in a two-phased assessment of IC agency COOP programs. During Phase I, participant IC OIGs conducted intelligence readiness and COOP inspections at their agencies, and the IC IG assessed those reports to identify any commonalities.

(TS//NF) Our review of the participants' OIG reports revealed the following commonalities:



(U//FOUO) Phase II will entail an IC IG evaluation of the ODNI COOP program, including ODNI compliance with Federal Continuity Directive 1, and a review of the National Intelligence Emergency Management Activity. Phase II will begin in FY 2014.

### (U) Ongoing Inspections

#### (U) Office of Legislative Affairs.

(U//FOUO) We are currently conducting a component inspection of the ODNI Office of Legislative Affairs.

#### (U) Office of Partner Engagement (PE)

(U//FOUO) We are currently conducting a Special Review within the ODNI PE Office. We are using an abridged scope and methodology to ensure timely and relevant input to the incoming PE Director.

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## (U) Investigations Division

(U//FOUO) The IC IG Investigations Division investigates allegations of violations of criminal laws and administrative regulations arising from the conduct of IC and ODNI employees and contractors. The division has unique authority to investigate matters related to the DNI's programs and activities across the IC. The division also plays a principal role in conducting IC-wide administrative investigations into unauthorized disclosures of classified information.

(U//FOUO) During this reporting period, the division opened 20 new investigations, and closed 21. Of the 21 cases closed during the reporting period, 7 were substantiated and involved violations such as time and attendance fraud, employee misconduct, and theft of government property. As of 30 June 2012, the division had nine ongoing investigations.

### (U) Select Completed Investigations:

*(U//FOUO) Alleged Unauthorized Commitment of Government Funds (INV-2011-0029A & INV-2011-0029B, June 2012)*

(U//FOUO) We completed two investigations that substantiated that an ODNI Senior Official and a GS-15 employee improperly committed over \$300,000 of government funds on seven different ODNI contracts. We also found that over \$20,000 was used for the purchase of prohibited items. Final ODNI executive management disciplinary and restitution decisions are pending.

*(U) Labor Mischarging (INV-2009-0013, December 2011)*

(U//FOUO) We completed a contract labor mischarging investigation that substantiated a contractor billed the Government for over 140 hours of labor that was not performed during a 9-month period. The United States Attorney's Office for the Eastern District of Virginia declined prosecution, and the contractor made restitution to the Government for \$11,117.87.

*(U//FOUO) Alleged Misuse of Government Equipment, Classified and Unclassified Systems, and Food Services Catering (INV-2012-0007, May 2012)*

(U) We completed a preliminary inquiry, referred from another agency, of a senior official alleged to have misused Government equipment, information systems, and catering services. The allegations were determined to be without merit and the matter was closed.

### (U) Other Investigative Activities

#### (U) Leaks Investigations

(U) The Investigations Division reviewed hundreds of closed cases from across the IC. Going forward, the division will engage in gap mitigation for those cases where an agency does not have the authority to investigate (multiple agencies or programs) or where DOJ declined criminal prosecution. The division will conduct administrative investigations with IG Investigators from affected IC elements to maximize efficiencies, expedite investigations, and enhance partnerships.

#### (U) Joint IC IG/DoD IG Accountability Review

(U) In response to the SSCI's concerns regarding employee accountability for misconduct, we are partnering with the DoD IG to conduct a joint review on the disciplinary actions taken in response to substantiated misconduct. This review will commence in July 2012.

#### (U) IC IG Contract Fraud Investigations and Recoveries Program

(U) The IC IG has undertaken an initiative to proactively identify false billings by ODNI contractors. This involves running a data interrogation program and conducting investigations to identify and address falsely billed costs. This program will also be used to identify overstaffed fixed price contracts, resulting in potential future contract savings.

#### (U) IC IG Complaint Intake Process (Hotline)

(U) The IC IG Complaint Intake Process, or Hotline, provides a confidential and reliable source for IC employees and contractors and the public to report fraud, waste, and abuse.

(U) Since the stand up of the IC IG in November 2011, the Hotline has received 105 contacts from the IC and the general public.

## (U) Management and Administration

(U//FOUO) In April 2012, the IC IG established the M&A Division. M&A provides expertise in financial management, procurement, human capital management, facilities management, continuity of operations, administration, information technology, and communications to support IC IG operations. M&A also manages the Inspector General's IC IG Forum responsibilities. The M&A Division is composed of two support branches – Administrative Services and Strategic Communications and Outreach.

### (U) Administrative Services

(U//FOUO) During the reporting period, the branch built a foundation capable of executing its statutory responsibilities, which included identifying and hiring a new leadership team, establishing office goals and objectives, and recruiting a new workforce.

(U) During this reporting period, M&A staff also began development of a new IC IG case management system. The staff captured topical requirements and initiated parallel efforts to enhance the office's IT infrastructure. The IT infrastructure improvement effort is composed of two phases: Phase 1 integrates existing software to manage both investigative cases and audits for the IC IG enterprise; Phase 2 is system development for real-time monitoring of IC IG status of efforts through an automated dashboard.

### (U) Strategic Communications and Outreach

(U) The IC IG outreach activities for this reporting period included chairing and participating in the IC IG Forum and IC IG Forum Committees, planning for the annual IC IG Conference and Awards program, developing the IC IG Strategic Plan and Management Framework, establishing an IC IG Quality Assurance Program, instituting a new records management system, and developing the IC IG's web presence.

(U) IC IG Forum. To facilitate collaboration, information sharing, and strategic planning among the IC OIGs, M&A staff supported three meetings of the IC IG Forum this reporting period.

(U) IC IG Conference and Awards. In an effort to improve efficiencies in FY 2012, we combined the Annual IC IG Conference with the Annual IC IG Awards Program. The M&A staff is overseeing planning and execution of this all-day event scheduled for 30 October 2012. The NGA OIG will host the conference, which will take place at the NGA Campus East in Springfield. Conference participants will have an opportunity to earn Certified Professional Education credits and to network, exchange ideas, and honor colleagues for their outstanding work.

As specified in ICD 655, IC IG Awards Program, Section VI, the Review Board will receive, review, and recommend nominations for the following award categories:

- IC IG Lifetime Achievement Award
- IC IG Leadership Award
- IC IG Audit Award
- IC IG Inspections Award
- IC IG Investigations Award
- IC IG Collaboration Award

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(U) IC IG Strategic Plan and Management Framework. Concurrent with the stand-up of the IC IG, the M&A staff authored foundational documents establishing the managerial framework for the IC IG. Specifically, the IC IG authored a Concept of Operations delineating roles and responsibilities and organization of the IC IG office. The M&A staff also authored a Strategic Plan detailing the office's short-term, medium-term, and long-term goals along with associated objectives, timelines, and metrics creating a way ahead for the IC IG. The staff also facilitated the development of other core processes and documentation, such as annual work plans and standard operating procedures.

## (U) Management and Administration

(U) IC IG Quality Assurance Program. The M&A Division established a Quality Assurance (QA) Program to ensure appropriate officials are kept informed of the IC IG's activities, findings, recommendations, and accomplishments as consistent with the IC IG's mission, statutory authority, and confidentiality requirements. As of this reporting period, we have retained a QA program manager and are in the process of establishing the foundation for a QA program.

(U) Website Restructuring and Enhancement. As part of the IC IG outreach initiative to improve the reporting of fraud, waste, abuse, and mismanagement and to increase awareness of the IC IG, the M&A staff initiated a series of web presence improvements. Currently the IC IG maintains

(U) Also, the ODNI's unclassified website, DNI.gov, informs the public about IC IG activities and provides contact information. Upgrades to the classified websites are underway beginning with the ODNI/IC Employee website. We subsequently intend to apply these improvements to the other websites to ensure a common experience and for those seeking to report fraud, waste, abuse, or misconduct, a reliable, user friendly interface.

(U) IC IG Records Management. During this reporting period the M&A staff worked with the ODNI Information Management Office to restructure its electronic records system to ensure compliance with ODNI policy and Archivist of the United States requirements concerning official government records. The office is employing Microsoft SharePoint to manage records during creation and has created a compliant, electronic records system using the ODNI's shared drives.

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☐ An unclassified website for IC-wide collaboration between Inspectors General.

## (U) IC IG Counsel

(U//FOUO) In accordance with Section 103H of the National Security Act of 1947, as amended, the IC IG has a separate Counsel who reports directly to the IG. The IC IG Counsel provides independent, objective, and confidential legal advice on a variety of legal and policy issues that impact the IC IG mission. The Counsel manages three main portfolios: Legal and Policy Reviews; Legislative Reviews and Congressional Engagements; and Intelligence Oversight.

### (U//FOUO) Legal and Policy Reviews

(U) During this reporting period, the Counsel was engaged in a robust outreach effort to the IC IG staff, ODNI components, and other IG Counsel counterparts to educate them on the establishment of the IC IG. Because the IC IG has broad statutory authority to identify and review IC-wide issues, the IC IG Counsel worked to ensure that this authority was understood by IC, ODNI, and IG stakeholders. That required collaborating with other IC IG Counsel on cross-jurisdictional issues that arose in conducting IC IG audits, inspections, and reviews. The Counsel fostered working relationships with ODNI's Office of General Counsel, Office of Civil Liberties and Privacy, Office of Equal Employment and Diversity, and other policy and compliance offices on ODNI policy matters that impact the IC IG Mission. To ensure legal sufficiency, the IC IG Counsel worked with the IG, the Deputy IG, and the AIGs to review all plans, projects, and reports. Finally, the Counsel participated in CIGIE and Federal Law Enforcement Training Center legal training for criminal and civil investigators, covering such issues as workplace searches, employee rights, and administrative investigations.

### (U//FOUO) Legislative Reviews

(U) The IC IG has a statutory obligation to make appropriate recommendations for legislation that promote economy, efficiency, and effectiveness in the administration and implementation of programs and activities within the responsibility and authority of the DNI. To meet that obligation, the IC IG Counsel oversees a dedicated Legislative Counsel that works with the ODNI Office of General Counsel and the Office of Legislative Affairs to review

legislative proposals that impact the DNI's mission. Moreover, the Legislative Counsel works with the Council of Counsels to Inspectors General to ensure that the IC IG and staff are aware of legislative proposals impacting the Federal IG mission. The IC IG did not make any legislative proposals during this reporting period. However, working through the Legislative Counsel, the IC IG Counsel was able to ensure that IC IG equities were considered in several critical pieces of legislation.

### (U//FOUO) Congressional Engagements

(U) The IC IG has an obligation to ensure that the congressional oversight committees are kept fully and currently informed of significant problems and deficiencies within the programs and activities of the ODNI. Accordingly, the IG tasked the IC IG Counsel to create a robust congressional outreach program. Under that program, the IC IG Counsel, through the Legislative Counsel, developed a strategy for meeting congressional reporting requirements; responding in a timely manner to congressional requests for meetings, briefings, hearings, and information; and ensuring appropriate coordination with IC IG Forum members as well as ODNI components. As highlighted previously in this report, the IC IG has had several engagements with congressional oversight committees during this reporting period.

### (U//FOUO) Intelligence Oversight (IO) Capability

(U) The IC IG's broad statutory authority to review systemic IC-wide deficiencies and make appropriate recommendations for corrective actions was envisioned to address the most critical problems facing the IC today. Information sharing, implementation of intelligence collection authorities under the USA PATRIOT Act and FISA Amendments Act, IC contractor fraud schemes, and unauthorized disclosures are just a few of the IC-wide issues that the IC IG will address under this authority. Recognizing that these reviews have cross-jurisdictional issues, the IG tasked the IC IG Counsel to establish a working group to determine options for developing a full IO capability. The working group is charged with defining the requirements, resources,

## (U) IC IG Counsel

and parameters for an IO capability and will make recommendations to the IG by the end of the next semiannual reporting period on how best to proceed.

### (U) Intelligence Oversight Board (IOB) Reporting

(U) The IC IG Counsel serves as the primary point of contact for IOB matters as part of the broader IC IG IO mission. Pursuant to Section 8(b)(ii) of Executive Order 13462: President's Intelligence Advisory Board and Intelligence Oversight Board, the DNI designated the IC IG as one of the entities within the ODNI responsible for submitting reports to the IOB. During the reporting period, the IC IG

Counsel worked diligently to update the ODNI IOB designations to reflect the IC IG statutory status.

(U//FOUO) The IC IG Counsel works closely with the IOB Counsel to ensure that IOB reportable matters within the responsibility and authority of the IC IG are reported to the IOB in a timely and consistent manner. Moreover, the IC IG Counsel works with the ODNI Office of General Counsel and Civil Liberties and Protection Office on IOB reportable matters referred to the IC IG for additional review and follow-up. The new reporting construct allows the DNI and the IOB greater insight into matters reported within the ODNI and the IC and will allow the IC IG to conduct objective reviews of IOB reportable matters.

## (U) IC Inspectors General Activities

### (U) IC IG Forum

(U//FOUO) The statutory IC IG Forum was established by the Intelligence Authorization Act for FY 2010. The IG chairs the Forum, which is composed of IC Inspectors General with oversight responsibilities for IC elements. The IC IG Assistant Inspectors General chair the Forum subcommittees. Forum members collaborate on IC-wide projects; share information and best practices; resolve jurisdictional issues; and facilitate access to employees, contractors, and other materials that may be of assistance to Forum members. The IG uses the Forum to understand and prioritize IC-wide projects, to seek key IG stakeholder buy-in on projects, and to develop strategies on how to best leverage limited IG resources across the community.

(U//FOUO) During this reporting period, the IG met individually with Inspectors General with intelligence oversight responsibilities to foster Forum collaboration. Those interactions assisted the IG in developing a strategy and an implementation plan for the statutory IC IG Forum. The Forum held its inaugural meeting on 19 January 2012, and held productive meetings in March and June.

(U//FOUO) The Forum members created the following five committees: Deputies Committee (Chair: Deputy IC IG; Members: Forum Deputy IGs); Audit Committee (Chair: IC IG AIG for Audit; Members: Forum AIGs for Audit); Inspections Committee (Chair: IC IG AIG for Inspections; Members: Forum AIGs for Inspections); Investigations Committee (Chair: IC IG AIG for Investigations; Members: Forum AIGs for Investigations); and Counsels Committee (Chair: Counsel to the IC IG; Members: Forum IG Counsels).

(U//FOUO) **Deputies Committee.** During the reporting period, the Deputies met to collaborate on issues impacting the Inspectors General from both an IG and an IC perspective. The Deputies focused on CIGIE standards, data calls, training opportunities, IC IG Conference planning, and the IC IG Awards Program.

(U//FOUO) **Audit Committee.** The Audit Committee met several times during the reporting period.

Committee members discussed on-going audit projects, the development of work plans, and the status of IC-wide congressionally directed actions.

#### (U//FOUO) Investigations Committee.

The Investigations Committee met several times during the reporting period and discussed investigative best practices, joint investigation procedures, retirement benefits for criminal investigators, and training opportunities for investigators.

(U//FOUO) **Inspections Committee.** The Inspections Committee met twice this reporting period and discussed inspector training requirements, status of voluntary Peer Review activities, and plans for the first IC-wide inspections. Committee members shared and discussed their respective work plans.

(U//FOUO) **Counsels Committee.** The Counsels Committee met several times during the reporting period and discussed jurisdictional issues for IC-wide projects, legislative impacts to the IC IG community mission, and training opportunities to better educate the IG workforce. In addition, the Counsels coordinated on several IG congressional engagements, including the SSCI Hearing on 5 June 2012.

### (U) IC-Wide Training

(U) The Office of the IC IG actively participated in a wide range of coordination and collaboration activities designed to increase its knowledge of and contribution to IG oversight within the Federal Government. An example of this collaboration was the IC IG-hosted Suspension and Debarment training seminar, which was provided to IC IG Forum investigators and attorneys.

(U//FOUO) The IC IG routinely supports CIGIE-sponsored training courses provided by the Federal Law Enforcement Training Center. By teaching the legal segments of those training courses, the IC IG assists CIGIE in meeting its training mission.

### (U) IC IG Peer Review Activities

(U) During this reporting period the IC IG did not participate in any peer review activities.

## (U) Appendix A: Statistical Overview

### (U) Audit Staff

~~(U//FOUO)~~ The Audit Staff completed 5 audits and issued reports containing 27 recommendations to strengthen internal controls over financial management and information technology. At the end of the reporting period, the Audit staff had three on-going audits.

### (U) Inspection Staff

~~(U//FOUO)~~ The Inspection Staff completed three inspections. At the end of the reporting period, the inspection staff had two ongoing inspections.

### (U) Investigations Staff

~~(U//FOUO)~~ The Investigations Division completed work on 12 legacy ODNI OIG matters of various types. Of the 12 cases, 6 were of sufficient significance to be the subject of a report of investigation.

~~(U//FOUO)~~ During the reporting period, the IC IG did not refer any criminal matters to DOJ.

~~(U//FOUO)~~ During the reporting period, the Investigation Staff identified approximately \$11,000 in recoverable funds.

~~(U//FOUO)~~ As of 30 June 2012, the Investigations Division had 9 open investigations (not including unauthorized disclosure matters).

~~(U//FOUO)~~ The Investigations Division is reviewing 375 unauthorized disclosure case files.

## (U) Appendix B: Summary of Audits

8 November 2011 – 30 June 2012

U Audit Number		U Audit Title
(U) Completed Audits		
Financial Management	AUD-2011-005	(U) 2011 Congressionally Directed Action (CDA) to Assess the Auditability Plans for CIA, DIA, NSA, NSA, and ODNI
	AUD-2012-006	(U) Review of the Office of the Director of National Intelligence's Compliance With the Improper Payments Elimination and Recovery Act (IPERA) of 2010
	AUD-2012-001	(U) Joint Audit of the Status of the Sharing of Cyber Threat Information - Classified Annex
Information Technology	AUD-2012-002	(U) Fiscal Year 2011 Consolidated Federal Information Security Management Act of 2002 Capstone Report for the Intelligence Agencies' Inspectors General
	AUD-2012-003	(U) Fiscal Year 2011 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002
(U) Ongoing Audits		
IC-wide Audits		(U) Audit of Intelligence Community Security Clearance Reciprocity
		<del>(U//FOUO)</del> Study of Electronic Waste Disposal Practices in the Intelligence Community
Information Technology		(U) Federal Information Security Management Act of 2002 (FISMA) 2012 Report



# (U) Appendix C: Summary of Inspections

8 November 2011 – 30 June 2012

(U) Inspection Number	(U) Inspection Title
(U) Completed Inspections	

Component Inspections	INSP 2012-0001	(U) Office of the National Counterintelligence Executive
	INSP 2012-0002	(U) Intelligence Community Equal Employment Opportunity and Diversity (IC EEO) Office
IC-wide Inspections	INSP 2011-0003	(U) Capstone Report – Phase I: Intelligence Community Continuity of Operations Planning

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## (U) Appendix D: Summary of Investigations

8 November 2011 – 30 June 2012

U. Case Number	II. CLOSED Investigations
INV-2009-0013	Time and Attendance Fraud
INV-2009-0028	Misconduct
INV-2010-0001	Alleged Ethics Violation
INV-2010-0008	Alleged Augmentation
INV-2011-0017	Misconduct
INV-2011-0018	Time and Attendance, Theft, and False Statements
INV-2011-0029a	Unauthorized Commitment of Government Funds
INV-2011-0029b	Unauthorized Commitment of Government Funds
INV-2011-0032	Misuse of Government Property
INV-2011-0035	Misconduct
INV-2011-0037	Misconduct and Contract Mismanagement
INV-2011-0041	FISA Amendments Act (FAA) Oversight Project
INV-2011-0043	Computer Misuse
INV-2011-0045	Misconduct
INV-2011-0046	Misconduct
INV-2011-0048	Misconduct
INV-2011-0049	Misconduct
INV-2011-0051	Misconduct
INV-2012-0004	Retaliation
INV-2012-0005	Unauthorized Commitment of Government Funds
INV-2012-0008	Misconduct

**(U) Appendix E: Ongoing Investigations**

As of 30 June 2012

(U) Case Number	(U) OPEN Investigations
(U) Criminal and Prohibited Acts	
False Claims/Statements/Vouchers	
False Claims – Time and Attendance	
Misconduct – Employee	
Misconduct – Management	
Procurement Fraud	
Reprisal	
(U) Total Ongoing Investigations	

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## (U) Appendix F: Status of Recommendations

U. CAPSTONE REPORT PHASE I: INTELLIGENCE COMMUNITY CONTINUITY OF OPERATIONS PLANNING (ISSUED JAN 2012)

Summary of OPEN Recommendations

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<div data-bbox="175 1654 277 1682" data-label="Text"><p>[Redacted]</p></div>	<div data-bbox="1263 1688 1365 1703" data-label="Text"><p>[Redacted]</p></div>

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## (U) Appendix F: Status of Recommendations

Summary of OPEN Recommendation (continued)

Recommendation	Responsible Office	Corrective Action
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## (U) Appendix F: Status of Recommendations

U REVIEW OF THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE'S COMPLIANCE WITH THE IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010 (ISSUED MAY 2012)

Summary of OPEN Recommendations

Recommendation	Responsible Office	Corrective Action
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## (U) Strategic Goals and Objectives

### • (U) Establish IC IG Foundation

- (U) Develop policy, staffing, and training documentation.
- (U) Publish an IC IG Strategic Plan and a Concept of Operations.

### • (U) Implement and Fulfill IC IG's ODNi Mission

- (U) Prepare, plan, develop, and implement a solid foundation for the sustainment of ODNi focused inspections, audits, and investigations.
- (U) Develop a communication and outreach plan.
- (U) Incorporate continuous improvement of economy, efficiency, effectiveness, and integration into ODNi operations.

### • (U) Implement IC IG's IC-Wide Mission

- (U) Lead and leverage the IC IG Forum to develop a foundation and the procedures for IC-wide inspections, audits and investigations.
- (U) Establish a comprehensive IC-wide peer review program.
- (U) Develop a communication and outreach plan for IC-wide efforts.



~~TOP SECRET // NOFORN~~

**(U) REPORT FRAUD, WASTE, ABUSE, OR MISCONDUCT**

**(U) TO REPORT ALLEGATIONS OF FRAUD, WASTE, ABUSE, OR MISCONDUCT IN THE ODNI OR IC AGENCIES.**

**CONTACT:**

**OFFICE OF THE INTELLIGENCE COMMUNITY INSPECTOR GENERAL  
INVESTIGATIONS DIVISION  
WASHINGTON, DC 20511  
COMMERCIAL: (703) 482-1300**

**OR**

**ICIG\_COMPLAINTS@ODNI.GOV**

**FOR THE PERIOD OF 8 NOVEMBER 2011 TO 30 JUNE 2012**

**IMPORTANT NOTICE**

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