

Defense
Intelligence
Agency



Office of the
Inspector General

Semiannual Report
to Congress

April 1, 2022-September 30, 2022



Defense Intelligence Agency Office of the Inspector General

Semiannual Report to Congress 3rd and 4th Quarters, FY 2022

The Defense Intelligence Agency Office of the Inspector General has strived to make this report as transparent as possible while safeguarding sensitive information. Where appropriate, we have removed or rephrased information to avoid disclosing classified material. Although we have worked to provide a comprehensive unclassified report, the classified addendum contains additional reports and details that are not publicly releasable.

This report, with its classified addendum is posted on the Joint Worldwide Intelligence Communications System and on the Secret Internet Protocol Router Network. A copy of this report, excluding its addendum, can also be found on the Internet at <https://oig.dia.mil/> and at <https://www.oversight.gov>.

To request physical copies of this report, contact the DIA OIG at (202) 231-1010.

Defense Intelligence Agency
ATTN: Office of the Inspector General
7400 Pentagon
Washington, DC 20301-7400

**Are you aware of fraud, waste,
or abuse in a DIA
program? If so, report it!**

DIA Inspector General Hotline

Via phone: (202) 231-1000

Via NIPR email: ig_hotline@dodiis.mil

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The DIA Office of the Inspector General

The Defense Intelligence Agency (DIA) Office of the Inspector General (OIG) is one of 75 Federal statutory Inspectors General (IGs) established by the IG Act of 1978, as amended. The IG Act requires OIG independence and objectivity, and contains safeguards against efforts to impair or hinder OIG operations.

Our Mission

Conduct independent, objective, and timely oversight across the DIA Enterprise to promote economy; deter and detect fraud, waste, abuse, and mismanagement; and inform DIA and Congress. We accomplish this through independent audits, inspections, evaluations, investigations, and the OIG Hotline Program.

Our Vision

Foster an inclusive and dynamic team of professionals that is a catalyst for accountability and positive change, to compel a more unified, adaptive, relevant, and agile DIA Enterprise.



Our Values

Teamwork

Collaboratively partner internally and across organizational boundaries to achieve common goals.

Integrity

Courageously adhere to the highest ethical principles and honor confidentiality, objectivity, and trustworthiness.

Excellence

Provide the highest quality products and customer service.

Accountability

Steadfastly commit to deliver solutions that meet the highest standards.

Initiative

Insightfully solve challenges and organize priorities.

A Message from the Inspector General

Kristi M. Waschull

I am pleased to present to Congress this Semiannual Report on the oversight of the Defense Intelligence Agency (DIA), which covers the period from April 1, 2022 to September 30, 2022.

As discussed in greater detail throughout this report, our audits, evaluations, and investigations are intended to promote the integrity and efficiency of DIA's operations and programs and ensuring that taxpayer dollars are expended wisely. Toward this end, DIA OIG developed a framework to help us in taking a risk-based approach to identifying our future discretionary projects. This will help us to focus our limited resources in the most impactful and informative way for all of our stakeholders and provides a path to support DIA's efforts in strategic competition.

Within the past 6 months, our Audits Division has completed and issued three audit reports pertaining to various aspects of DIA's financial management. Our Inspections and Evaluations Division has completed and issued two reports related to personnel and business support programs. DIA OIG also issued a Management Alert regarding risk to accountability of globally-assigned personnel, and these two divisions worked closely with DIA elements to close eight recommendations.

To reflect our vision and priorities, we are finalizing the DIA OIG 2023-2028 Strategic Plan. The goals and objectives we will highlight were deliberately chosen to assist us in being more effective in our oversight mission, including maximizing our value to stakeholders, cultivating a diverse, inclusive, and inspired workforce, and optimizing our OIG operations. I am looking forward to reporting on the strategy, goals, and objectives we set forth in our strategic plan and the progress we anticipate.

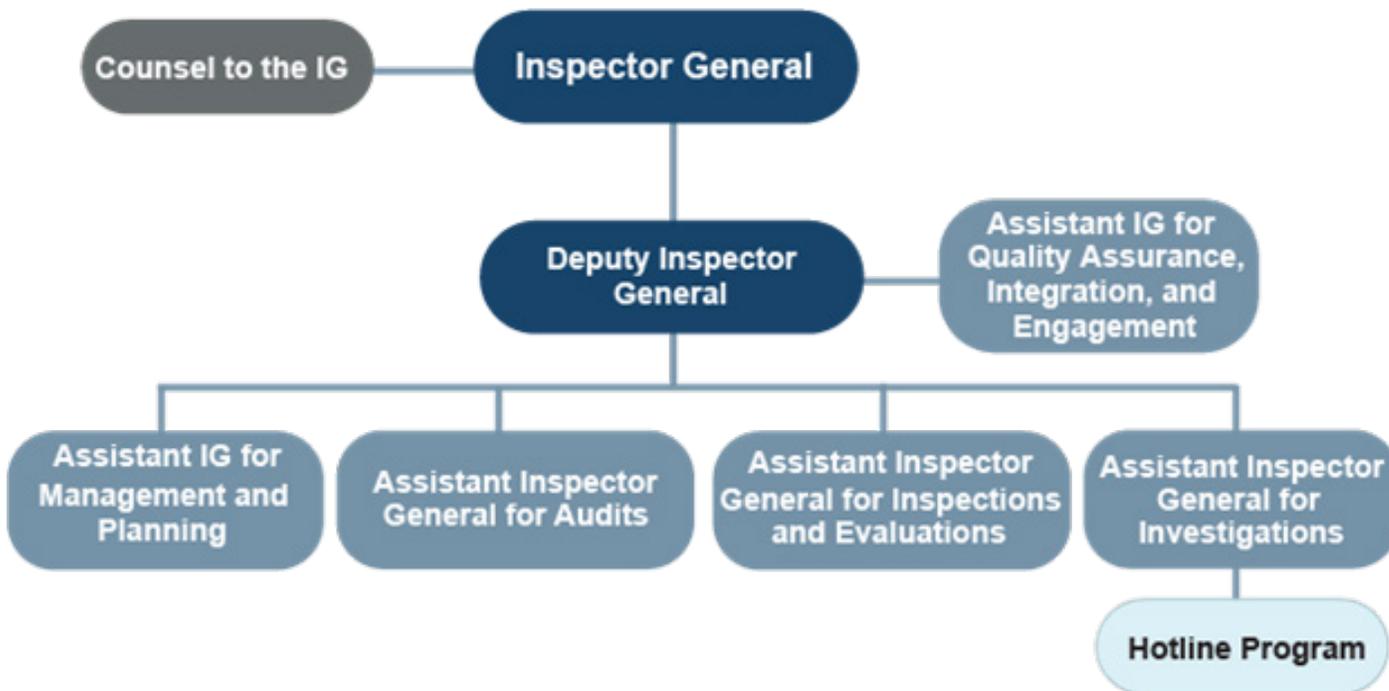
We have a great team here, and we will continue our commitment to work with integrity, independence, and transparency to conduct impactful oversight. This Semiannual Report reflects the exceptional work of DIA OIG personnel.

This product, along with other unclassified summaries and reports, can be found on our DIA website, <https://oig.dia.mil>, and the IG community site operated by the Council of the Inspectors General on Integrity and Efficiency, <https://www.oversight.gov>.



Kristi M. Waschull
Inspector General

OIG Organizational Chart



Audits

The Audits Division reviews all aspects of DIA operations, providing recommendations that reduce costs; improve operational efficiency and effectiveness; strengthen internal controls; and achieve compliance with laws, regulations, and policy. It also oversees the annual independent audit of the Agency’s financial statements.

Inspections and Evaluations

The Inspections and Evaluations Division inspects and evaluates DIA organizations, programs, and functions by conducting in-depth reviews across the Agency that examine and assess processes, procedures, internal controls, performance measures, compliance with regulatory and policy guidance, interrelationships, and customer satisfaction.

Investigations

The Investigations Division conducts proactive and reactive administrative and criminal investigations to detect, deter, and report fraud, waste, and abuse within DIA; develops sufficient evidence to successfully resolve all allegations and facilitate successful criminal prosecution or management-directed disciplinary action; and identifies and reports internal control weaknesses that could render DIA programs and systems vulnerable to exploitation. The Investigations Division, at its discretion, reports and investigates questionable intelligence activities, as defined by Executive Order 12333, “*United States Intelligence Activities*,” as amended.

Hotline Program

The Hotline Program is a confidential and reliable means for DIA employees and the public to report fraud, waste, mismanagement, and abuse of authority pertaining to DIA. The program's primary role is to receive and evaluate concerns and complaints and determine whether to investigate or refer to the Agency or the responsible element that is best suited to take appropriate action.

Management and Planning

The Management and Planning Division manages all administrative programs and services directly supporting OIG. The Division enables audit, inspection, evaluation, and investigation activities and facilitates timely production of oversight products for DIA senior leadership and congressional overseers. Management and Planning Division functions include, but are not limited to, manpower, budget, records management, correspondence, Freedom of Information Act and Privacy Act compliance, security, planning, training, information systems, and data analytics supporting the OIG mission.



“It is through our diligent work and steadfast spirit that our organization continues to compel management action and keep Congress fully and currently informed.”

Kristi M. Waschull,
Inspector General

Whistleblower Protections

Our office continues to brief DIA personnel about the Hotline Program and the protections afforded to Whistleblowers – those who, in good faith, report fraud, waste, and abuse. One of our key priorities is encouraging employees to report wrongdoing, which is an essential service for the public and DIA. They should never be subject to or threatened with reprisal for coming forward with a protected communication or disclosure. Protecting employees when they report wrongdoing is also a key priority. We thoroughly review all allegations of reprisal and fully investigate when appropriate. When a case is substantiated, we refer the matter to the appropriate management officials for further action. The facts developed during our investigations are the foundation for the Agency taking corrective actions. The results of individual investigations and corrective actions taken are reported on page 21 of this report. Also, if during the investigation, we determine an internal control is lacking, we advise the appropriate management officials of this determination.

We preserve the confidentiality of individuals who provide us with information unless those individuals consent to disclosure or disclosure is determined to be unavoidable during an investigation.

We received and acted on 26 complaints alleging reprisal or retaliation during this reporting period:

26 Complaints Alleging Reprisal or Retaliation:

3 Reprisal investigations initiated

10 Complaints currently under review to validate if they meet the *prima facie* elements of reprisal

13 Complaints declined (total)

- **10** Complaints did not meet *prima facie* elements
- **2** Complaints determined to have no nexus to DIA (including Agency personnel) – subsequently referred to appropriate OIG (e.g., DoD IG, USCYBERCOM)
- **1** Complaint determined to be under Equal Employment Office (EEO) purview – subsequently referred to the DIA Equal Opportunity & Diversity Office (EO)

¹ Reprisal complaints are recorded when we receive and review them to determine if an investigation is warranted. When investigative activity is completed, allegations of reprisal or retaliation are substantiated or unsubstantiated. The results of our investigative activity is communicated to whistleblowers or complainants who are advised that they may request further review of our findings by the Intelligence Community IG or DOD IG.

Statutory Reporting

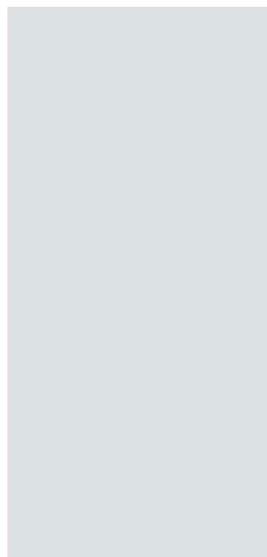
Reports to the Director of Refusal to Provide Information

Section 5(a)(5) of the IG Act of 1978 requires IGs to promptly report to the head of the establishment if the information requested is unreasonably refused or not provided. No such reports were made during this reporting period.



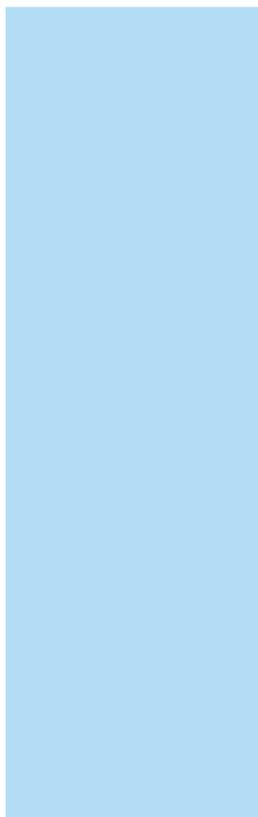
Reports Previously Issued That Lacked Management Comment Within 60 Days

Section 5(a)(10)(B) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide a summary of each audit, inspection, and evaluation report issued prior to the current reporting period for which no establishment comment was returned within 60 days of delivery of the report. No such reports were made during this reporting period.



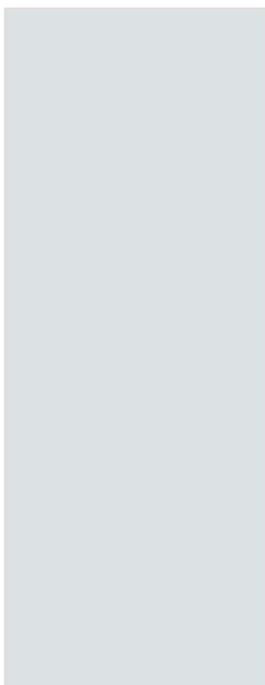
Significant Revised Management Decisions

Section 5(a)(11) of the IG Act of 1978 requires IGs to describe and explain the reasons for any significant revised management decisions made during the reporting period. We are not aware of revisions to any significant management decisions during this reporting period.



Significant Management Decisions With Which the IG Disagrees

Section 5(a)(12) of the IG Act of 1978 requires IGs to provide information concerning any significant management decisions with which they disagree. During this reporting period, there were no instances in which the IG disagreed with significant management decisions.



Federal Financial Management Improvement Act of 1996

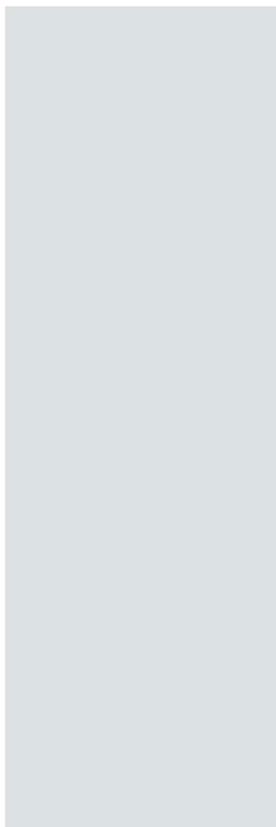
Section 5(a)(13) of the IG Act of 1978 requires IGs to provide information described under section 804(b) of the Federal Financial Management Improvement Act (FFMIA) of 1996. This involves instances when an agency has not met the intermediate target dates established in its remediation plans required by the FFMIA. DIA management stated, in the DIA Agency Financial report for fiscal year (FY) 2021, that it is not in full compliance with FFMIA Section 803(a). The DIA financial management systems are not in full compliance with (1) Federal financial management system requirements, and (2) applicable Federal accounting standards. DIA management stated that it expected this material weakness would continue, with a correction target of FY 2024.



Statutory Reporting Cont'd

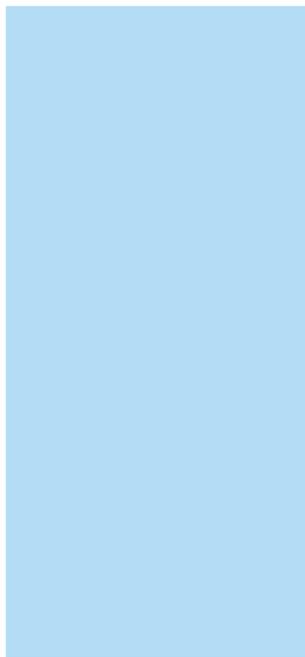
Attempts to Interfere With the IG's Independence

Section 5(a)(21) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide detailed descriptions of any attempts by their establishments to interfere with their independence. During this reporting period, there were no noted instances involving interference with the IG's independence.



Public Disclosure

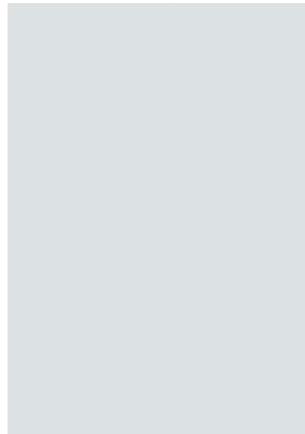
Section 5(a)(22) of the IG Act of 1978, as amended by the IG Empowerment Act, requires IGs to provide detailed descriptions of inspections, evaluations, audits, and investigations involving senior employees that were closed during the reporting period without being publicly disclosed. Summaries of all such work are included in the appropriate sections of this report.



Peer Reviews

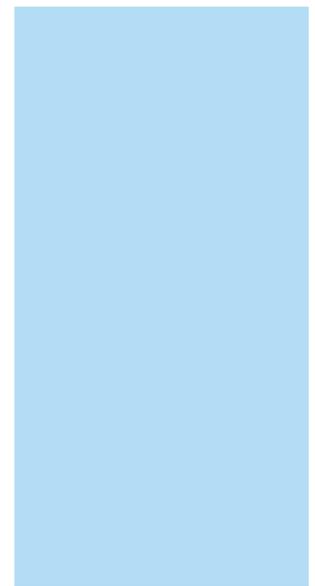
(U) Sections 5(a)(14–16) of the IG Act require IGs to report information about peer reviews that their offices have been subject to, including any recommendations that have not been fully implemented and a justification as to why.

On August 1, 2022, the Central Intelligence Agency OIG led a multi-Agency team to complete a peer review of our inspections and evaluations work for three years. They issued a pass rating and all considerations have been implemented. Also, on January 22, 2021, the National Geospatial-Intelligence Agency OIG completed a peer review of our Audits covering the preceding three years. They issued a pass rating and all recommendations have been implemented.



National Defense Authorization Act of FY 2020

Section 6718(b) of the FY 2020 National Defense Authorization Act requires IGs to report the number of investigations regarding unauthorized public disclosures of classified information to congressional intelligence committees, including the number of reports opened, closed, and referred to the Attorney General for criminal investigation. We did not open, close, or refer any such investigations this reporting period.



Legislative and Regulatory Review

Section 4(a) of the IG Act of 1978 requires IGs to review existing and proposed legislation and regulations relating to the programs and operations of their respective organizations. We review legislation, executive orders, DoD and Agency policy, and other issuances. The primary purpose of our reviews is to assess the impact of proposed legislation or regulations on the economy and efficiency of programs and operations administered or financed by DIA, or the potential for fraud and abuse in these programs. During the reporting period, we reviewed proposed changes to the following:

Legislation	2
Department of Defense Issuances	3
Defense Intelligence Agency Issuances	2
Office of the Director of National Intelligence Issuances	1
Executive Orders	0

DIA Conference Reporting

(U) Section 738 of the Consolidated Appropriations Act of 2019 requires the heads of executive branch organizations to provide certain details to the IG regarding the organization’s involvement in conferences. The table below represents reported conference costs with totals that exceed the reporting threshold of \$20,000. Most reported costs are estimates. We have not verified the accuracy or completeness of the data reported below; calculations were done by the appropriate Agency points of contact. We have also not verified whether DIA employees hosted or attended these conferences person or virtually.

Conference Name	Type	Estimated Cost	Actual Cost
DIA-Activity Conference	DIA- Jointly Hosted	\$376,102	Pending
DIA-Activity Conference	DIA-Hosted	\$156,909	Pending
American Association of Police Polygraphists 45th Annual Training Seminar	Non-DoD- Hosted	\$84,723	Pending
Integrated Facilities and Logistics Summit	Non-DoD- Hosted	\$20,181	Pending
Integrated Facilities and Logistics Summit FY22	Non-DoD- Hosted	\$25,074	Pending
DIA-Activity Conference	DIA-Hosted	\$35,628	Pending
DIA-Activity Conference	DIA-Hosted	\$73,450	Pending
DIA-Activity Conference	DIA-Hosted	\$334,246	Pending
2022 Department of Defense Intelligence Information System Worldwide Conference	DIA-Hosted	\$831,280	Pending
Society for Human Resources Management 22 Conference	Non-DoD- Hosted	\$24,946	Pending

Summary of Performance

For the Period April 1, 2022– September 30, 2022

Expected Fraud Recoveries \$74K



Reports Issued

Audits: 3
Inspections & Evaluations: 2
Investigations: 17

Management Referrals Issued

Investigations: 15

Management Alerts Issued

Inspections & Evaluations: 2

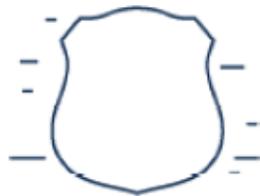


Recommendations Issued

Audits: 10
Inspections & Evaluations: 11
Investigations: 12

Recommendations Closed

Audits: 5
Inspections & Evaluations: 3
Investigations: 1

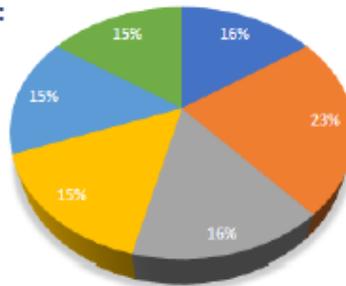


Investigative Activity

Hotline Contacts Received: 7,189
Hotline Inquiries Opened: 171
Investigation Cases Opened: 13
Management Referral Cases Opened: 14

**17 Reports of Investigation Issued–
13 with Substantiated Allegations**

Substantiated Allegation Breakdown:



■ Reprisal ■ Time & Labor Fraud ■ Misuse of Govt Resources
■ Abuse of Authority ■ Cost Mischarging ■ Misconduct



Summary of Audits Division Activity

(U) As of September 30, 2022, the Audits Division completed three projects and had five ongoing projects. We entered the reporting period with 23 open recommendations, closed five recommendations, issued 10 new recommendations, and ended the reporting period with 28 open recommendations. We continued to coordinate with DIA management on the status of its corrective action plans for the remaining open recommendations.

COMPLETED PROJECTS

Evaluation of DIA's Compliance with the Federal Information Security Modernization Act, Project 2022-1005, Issued July 28, 2022

What We Did. We evaluated the effectiveness of DIA's overall information security program based on DIA's implementation of the Federal Information Security Modernization Act (FISMA).

What We Found. For more information on the project and results, please see the "Classified Summaries of Audits Division Activity" section on page 3 of the Classified Addendum.

What We Recommended. Our results can be found in the "Classified Status of Recommendation" table A-2 located on page 3 of the Classified Addendum.

Evaluation of DIA’s Compliance with the Payment Integrity Information Act for Fiscal Year 2021, Project 2022-1003, Issued April 21, 2022

What We Did. We evaluated DIA’s compliance with the Payment Integrity Information Act (PIIA) for FY 2021.

What We Found. DIA complied with PIIA requirements for FY 2021, but did not revise its payment integrity Standard Operating Procedures (SOPs) to incorporate the latest changes to PIIA and Office of Management and Budget (OMB) policies. Updated SOPs may help DIA mitigate risks of future non-compliance with PIIA requirements.

What We Recommended. We recommended the Office of the Chief Financial Officer (CFO) revise all SOPs related to payment integrity. At a minimum, CFO should incorporate the latest PIIA, OMB, and all other applicable policies, and outline any updates to CFO’s process for managing DIA’s payment integrity program, including all relevant sections of each SOP. Our finding and recommendation will provide valuable insight to Agency decision makers to use as they address risk gaps relating to our DIA Top Management Challenge—Financial Management.

Audit of DIA’s Machine-assisted Analytical Rapid-repository System Program, Project 2021-1006, Issued September 26, 2022

What We Did. We determined whether DIA’s Machine-assisted Analytic Rapid-repository System (MARS) Program data will be maintained and structured to enable mission needs and security requirements.

What We Found. For more information on the project and results, please see the “Classified Summaries of Audit Division Activity” section on page 4 of the Classified Addendum.

What We Recommended. Our results can be found in the “Classified Status of Recommendations” table A-5 on page 16 of the Classified Addendum.

ONGOING PROJECTS

Audit of DIA’s Management of the Joint Worldwide Intelligence Communication System, Project 2022-1001

Overview. Our objective is to determine whether processes for the management of the current Joint Worldwide Intelligence Communication System network and its modernization plan are designed to maintain network resiliency by meeting present and future security and capability requirements. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The project was in the fieldwork phase at the end of the reporting period.

Audit of DIA’s Emergency and Extraordinary Expenses, Project 2020-1001

Overview. Our objective is to determine whether DIA’s Emergency and Extraordinary Expenses are properly authorized and that reimbursements have been properly supported. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. The project was in the fieldwork phase at the end of the reporting period.

Audit of DIA’s Financial Statements for Fiscal Year 2022, Project 2022-1004

Overview. We engaged an independent public accountant to conduct this audit. The objective is to evaluate the reliability of data supporting financial statements, determine the reasonableness of the statements produced, and examine disclosures in accordance with applicable guidance. The IPA will also review the reliability of financial systems, effectiveness of internal controls, and compliance with laws and regulations. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. The project was in the fieldwork phase at the end of the reporting period.

Audit of DIA’s Commercial Contract Payments, Project 2022-1006

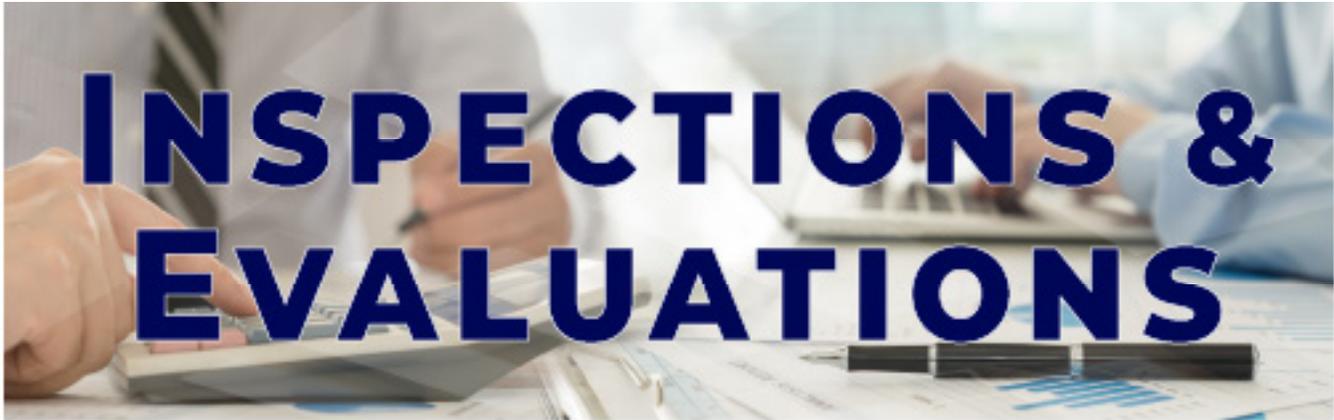
Overview. Our objective is to determine whether DIA’s Commercial Contract Payments were proper, supported, and timely. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status. The project was in the fieldwork phase at the end of the reporting period.

Audit of DIA’s Management of Privileged User Accounts, Project 2022-1002

Overview. Our objective is to determine if individuals using privileged user accounts are limited to only their required role assignments and functions and that these account privileges are revoked once no longer needed. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The project was in the fieldwork phase at the end of the reporting period.



Summary of Inspections and Evaluations Division

As of September 30, 2022, the Inspections and Evaluations Division completed two projects and had six ongoing projects. The division also completed two additional oversight products. We entered the reporting period with 55 open recommendations. We closed three closed recommendations, issued 11 new recommendations, and ended the reporting period with 63 open recommendations. We continued to coordinate with DIA management on the status of its corrective action plans for the remaining open recommendations.

COMPLETED PROJECTS

Evaluation of DIA's Management of Defense Open Source Intelligence, Project 2021-2004, Issued June 30, 2022

What We Did. We evaluated DIA's efforts to assess, standardize, and coordinate open source intelligence (OSINT) tools and data sets across DoD Components. This included DIA's roles and responsibilities in standardizing tools and data sets for the Defense Intelligence Enterprise.

What We Found. We found that DIA did not fulfil all responsibilities and requirements outlined in DoD policy. We also found that DIA did not consistently meet DIA policy requirements in the management, tracking, and coordination of OSINT tool and data investments.

What We Recommend. We made recommendations to DIA management that, upon implementation, will improve the Agency's adherence to governing policies and strengthen its ability to assess, standardize, and coordinate OSINT tools and data. Our findings and recommendations provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight and Financial Management. Management agreed with our recommendations.

Fiscal Year 2022 Report on Classification, Project 2022-2002, Issued September 7, 2022

What We Did. In accordance with the National Defense Authorization Act for FY 2020, we assessed the accuracy of the application of classification and handling markers on a representative sample of finished reports, including such reports that are compartmented. We validated Agency progress on our FY 2021 Report on Classification, Project 2021-2002 recommendations.

What We Found. The results of our FY 2022 report were consistent with our FY 2021 report; we did not make new findings or add new recommendations in the FY 2022 report. For more information on our FY 2021 report, please see the “Classified Inspections and Evaluations Division Recommendations” section on page 31 of the Classified Addendum.

What We Recommend. We did not issue new recommendations in the FY 2022 report. The recommendations provided in the FY 2021 report provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight. Management agreed with our recommendations.

OTHER COMPLETED PRODUCTS

Management Alert – Risk to the Accountability for Personnel Assigned to the Defense Attaché Service, Issued June 9, 2022

Overview. During our evaluation of the Defense Attaché Service, we identified a risk area. For more information on the project and results, please see the “Classified Summaries of Inspections and Evaluations Division Activity” section on page 5 of the Classified Addendum.

What We Concluded. Our results can be found in the “Classified Summaries of Inspections and Evaluations Division Activity” section on page 5 of the Classified Addendum.

Management Alert – Risk to DIA’s Civilian Talent Management, Issued June 10, 2022

(U) Overview. During our evaluation of Analytic Talent Management, Project 2021-2003, we identified risks to DIA’s talent management mission beyond our focus on the analytic career field.

(U) What We Concluded. Our work indicated that DIA’s progress towards reaching its talent management objectives may be uneven. For more information on the management alert, please see the “Classified Summaries of Inspections and Evaluations Division Activity” section on page 5 of the Classified Addendum.

ONGOING PROJECTS

Evaluation of Analytic Talent Management, Project 2021- 2003

Overview. Our objective for this project is to evaluate the effectiveness of DIA’s recruitment and hiring of officers for the Analysis Career Field. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital and Talent Management.

Status. The evaluation was in the report writing phase at the end of the reporting period.

Review of DIA’s Enhanced Personnel Security Program, Project 2022-2001

Overview. In accordance with title 5, United States Code, section 11001 (5 U.S.C. § 1101), “*Enhanced personnel security programs (2015) (amended 2019, effective 2020)*”, our project objectives are to assess the effectiveness and fairness of the continuous evaluation and continuous vetting performance measures and standards established by the Director of National Intelligence for covered individuals. Project results will provide insight to Agency decision makers to use as they address risk gaps relating to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status. The review was in the report writing phase at the end of the reporting period.

Support to the Office of the Inspector General of the Intelligence Community Special Review of Intelligence Community Support to Screening and Vetting of Persons from Afghanistan, Project INS-2022-2003

Overview. The project objective is to assess the IC’s support to screening and vetting of persons from Afghanistan in August 2021. We are supporting this special review with the Office of the Inspector General of the Intelligence Community and the Department of Homeland Security Office of Inspector General.

Status. The special review was in the report writing phase at the end of the reporting period.

Defense Intelligence Enterprise Management Capstone, Project 2022-2003

Overview. Our objective for this project is to identify and analyze common themes in findings, conclusions, and open recommendations from applicable published OIG reporting on DIA’s roles and responsibilities related to management of the Defense Intelligence Enterprise. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership and Oversight.

Status. The project was in the fieldwork phase at the end of the reporting period.

⁴The term “covered individual” means an individual employed by an agency or a contractor of an agency who has been determined eligible for access to classified information or eligible to hold a sensitive position.

Evaluation of Leadership, Culture, and Accountability within the Defense Attaché Service, Project 2022-2004

Overview. Our objective for this project is to conduct an 18-month, multi-stage evaluation of leadership, culture, and accountability within the Defense Attaché Service (DAS). We will conduct this project in four distinct stages to ensure comprehensive oversight and publish the results following the completion of stage fieldwork. We are currently conducting stage 1. Project results will provide insight to Agency decision makers to address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership and Oversight.

Status. The project was in the stage one fieldwork phase at the end of the reporting period.

Evaluation of Analytic Tradecraft Standards, Project 2022-2005

Overview. Our objective for this project is to evaluate whether DIA’s analytic tradecraft policies and procedures are designed, implemented, and overseen in accordance with all higher-level governance. Project results will provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership and Oversight.

Status. The project was in the fieldwork phase at the end of the reporting period.



Summary of Investigations Division Activity

As of September 30, 2022, the Investigations Division has 33 cases either closed or awaiting closure, published 17 Reports of Investigation (13 of which were substantiated violations), opened 27 new cases (consisting of 13 new investigations and 14 new management referral-related matters), and has a total of 56 ongoing cases involving 51 active investigations and 5 management referral-related matters.

Reprisal and Abuse of Authority Investigations

We completed seven investigations involving allegations of reprisal or abuse of authority – five of which were made during an earlier reporting period. We did not substantiate reprisal allegations in any of the cases. However, we did substantiate abuse of authority allegations in two of them.

During this reporting period, we received 26 reprisal complaints (24 from DIA personnel and 2 referrals from the Department of Defense Office of the Inspector General [DoD IG]):

- Three of the complaints are under active investigation by our office;
- Ten complaints, including a request for reconsideration, did not meet the *prima facie* elements of reprisal;
- One complaint, although meeting the *prima facie* elements of reprisal, was referred from DIA OIG to the DoD IG, as it was determined to have no nexus with DIA (including Agency-related personnel);
- One complaint was determined to have no nexus with DIA (including Agency-related personnel); as a result, DIA OIG advised the Complainant to file their complaint with the DoD IG or USCYBERCOM Office of the Inspector General;
- One complaint was determined to fall under the purview of EO and was referred accordingly; and
- The remaining ten complaints are presently under review to validate whether they meet the *prima facie* elements of reprisal.

When we determined that the reprisal complaints did not meet the *prima facie* elements of reprisal, we notified the employees in writing of our determination and of their right to an external review by the Inspector General of the Intelligence Community (IC IG) or, in some instances, the DoD IG. We also provided copies of the notifications to the DoD IG and IC IG for their awareness in those cases where the employees sought external review of our determination.

Summaries of Published Investigative Reports

SUBSTANTIATED CASES

Contractor Cost Mischarging Investigation, Case 2018-005068-OI, Issued April 11, 2022

What Was Alleged. We investigated an allegation of contractor cost-mischarging involving a DIA vendor for having fraudulently prepared and submitted inaccurate invoices in support of a DIA IT project. The allegations included claiming work hours that were not actually worked, receiving contractor kickbacks, using non-U.S. persons working on the contract, and reprisal by the vendor after the contractor employee made the vendor aware of the alleged fraud.

What We Found. We determined the vendor violated 31 U.S.C. § 3729, “*False Claims Act*” by having inflated and fraudulently submitted invoices from September 27, 2017, to September 21, 2018. We also determined the DIA civilian IT project team (consisting of four DIA civilian employees) failed to exercise the level of care in their performance that a responsible person would exercise under the circumstances for proper oversight to the IT project, which led to a cost overrun of \$264,958.44 and allowed the fraudulent activities to occur throughout the contract (see *Robinson v. Department of Veterans Affairs (VA)*, 923 F.3d 1004 [Fed. Cir. 2019]). The resultant loss to the Government was estimated at \$1,084,958.44.

What We Concluded. As the determination represented a violation of Federal statute, this case was referred to the Office of the Assistant U.S. Attorney (OUSA) for the Eastern District of Pennsylvania, who accepted it to pursue federal civil prosecution. Under its purview, the OUSA and the vendor entered into an agreement for the vendor to pay the Government \$820,000 in lieu of admitting culpability in the fraud allegations. We also referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary actions, for the four civilian employees. As a result, Agency management subsequently counseled the four employees and had them complete 48 hours of acquisition-related training emphasizing the legal and moral responsibilities that federal employees assume as stewards of Agency resources. We also identified management deficiencies that, if previously identified, could have prevented a potential Anti-deficiency Act violation concerning the use of specific funds for the project. Resulting action by Agency management with regard to our findings is presently pending.

Time and Labor Fraud Investigation, Case 2019-005057-OI, Issued May 27, 2022

What Was Alleged. We investigated allegations of time and labor fraud involving a DIA civilian employee for having fraudulently prepared and submitted inaccurate time information to their supervisors that included claims of having worked hours that could not be accounted for.

What We Found. We determined the Agency civilian employee violated 18 U.S.C. § 1001, “*Statements or entries generally*”; 18 U.S.C. § 287, “*False, Fictitious, or Fraudulent Claims*”; 18 U.S.C. § 641, “*Theft of Public Funds*”; DIA Instruction (DIAI) 1422.002, “*Time and Labor Reporting*,” August 23, 2013; and DIAI 1400.002, “*Civilian Compensation and Work Schedules*,” April 24, 2015, by having fraudulently prepared, signed, and submitted timesheets from April 30, 2018, to June 8, 2019, in which they claimed to have worked a total of 198.12 labor hours for which they could not account. The resultant loss to the Government was estimated at \$10,521.06.

What We Concluded. As the determination represented a violation of a Federal statute, this case was initially referred to the OUSA, who subsequently declined to pursue federal criminal prosecution. The Agency employee voluntarily resigned from employment at DIA prior to the completion of our investigation. However, we referred this case to DIA management for consideration of appropriate administrative actions, including recovery of lost funds. Collection action is pending.

Reprisal, Abuse of Authority, False Statements, Waste of Government Funds, Misconduct, and Inappropriate Disclosure Investigation, Case 2020-005043-OI, Issued April 6, 2022

What Was Alleged. We investigated allegations of acts of reprisal, abuse of authority, false statements, waste of government funds, misconduct, and the inappropriate disclosure of a medical condition involving four DIA civilian employees (one of whom is a senior official) and a military officer assigned to DIA.

What We Found. Upon completion of our investigation, we determined that the four DIA civilian employees and the military member did not commit acts of reprisal against the Complainant in violation of Presidential Policy Directive 19 (PPD-19), “*Protecting Whistleblowers with Access to Classified Information*.” Additionally, we determined that there was insufficient evidence to conclude that the DIA civilian employees and the military member committed acts of reprisal, abuse of authority, made false statements, wasted Government funds, or were involved in misconduct. However, we determined that a DIA civilian employee did make an inappropriate disclosure of the Complainant’s medical condition.

What We Concluded. We did not substantiate that any of the four DIA civilian employees or the military member had committed acts of reprisal, abused their authority, made false statements, wasted government funds, or were involved in misconduct. However, we referred this case to DIA management for consideration of appropriate administrative actions with regard to the matter involving the inappropriate disclosure of medical information by the DIA civilian employee. As a result, DIA management subsequently counseled the civilian employee as a disciplinary action on the matter.

Time and Labor Fraud and Outside Employment Investigation, Case 2021-000032-OI, Issued September 2, 2022

What Was Alleged. We received an allegation of time and labor fraud by a DIA civilian employee assigned to a U.S. combatant command. The Complainant alleged that the DIA civilian employee committed time and labor fraud when they used the pretext of being in a high-risk medical status during COVID-19 to justify not being physically present to work, which enabled the DIA civilian employee to operate a personally owned businesses during work hours.

What We Found. We determined that there was insufficient evidence to determine whether the DIA civilian employee ran a personal business during duty hours while claiming to have worked in a telework status. As a result, we could not establish a financial loss to the U.S. Government, as the civilian employee was in an approved telework status. However, we also determined that the DIA civilian employee violated DIAI 1100.003, *“Outside Employment Reporting Process,”* July 15, 2015, by failing to have reported earlier to DIA and to the combatant command that they owned two limited liability corporations.

What We Concluded. Although we did not substantiate the time and labor fraud allegation, we did determine that the employee violated Agency policy by failing to obtain prior approval before engaging in outside employment. Of note, the DIA civilian employee terminated their employment with the Agency prior to completion of our investigation. This case was forwarded to DIA management for their information and awareness.

Reprisal, Abuse of Authority, and Violation of the Joint Travel Regulations Investigation, Case 2021-000049-OI, Issued August 8, 2022

What Was Alleged. We investigated allegations of acts of reprisal, abuse of authority, and waste of Government funds involving three DIA civilian employees, two of whom are DIA civilian senior officials. Specifically, a Complainant alleged that they were improperly removed from their position without a mission requirement in retaliation for having earlier made a protected disclosure. Additionally, the Complainant alleged that a retired DIA civilian employee, who subsequently assumed the Complainant’s position, improperly received overseas benefits while on a long-term temporary duty (TDY) assignment and was given their former position as a personal favor.

What We Found. Upon completion of our investigation, we determined the three Agency civilian employees did not commit acts of reprisal against the Complainant in violation of PPD-19, *“Protecting Whistleblowers with Access to Classified Information,”* October 10, 2012. Additionally, we determined that there was insufficient evidence to conclude that the three DIA civilian employees abused their authority or wasted Government funds. Of note, with regard to benefits allegedly received by the retired DIA civilian employee, we identified that the Agency office to which the employee was assigned, violated the DoD Joint Travel Regulation and DIAI 4515.001, *“Temporary Duty Travel Request and Reimbursement Procedures,”* June 24, 2015. Specifically, the Agency office did not obtain the requisite approval of the Director, DIA, when the retired civilian employee’s TDY assignment exceeded 180 days. As a result, without the appropriate approval, we determined the costs incurred for the TDY (in excess of 180 days) should not have been expended. We also substantiated that the retired civilian employee inappropriately received monies when they claimed per diem expenses while in a leave status during their TDY period.

What We Concluded. We referred this case to DIA management for consideration of appropriate administrative actions, including collecting all debts owed to the U.S. Government. Action by Agency management is pending.

Reprisal and Abuse of Authority Investigation, Case 2021-000043-OI, Issued September 9, 2022

What Was Alleged. We investigated allegations of reprisal and abuse of authority made by a former contractor employee against a DIA civilian employee and a contract program manager. Specifically, the Complainant alleged that the DIA civilian employee had removed the Complainant from a DIA contract and influenced the contract program manager to terminate the Complainant from their position after the Complainant had earlier informed the contract program manager that they were going to report an allegation of hostile work environment to the OIG.

What We Found. Upon completion of our investigation, we determined the DIA civilian employee and the program manager did not commit acts of reprisal against the Complainant in violation of PPD-19, *“Protecting Whistleblowers with Access to Classified Information,”* October 10, 2012, and 50 U.S.C. § 3234, *“Prohibited personnel practices in the intelligence community.”* However, we did determine that the DIA civilian employee abused their authority when they inappropriately requested and received personal favors from a contractor employee.

What We Concluded. We determined that the DIA civilian employee abused their authority and violated title 5, Code of Federal Regulations, Section 2635.702 (5 C.F.R. § 2635.702), *“Use of public office for private gain.”* The DIA civilian routinely requested personal favors from a contractor employee, who felt obligated to perform these favors because of the civilian employee’s position. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action. As a result, DIA management subsequently counseled the civilian employee as a disciplinary action on the matter.

Contractor Cost Mischarging Investigation, Case 2021-000044-OI, Issued September 16, 2022

What Was Alleged. We investigated allegations that were self-reported to DIA by a contracted commercial firm that, between October 28, 2020, and May 30, 2021, had two former employees routinely working fewer than 8 hours per workday in support of a DIA contract.

What We Found. We determined that the former contracted employees had submitted false time records to their firm during the period from October 28, 2020, to May 30, 2021. We substantiated that the contracted employees violated 18 U.S.C. § 1001, *“Statements or entries generally”*; 18 U.S.C. § 287, *“False, Fictitious, or Fraudulent Claims”*; 18 U.S.C. § 641, *“Public money, property or records”*; and 31 C.F.R. § 3729, *“False Claims”*. The resultant loss to the Government was estimated at \$21,154.13.

What We Concluded. The contracted commercial firm notified DIA that the two employees had already been fired for their involvement in the mischarging activity, and the contracted commercial firm had already reimbursed DIA for the earlier-determined funds amount (i.e., \$21,154.13). Notwithstanding, as our determination represented a violation of Federal statute, this case was initially referred to the OUSA, who subsequently declined to pursue federal criminal prosecution. We referred this case to DIA management for their information and awareness.

Employee Misconduct and Inappropriate Relationship Investigation, Case 2021-000064-OI, Issued August 16, 2022

What Was Alleged. We investigated allegations of misconduct involving a DIA senior executive for having a consensual sexual relationship with a subordinate DIA civilian employee from early January to mid-March 2021. According to the Complainant (a subordinate DIA civilian employee), the DIA senior official allegedly promised to advance the Complainant’s career at DIA if the Complainant agreed to a sexual relationship.

What We Found. We determined that the DIA senior-level civilian employee violated 5 C.F.R § 2635.502, specifically sections 2635.101(b)(7), (8), and (14) “*General [ethical] principles,*” and 2635.702, “*Use of public office for private gain.*” We also determined that the DIA senior-level civilian employee engaged in “conduct unbecoming a federal employee,” as defined by DIA Guide 1426.1-1, “*Remedial, Disciplinary, Adverse, and Performance-Based Actions,*” May 30, 2019. The DIA senior-level official used their public office for their personal benefit and for the benefit of the Complainant and engaged in an inappropriate close personal relationship with a subordinate.

What We Concluded. The DIA senior official admitted to having an inappropriate relationship with the Complainant from January to March 2021, but denied promising to advance the Complainant’s career if the Complainant agreed to a sexual relationship. Based on a totality of the circumstances, including the credibility of the Complainant, the DIA senior official, and the other witnesses, we concluded that there was an inappropriate relationship between the senior official and the Complainant, but not a sexual relationship. There was no evidence to suggest the senior official coerced the Complainant into having a personal relationship, or promised to advance the Complainant’s career in exchange for a sexual or personal relationship. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action. Action by Agency management is pending.

Time and Labor Fraud Investigation, Case 2021-000075-OI, Issued August 18, 2022

What Was Alleged. We investigated an allegation of time and labor fraud involving a DIA civilian employee. Specifically, a Complainant alleged that the civilian employee routinely worked fewer than eight hours per workday and submitted inaccurate time sheets to their supervisor.

What We Found. We determined the Agency civilian employee violated 18 U.S.C. § 1001, “*Statements or entries generally*”; 18 U.S.C. § 287, “*False, Fictitious, or Fraudulent Claims*”; 18 U.S.C. § 641, “*Theft of Public Funds*”; DIAI 1422.002, “*Time and Labor Reporting,*” August 23, 2013; and DIAI 1400.002, “*Civilian Compensation and Work Schedules,*” April 24, 2015, by having fraudulently prepared, signed, and submitted timesheets from January 3, 2021, to May 7, 2021, in which they claimed to have worked a total of 203.92 labor hours for which they could not account. The resultant loss to the Government was estimated at \$9,372.18.

What We Concluded. As the determination represented a violation of Federal statute, this case was initially referred to the OUSA, who subsequently declined to pursue federal criminal prosecution. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action and recovery of lost funds. Action by DIA management is pending.

Failure to Observe Regulation or Order Investigation, Case 2021-000079-OI, Issued September 13, 2022

What Was Alleged. We investigated a complaint of an alleged failure to observe a regulation or order (i.e., violation of a user agreement pertaining to conflicts of interest) involving a DIA civilian employee. According to the Complainant, the DIA employee conducted unauthorized reviews of the Complainant's official Agency communications (i.e. emails and online dialog) – with whom the employee had a personal relationship.

What We Found. We determined that the DIA employee violated an agreement they had executed earlier with DIA. Specifically, the employee violated the agreement pertaining to conflicts of interest in accordance with DIA Directive (DIAD) 8500.800, *“Acceptable Use of Defense Intelligence Agency Information Technology (IT),”* August 2, 2012, by wrongfully accessing and searching data on an individual (i.e., the Complainant – a friend or close associate) on multiple occasions between October 9, 2020, and August 16, 2021.

What We Concluded. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action. Action by DIA management is pending.

Nepotism and Abuse of Authority Investigation, Case 2022-000012-OI, Issued September 15, 2022

What Was Alleged. We investigated allegations of a conflict of interest (i.e., nepotism) and abuse of authority by a DIA senior executive. Specifically, a Complainant alleged that the senior official influence had created job positions for a family member as a summer intern and subsequently hired their family member into a newly-created permanent position.

What We Found. We determined the Agency senior official violated 5 U.S.C. § 3110, *“Employment of relatives, restrictions”*; 5 C.F.R. § 2635.101(b)(8 and 14), *“Basic obligation of public service”*; 5 C.F.R. § 2635.502, *“Personal and business relationships”*; DIAI 1400.008, *“Employment and Placement,”* April 24, 2015; DIA Guide 1426.1-1, *“Remedial, Disciplinary, Adverse, and Performance-Based Actions,”* (Change 2), May 19, 2019; and DIAD 1426.100, *“Remedial, Disciplinary, Adverse, and Performance-Based Actions,”* (Change 1), March 8, 2019. During our investigation, we identified an additional potential conflict of interest (i.e., nepotism) involving a second DIA senior official civilian employee regarding the alleged hiring of a family member (of the second senior official) as a summer intern before being permanently hired by DIA. However, we did not substantiate this second allegation.

What We Concluded. We concluded that the (original) DIA senior executive not only involved themselves in the hiring process of a family member, but also influenced the family member's selection and hire as an intern within their organization. This resulted in the family member's subsequent permanent job position within an office of the DIA organization over which the senior executive exercised authority. Further, the DIA senior executive certified promotions for two family members in violation of Agency policy. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action. Action by DIA management is pending.

Abuse of Authority, Unfair Hiring Practices, and Conflict of Interest Investigation, Case 2022-000058-OI, Issued September 30, 2022

What Was Alleged. We investigated allegations that two DIA senior executives abused their authority, committed security and ethics violations, and violated EEO regulations. Specifically, a Complainant alleged that the two senior officials inappropriately sat on a hiring panel despite their personal relationship and gave unfair, preferential advantage to an applicant for a senior position with whom they had a personal relationship.

What We Found. We substantiated some of the allegations against the two Agency senior officials. Specifically, we determined that their participation on the same hiring panel created the appearance of impartiality, which violated 5 C.F.R. §2635.101(14), “*Basic obligation of public service.*” However, we did not substantiate the allegations that the two senior officials abused their authority, committed security or ethics violations, engaged in unfair hiring practices, or violated EEO regulations.

What We Concluded. While we did not substantiate most of the allegations made against the two senior officials, we did identify a management deficiency that, if previously identified, could have prevented the appearance of impartiality. We referred this case to DIA management for consideration of appropriate administrative actions, including disciplinary action and addressing of the management deficiency. Action by DIA management is pending.

Theft of Government Funds Investigation, Case 2021-000068-OI, Issued September 30, 2022

What Was Alleged. We investigated an allegation of theft of Government funds made against a former DIA civilian employee. Specifically, a Complainant alleged that the (former) civilian employee committed theft when they fraudulently misused multiple Government credit cards and then used personal funds to resolve the outstanding balances.

What We Found. We determined the former Agency employee misused Government credit card accounts intended for official purposes representing violations of 18 U.S.C. § 641, “*Public money, property or records;*” 5 C.F.R. § 2635.704, “*Use of Government property;*” and Agency guidance. We also determined the former Agency civilian employee used the various Government credit card accounts for personal gain, making fraudulent purchases, and caused the accounts to become delinquent when they failed to reimburse the credit card companies for their fraudulent purchases. The resultant loss to the Government was estimated at approximately \$12,360.13. Of note, this amount includes fraudulent purchases, late fees, interest charges, and monies given to the former civilian employee for paying credit card issuers that the former employee instead pocketed.

What We Concluded. Although the determination represented a violation of Federal statute, this case was not referred to the OUSA due to limited financial liability and the associated potential for the compromise of sensitive classified Agency operations with which the credit card accounts were associated. We did identify management deficiencies that, if previously identified, could have precluded the civilian employee from misusing the Government credit cards. We referred this case to DIA management for consideration of appropriate administrative actions, including recovery of lost funds and addressing of management deficiencies. Action by DIA management is pending.

UNSUBSTANTIATED CASES

Reprisal, Abuse of Authority, and Conflict of Interest Investigation, Case 2021-000011-OI, Issued April 12, 2022

What Was Alleged. We investigated allegations of reprisal and conflict of interest involving two DIA civilian employees – one of whom is an Agency senior official. According to the Complainant, who was on a “not to exceed” (NTE) term employment opportunity, the senior official intentionally delayed a decision regarding a grievance submitted earlier by the Complainant until after the Complainant’s term employment had expired, and that the senior official’s prior knowledge of a protected communication was a conflict of interest, as the senior official was the deciding official for administrative action. The Complainant also alleged that another DIA civilian employee reprised against them; specifically, the other civilian employee, who the Complainant claimed knew of their previous protected communication, delayed notification of non-renewal of the Complainant’s term employment until five working days before the expiration of the term.

What We Found. Upon completion of our investigation, we determined the two Agency civilian employees did not commit acts of reprisal against the Complainant in violation of PPD-19, *“Protecting Whistleblowers with Access to Classified Information,”* October 10, 2012, in that – (1) the senior official was determined not to be the cause of the delay in completing the administrative decision prior to expiration of the Complainant’s term employment, and (2) the Complainant was notified by email of their upcoming date of termination of employment, and the act of notification of non-renewal of an NTE date is not, in and of itself, a personnel action.

What We Concluded. The case was forwarded to DIA management for their information and awareness.

Reprisal, Abuse of Authority, Gross Mismanagement, Waste of Public Funds Investigation, Case 2021-000065-OI, Issued May 11, 2022

What Was Alleged. We investigated multiple allegations made against a supervisory senior official executive, one supervisory civilian employee, one supervisory U.S. Navy (USN) officer, and a supervisory U.S. Marine Corps (USMC) military officer. Among the multiple allegations made, the Complainant claimed that, after having been a witness in a prior DIA OIG investigation, they were a victim of reprisal and abuse of authority because they received (from the supervisory civilian employee) a Memorandum of Counseling. They then alleged that they were eliminated from consideration for future assignment with DIA because they requested leave that was denied by the supervisory USN officer. They also alleged that they received a downgraded annual evaluation report from the supervisory senior official and the supervisory USMC military officer. The Complainant also alleged that the supervisory civilian employee committed waste of public funds by traveling overseas for non-official purposes and for ordering the Complainant to return to the continental United States from their overseas assignment.

What We Found. We determined there was insufficient evidence to conclude that any of the alleged supervisory employees and supervisory military officers committed acts of reprisal against the Complainant or abused their respective authority. We also determined that there was insufficient evidence to conclude that the supervisory civilian employee wasted public funds while executing their duties. However, we did identify a management deficiency that, if previously identified, could have prevented an appearance that the Complainant would be returned to service when, in fact, their proposed nomination package for a follow-on assignment was simply returned.

What We Concluded. The case was forwarded to DIA management for consideration of appropriate administrative actions with regard to addressing the management deficiency. Action by DIA management is pending.

Time and Labor Fraud Investigation, Case 2021-000066-OI, Issued September 6, 2022

What Was Alleged. We investigated an allegation of time and labor fraud involving a DIA civilian employee. Specifically, a Complainant alleged that the civilian employee routinely worked fewer than eight hours per workday, submitted inaccurate time information to their supervisor, and claimed credit for hours not actually worked.

What We Found. Upon completion of our investigation, we determined that the allegation was not substantiated. Specifically, our interview of the DIA civilian employee's supervisor revealed that the employee had been given maximum telework flexibility. We also discovered that the supervisor had not implemented a formal, documented telework agreement with the employee. During the course of our investigation, we identified management deficiencies that, if previously identified, could have aided in determining whether a time and labor violation occurred.

What We Concluded. The case was forwarded to DIA management for consideration of appropriate administrative actions with regard to addressing the management deficiencies. Action by DIA management is pending.

Prohibited Use of Public Office for Private Gain Investigation, Case 2022-000032-OI, Issued June 24, 2022

What Was Alleged. We investigated an allegation involving a DIA civilian employee who was substantially involved in an official Agency acquisition of firearms for security purposes. Specifically, a Complainant alleged that the civilian employee had received a purported "kickback" from a gun manufacturer associated with the sale by using their Government position to privately purchase a firearm from the manufacturer at an exorbitant discount. The Complainant further alleged that the DIA employee's supervisor knew about the alleged "kickback" and did not take any action in the matter.

What We Found. Upon completion of our investigation, we determined that the employee did not violate 5 C.F.R. § 2635.702, "*Use of Public Office for Private Gain*," when they privately purchased a blemished firearm from the gun manufacturer at the same discounted price available to the general public. We also determined that the employee purchased the firearm with funds that had been pooled by peer personnel within the same Agency division as a gift to one of the division personnel (of the same pay grade) as a gift, which is not considered a violation of 5 C.F.R. § 2635.302(b)(1), "*Gifts between Employees*."

What We Concluded. We determined that the DIA employee did not use their public office for personal gain and that there were no ethics violations for the gifting of a firearm amongst peers. Further, since no crime or ethical violation occurred, there was no expectation for the DIA supervisor to act when they became aware of the gifting of a firearm amongst peers.

Significant Management Referrals³

Security Matter, Case 2021-000062-OI, Issued January 28, 2022

What was Alleged. We received a complaint that a DIA contractor employee was allegedly subjected to several instances of undue scrutiny and harassment, including having their personal vehicle illegally searched by the DIA security police force while conducting authorized work at an Agency worksite.

What We Concluded. Since the allegation involved the implementation of DIA security police force procedures, we referred the matter to DIA management for further inquiry and action deemed appropriate. DIA management is continuing its inquiry into the allegation.

Time Limits associated with Temporary/Term Billets, Case 2021-000008-OI, Issued June 9, 2022

What was Alleged. We received a complaint referred from the IC IG regarding allegations that DIA allegedly violated federal regulations or guidance regulating the time limits associated with maintaining temporary and term positions. Specifically, the allegations related to personnel positions established with an NTE category that may have been inappropriately maintained for over 5 years, exceeding applicable regulations and legal time limits.

What We Concluded. Since the allegation involved the implementation and maintenance of select DIA billets, we referred the matter to DIA management for further inquiry and action deemed appropriate. DIA management is continuing its inquiry into the allegation.

Failure to Receive Funding for Provision of Information Technology (IT) Services, Case 2021-000083-OI, Issued July 1, 2022

What was Alleged. We received an anonymous complaint alleging dereliction by Agency personnel who allegedly provided IT services during FY 2021 to external customers without receiving reimbursement for those services. If true, these actions would prevent the Agency from accurately managing incoming funds received from external customers and recouping DIA's servicing costs. Of note, DIA OIG identified similar concerns in our earlier Audit Report #2018-1004, "Audit of DIA's Incoming Reimbursable Orders," September 30, 2019. According to that report, we found that Agency elements had delivered services prior to receipt of funding documents and failed to recoup Agency resources used to fulfill orders from external customers prior to receiving a funding reimbursables from some customers.

What We Concluded. Since the allegation involved the implementation and maintenance of select DIA billets, we referred the matter to DIA management for further inquiry and action deemed appropriate. DIA management is continuing its inquiry into the allegation.

³ We define Significant Management Referrals as items that reflect a potential degradation in Agency policy or could potentially pose a concern to the Agency. As such, we refer these matters to DIA management for specific action and required follow up with our Office.

Misuse of Government Resources

What was Alleged. We received 11 separate complaints citing various respective misuses of Government resources by Agency personnel (including one DIA civilian employee, one DIA military reserve officer, and nine DIA contractor employees). Using Agency equipment and Government unclassified internet access, these individuals conducted a variety of unauthorized activities, including attempting to bypass security protocols, searching through a variety of websites containing explicit content, accessing, and viewing a variety of unauthorized materials containing inappropriate content, and conducting sexually explicit internet message exchanges.

What We Concluded. In each of these cases, we referred the matter to DIA management for further inquiry and action as deemed appropriate. In the case of the military reserve officer, DIA management determined that the individual was no longer affiliated with DIA and, therefore, DIA was unable to take disciplinary action. With regard to five of the DIA contractor employees, four were removed from their respective contract(s) and one voluntarily concluded their employment with their commercial firm. A sixth contractor employee was retained by DIA after completing corrective training and re-validating their Agency user agreement. However, action by DIA management is pending in the remaining four cases.

Investigative Activity Support

Personnel Vetting

We completed checks for potential derogatory information within OIG records associated with 3,473 personnel (total) in response to 157 requests originating within DIA. These requests involved DIA military and civilians who are seeking job placement or advancement or are under consideration for awards.

Appendix A. Statistical Tables

Table A-1: Audit, Inspection, and Evaluation Reports and Recommendations with Questioned and Unsupported Costs

Investigation	Report Number	Effective Recovery Date	Dollars Recovered
No management decision was made by September 30, 2021	0	\$0	\$0
Issued during this reporting period	–	–	–
Costs disallowed by management	–	–	–
Costs allowed by management	–	–	–
No management decision was made by March 31, 2022	0	\$0	\$0

Table A-2: Audit, Inspection, and Evaluation Reports and Recommendations with Questioned and Unsupported Costs

Description	Number of Reports	Funds to be put to better use
No management decision was made by March 31, 2022 ^{4 5}	2	\$614,000
Issued during this reporting period	–	–
Costs disallowed by management	–	–
Costs allowed by management	–	–
No management decision was made by September 30, 2022 ⁶	2	\$614,000

4 Audit of Information Technology Services Contracts, Project 2018-1006, was published in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020). We found that more than \$438,000 in award fee payments could have been used for other mission requirements. Management has not closed the recommendation.

5 Audit of Unplanned Price Changes, Project 2019-1006, was published in DIA OIG Semiannual Report to Congress (October 1, 2020–March 31, 2021). We found that DIA could have saved \$176,000 for other mission priorities if it had analyzed and negotiated price escalation for option periods using data maintained by the Bureau of Labor Statistics.

6 All \$614,000 for which no management decision was made by September 30, 2022, was overdue by 6 months or more.

Table A-3: Audit, Inspection and Evaluation Reports with Recommendations that Funds be Put to Better Use

Description	Case Number	Effective Recovery Date	Dollars Recovered
Time and Labor Fraud	2021-000017-OI	April 21, 2022	\$816.17
Time and Labor Fraud	2019-005060-OI	May 10, 2022	\$4,788.99
Time and Labor Fraud	2020-005011-OI	May 16, 2022	\$11,152.77
Time and Labor Fraud	2021-000035-OI	July 6, 2022	\$57,315.79
Total			\$74,083.72

Table A-4: Investigative Activities⁷

Description	Quantity
Cases Opened in Reporting Period	27
Cases Closed (or awaiting Closure) in Reporting Period	33
Cases Still Open at End of Reporting Period ⁸	79
Investigation Reports Issued in Reporting Period ⁹	17
Total Management Referrals in Reporting Period (Number of Cases)	32
<ul style="list-style-type: none"> • Referred to Agency Management (Number of Cases) 	15
<ul style="list-style-type: none"> • Referrals resulting from Reports of Investigation in Reporting Period¹⁰ 	17
Referrals resulting from direct referral of evaluated complaints	15
Referred to Prosecutorial Authority (Number of Cases) ¹⁴	4
Number of Persons Referred to State or Local Prosecuting Authorities for Criminal Prosecution (includes military authorities)	0
Total Number of Indictments and Criminal Prosecution Resulting from Prior Referral to Prosecuting Authorities	0

7 Description of Metrics: All metrics provided were developed as a result of reviewing all relevant individual cases (including Investigations and Management Referral-related matters), including those opened and closed during the reporting period and cases remaining open at the end of the previous reporting period (October 1, 2021–March 31, 2022).

8 This figure represents the sum of:

(a) The number of cases in which an active OIG investigation or pending management referral is still in process (i.e., 56), plus;

(b) The number of cases for which OIG is awaiting final DIA management action in response to an earlier-published OIG Report of Investigation or Management Referral (i.e., 23).

9 A summary of these cases can be found in the unclassified “Summaries of Published Investigative Reports” section of this report.

10 See previous footnote.

Table A-5: Other Investigative Matters

Description	Quantity
Hotline Program	
DIA OIG Hotline Contacts Received in Reporting Period ¹¹	7,189
DIA OIG Hotline Contacts Closed in Report Period ¹²	7,010
DIA OIG Hotline Contacts Not Yet Viewed	0
DIA OIG Hotline Inquiries Opened in Reporting Period ¹³	1
DIA OIG Hotline Inquiries Closed in Reporting Period	137
Intelligence Oversight	
Cases Opened in Reporting Period	0
Cases Closed in Reporting Period	0
Cases Still Open at End of Reporting Period	0
Reports of Investigation Issued in Reporting Period	0
Referred to Management	0
Management Referrals	
Referrals in Reporting Period (external)	0
Total Referrals in Reporting Period (DIA management)	32
• Referrals resulting from published Reports of Investigation	17
• Referrals Resulting From Direct Referral Of Evaluated Complaints (I.E., DIA OIG Hotlines Inquiries/Not COVID-19 Related) To DIA Management	15
• Referrals Resulting From Direct Referral Of Evaluated Complaint(S) (I.E., DIA OIG Hotline Inquiries/COVID-19 Related) To DIA Management	0

¹¹The term “contact” means an unevaluated complaint or request for information or assistance.

¹²A “contact” is closed when the DIA OIG Hotline evaluates it and determines it did not merit further action.

¹³When the DIA OIG Hotline evaluates a “contact” and determines it merits further action, an “inquiry” is opened so Hotline representatives can take additional action (e.g., directly address the matter itself, refer the matter to DIA management for information or action, or refer the matter to DIA OIG Investigations for further inquiry or investigation).

Table A-6: Summary of Recommendations as of September 30, 2022¹⁴

Description	Quantity
Audits	
Open Recommendations	28
Closed Recommendations	5
Overdue Recommendations	20
Percentage Overdue of Open Recommendations	71%
Inspections and Evaluations	
Open Recommendations	63
Closed Recommendations	3
Overdue Recommendations	45
Percentage Overdue of Open Recommendations	71%
Investigations	
Open Recommendations	11
Closed Recommendations	1
Overdue Recommendations	1
Percentage Overdue of Open Recommendations	9%

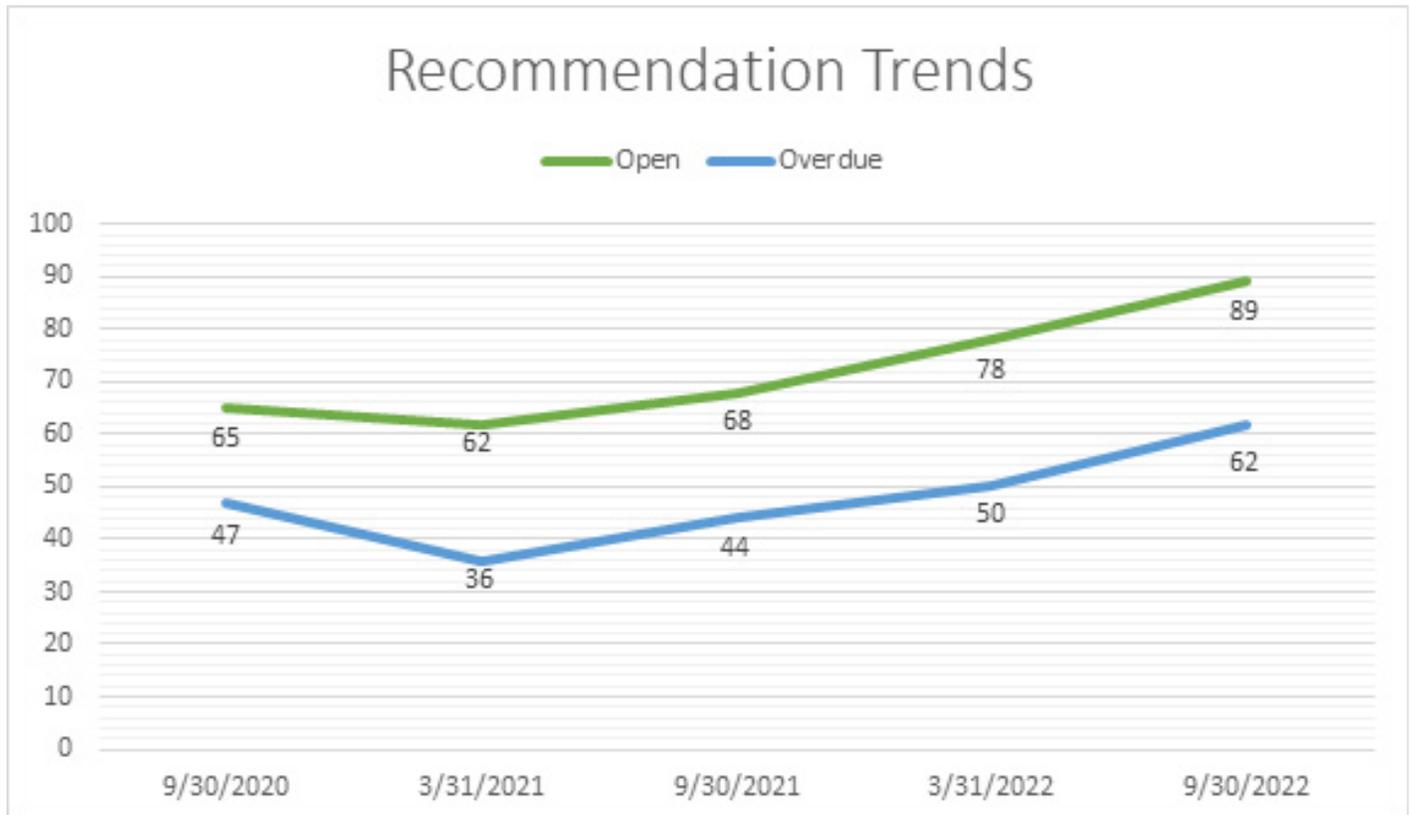
Table A-7: Overdue Recommendations Breakdown as of September 30, 2022

Description	Case Number	Effective Recovery Date	Dollars Recovered
Less than 180 days	3	8	1
181-365 days	8	11	0
Greater than 365 days	9	26	0
Total	20	45	1

¹⁴“Overdue recommendations” refers to those recommendations that DIA management has not addressed within established timelines.

Appendix B. Status Recommendation Tables

Table B-1: Recommendation Trends April 1, 2022 – September 30, 2022



Audits Division Recommendations

Table B-2: Audit of DIA’s Contract Requirements (2017-1005)

Overview. We audited whether the DIA acquisition planning process resulted in complete and timely contract requirements. We found that DIA’s acquisition planning efforts did not always start soon enough. Only 1 of the 14 contracts we reviewed met its planning milestone; the others missed the milestone by an average of 160 days, resulting in missed requirements, service gaps, and limited time for contracting personnel to negotiate the best deal and comply with regulations. For example, in the process of replacing an expiring software contract, DIA missed a \$4.1 million discount because mission requirement owners began planning too late. Acquisition planning record (APR) preparation and review also needed improvement; 20 of the 29 APRs we reviewed had missing or non-compliant documentation, which increased the risk of untimely or incomplete requirements. Project results provide insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. The final recommendation was closed this period.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	<p>The Office of the Chief Financial Officer account for contract files by taking the following actions:</p> <p>a) Within 120 days of the final report, perform a risk assessment based on criteria including Federal Acquisition Regulation section 4.805, “Storage, handling, and contract files,” to determine the appropriate scope for conducting an inventory of contract files.</p> <p>b) Within 1 year of the final report, perform the contract file inventory to determine what contract files are missing and action to locate and account for them.</p>	<p>Management has addressed the intent of the recommendation.</p> <p>Status: Closed</p>

Table B-3: Audit of DIA’s Information Technology Services Contracts (2018-1006)

Overview. We audited whether information technology services acquired by DIA, as a service provider of IC Enterprise Management (EMT), were cost effective, properly funded, and administered in accordance with the IC IT Enterprise strategy. We found that the Chief Financial Officer (CFO) awarded four task orders, totaling \$224 million, that were not within the scope of the IC EMT contract as required by regulation. Contracting officers made incorrect scope determinations, and none of CFO’s contract review processes were designed to detect or prevent out-of-scope work. Additionally, DIA did not properly administer the award fee, awarding payment of \$550,187, or 86 percent of the total award fee, even though the contractor did not meet requirements for the amount they received. Finally, DIA did not collect and analyze award and incentive fee data as required by regulation. These internal control issues limited competition, reduced DIA’s leverage in negotiating contract prices, and did not meet the intended objective of the award fee, which is to enhance contractor performance. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. We made three recommendations, and two recommendations were closed in previous reporting periods. Management is in the process of acting on the remaining open recommendation.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Office of the Chief Financial Officer, within 180 days of the final report, design and implement a process to collect and analyze relevant data on award and incentive fees paid to contractors. This should include, at a minimum, using the results of such analysis to evaluate the extent, use, and effectiveness of award and incentive fees in improving contractors’ performance and achieving desired program outcomes in accordance with Federal Acquisition Regulation 16.401(f).	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Closed

Table B-4: Audit of DIA’s Unplanned Price Changes, Project (2019-1006)

Overview. We audited whether DIA performed appropriate and timely analysis to support unplanned price changes on DIA contracts between FY 2018 and FY 2020, including changes in response to the COVID-19 pandemic. We found that DIA policies, procedures, and reviews were not designed to assure proper proposal analyses for unplanned price increases, and DIA’s contracting system did not have the capability to identify and track said changes. DIA did not perform appropriate and timely analysis to confirm that 9 of 11 price increases (82 percent) we reviewed (totaling \$11.2 million) were fair and reasonable. Additionally, DIA could have saved \$176,000 for other mission priorities if it had analyzed and negotiated price escalation for option periods using data maintained by the Bureau of Labor Statistics. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Financial Management.

Status of Recommendations. We closed one recommendation during this reporting period, and DIA management is in the process of acting on the remaining open recommendation.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Office of the Chief Financial Officer, within 180 days of the final report, design and implement a process to collect and analyze relevant data on award and incentive fees paid to contractors. This should include, at a minimum, using the results of such analysis to evaluate the extent, use, and effectiveness of award and incentive fees in improving contractors’ performance and achieving desired program outcomes in accordance with with Federal Acquisition Regulation 16.401(f).	Management has addressed the intent of the recommendation. Status: Closed
02	The Office of the Chief Financial Officer, within 180 days of the final report, design and implement controls to monitor the appropriateness and timeliness of proposal analysis and associated supporting documentation for modifications that result in unplanned price changes. Actions could include additional procedures for independent contracting officer reviews for contract modifications, or other methods.	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-5: Evaluation of DIA’s Implementation of CARES Act—Section 3610 (2020-1006)

Overview. We evaluated whether DIA’s contractor reimbursements under section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act were appropriate and governed by language authorizing Federal agencies to reimburse contractors for leave given to keep their employees and subcontractors ready to ensure a timely return to work. We found that DIA’s contractor reimbursement under section 3610 of the CARES Act did not meet all the requirements of the Act, as well as implementation guidance provided by OMB and DoD. For all 17 reimbursements we reviewed, DIA did not document how the pandemic affected a contractor’s status and did not modify the contracts to allow for reimbursements under section 3610 as required. DIA could not show that the 17 reimbursements we reviewed, totaling \$1.5 million, were appropriate, meaning all \$10.7 million CARES Act, section 3610 contractor reimbursements made through January 31, 2021, may not have been appropriate. Agency policies and procedures implementing section 3610 did not include the requirements for documenting contractors’ status as affected by the pandemic and modifying the contracts to authorize the reimbursements. We performed this evaluation in response to the COVID-19 pandemic.

Status of Recommendations. We made three recommendations, and closed two recommendations during the previous reporting periods. Management is in the process of acting on the remaining open recommendation.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Office of the Chief Financial Officer, within 90 days of the final report, update policies and procedures to require contracting officers to document contractors’ affected status in the contract file, and to modify the contract when implementing section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.	Management agreed with the recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-6: Evaluation of DIA’s Compliance with the Payment Integrity Information Act for Fiscal Year 2021 (2022-1003)

Overview. We evaluated the DIA’s compliance with PIIA for FY 2021. PIIA provides the policy on how agencies should implement their improper payment programs. We determined DIA complied with PIIA requirements for FY 2021, but did not update its SOPs to address changes to PIIA and associated OMB policies. Updated SOPs may help DIA mitigate risks of future non-compliance with PIIA requirements.

Status of Recommendations. We made one recommendation, and it was closed during this reporting period.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	We recommend the Office of the Chief Financial Officer (CFO) revise all Standard Operating Procedures (SOPs) related to payment integrity. At a minimum, CFO should incorporate the latest Payment Integrity Information Act, Office of Management and Budget, and all other applicable policies, and outline any updates to CFO’s process for managing DIA’s payment integrity program, including all relevant sections of each SOP.	Management has addressed the intent of the recommendation. Status: Closed

Inspections and Evaluations Division Recommendations

Table B-7: Evaluation of DIA’s Human Capital Services (2017-2008-HQ)

Overview. We evaluated the integrity of systems related to DIA’s human capital services, including processes, controls, and business rules, to assess their efficiency and effectiveness in managing human capital. We found that Office of Human Resources (OHR) needs to develop and communicate a comprehensive human capital strategy to show customers and stakeholders how OHR enables the DIA mission and provides employee services. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital Strategy and Talent Management.

Status of Recommendation. We closed this evaluation on October 1, 2018; however, we reopened this evaluation in 2019 because the Agency had not developed and implemented a human capital strategy. We reissued and reassigned one recommendation, which remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	Chief of Staff (CS) establish, document, and implement a human capital strategy that aligns with DIA missions, readiness needs, and strategic objectives. Additionally, CS should establish an implementation and management plan that facilitates increased effectiveness, understanding, and accountability of human capital services delivery and processes.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-8: Inspection of Personnel Accountability in Conjunction with Natural and Manmade Disasters (2018-2001-HQ)

Overview. We inspected the effectiveness of personnel accountability plans, procedures, reporting, and oversight of personnel accountability systems, including controls to monitor program compliance with DoD governance. We found that DIA personnel accountability policies and practices effectively accounted for DIA civilian employees, assigned military members, and DoD-affiliated contractors in the event of a manmade or natural disaster. Additionally, we observed that the Agency successfully accounted for its personnel in affected locations during 44 real-world personnel accountability events and two exercises in 2017. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Human Capital Strategy and Talent Management.

Status of Recommendations. We issued three recommendations, two were closed in previous reporting periods and one remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
02	The Office of Human Resources, in coordination with the Deputy Director for Strategic Intelligence, should develop and codify guidance for accounting for personnel in the event of evacuation to a safe haven.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-9: Evaluation of DIA’s Personnel Security Program (2018-2002-HQ)

(U) Overview. We evaluated adjudication policies, processes, and practices for assessing, validating, and certifying applicant eligibility for access to national security information. We also evaluated Personnel Security Program interdependencies with other programs and offices that provided information for “whole person” consideration in adjudication decisions. Our evaluation did not address processes associated with periodic reinvestigations. We found opportunities to enhance the Agency’s program and improve the effectiveness and efficiency of determinations on eligibility for access to sensitive compartmented information and other controlled access program information. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Information Security Governance.

Status of Recommendations. We issued four recommendations and closed two in previous reporting periods. Two recommendations remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
03	The Directorate for Mission Services (Office of Security), develop and apply a quality control process for all security adjudication cases.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open
04	The Office of Security, in coordination with the Office of Human Resources, the Directorate for Operations (Office of Counterintelligence), and the Chief Financial Officer, should develop an end-to-end personnel security program process focused on the onboarding process of new hires that identifies all security requirements, and roles and responsibilities.	Management agreed with this recommendation and is in the process of implementing its corrective action plan. Status: Open

Table B-10: Evaluation of DIA’s Management of Reserve Military Intelligence Capabilities (2020-2005)

Overview. We evaluated DIA’s management of the DoD Joint Reserve Intelligence Program across the DIE. We also evaluated DIA’s administration and use of reserve military intelligence capabilities to meet mission requirements throughout DIA. We found opportunities for DIA to manage the DoD Joint Reserve Intelligence Program more effectively across defense components. We also found opportunities for DIA to optimize its management, use, and oversight of reserve military intelligence capabilities within the Agency. Project results provided insight to Agency decision makers to use as they address risk gaps related to our FY 2021 DIA Top Management Challenge—Leadership Controls and Oversight and Human Capital and Talent Management.

Status of Recommendations. We issued six recommendations, all of which remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Military Integration Office develop and implement codified processes and procedures to comprehensively guide strategic program implementation, coordination efforts, and oversight of the Agency’s management of the DoD on Joint Reserve Intelligence Program, in alignment with DoD and DIA policy.	Management agreed with the recommendation and has provided an action plan. Status: Open
02	The Military Integration Office, in coordination with the Deputy Director for Global Integration, develop and implement codified procedures for consistent engagement with all DoD Components, including combatant commands, integrated intelligence centers, combat support agencies, and Military Services on Joint Reserve Intelligence Program participation and use of Reserve Military Intelligence Capabilities in alignment with DoD and DIA policy.	Management agreed with the recommendation and has provided an action plan. Status: Open
03	The Military Integration Office, in coordination with the Chief Information Officer and the Chief Financial Officer, develop and implement codified processes to conduct quarterly budget execution reviews in alignment with DIA policy requirements.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-10: Evaluation of DIA’s Management of Reserve Military Intelligence Capabilities (2020-2005), Cont’d

Rec. No.	Summary of Recommendation	Action Planned/Status
04	The Military Integration Office, in coordination with the Chief of Staff and the Directorate for Mission Services, develop a Reserve Military Human Capital Strategy in alignment with DIA’s Human Capital Strategy to refine reservist workforce integration.	Management agreed with the recommendation and has provided an action plan. Status: Open
05	The Military Integration Office, develop and implement codified roles and responsibilities for management and use of reserve military intelligence capabilities across the Agency.	Management agreed with the recommendation and has provided an action plan. Status: Open
06	The Military Integration Office, conduct a Reserve Military Force Structure Study to ensure effective allocation and alignment of reserve billets throughout the Agency.	Management agreed with the recommendation and has provided an action plan. Status: Open

Table B-11: Management Alert on the Service Element Pay and Support for Personnel Assigned to the Defense Attaché Service (2021-2005)

Overview. We completed a research project on the DAS in response to concerns brought to our attention about leadership, culture, and management. The research project was designed to identify areas most in need of our attention for a 90-day follow-on evaluation. On September 14, 2021, we initiated our follow-on evaluation of Defense Attaché training. Through our research, we also learned that service members assigned to DAS experienced systemic delays and disruptions to essential administrative actions. This caused an undue burden to some service members and negatively influenced their morale. As a result, we issued a management alert related to service element pay and support for personnel assigned to the Defense Attaché Service, and we requested that the Agency provide corrective actions or a plan of action to address the identified issues.

Status of Recommendations. This recommendation was closed during this reporting period.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Directorate for Operations, in coordination with the Military Integration Office, provide us with corrective actions or a plan of action, including activity milestones, they intend to take to address the issues. We also request notification when the identified actions are complete.	Management agreed, provided a plan of action for the identified issue, and identified its completion. Status: Open

Investigations Division Recommendations

Table B-12: False Claims and Negligence in Performance of Duties Investigation (2018-005068-OI)

What We Did. We investigated and substantiated an allegation of contractor cost-mischarging involving a DIA vendor for having fraudulently prepared and submitted inaccurate invoices in support of a DIA IT project. We also determined the DIA civilian IT project team (consisting of four DIA civilian employees) failed to exercise the level of care in their performance that a responsible person would exercise under the circumstances for proper oversight to the IT project, which led to a cost overrun of \$264,958.44 and allowed the fraudulent activities to occur throughout the contract (see *Robinson v. Department of Veterans Affairs (VA)*, 923 F.3d 1004 [Fed. Cir. 2019]).

What We Found. During our investigation, we identified a management deficiency that, if previously identified, could have prevented a potential ADA violation concerning the use of Operation and Maintenance funds for the associated project. We issued one recommendation, which remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The DIA Office of the Chief Financial Officer determine whether the circumstances surrounding the funding of the associated special project amounted to a potential Anti-deficiency Act violation and, if a violation occurred, take the appropriate steps to correct the violation.	With management for consideration. Status: Open

Table B-13: Reprisal, Abuse of Authority, Gross Mismanagement, Waste of Public Funds Investigation (2021-000065-OI)

What We Did. We completed a research project on the DAS in response to concerns brought to our attention about leadership, culture, and management. The research project was designed to identify areas most in need of our attention for a 90-day follow-on evaluation. On September 14, 2021, we initiated our follow-on evaluation of the Defense Attaché Training Program. However, through our research we also learned that service members assigned to Defense Attaché Offices experienced systemic delays and disruptions to essential administrative actions. This caused an undue burden to some service members and negatively influenced their morale. As a result, we issued a management alert related to service element pay and support for personnel assigned to the DAS, and we requested that the Agency provide corrective actions or a plan of action to address the identified issues.

What We Concluded. We determined there was insufficient evidence to conclude that any of the alleged supervisory employees and supervisory military officers committed acts of reprisal against the Complainant or abused their respective authority. We also determined that there was insufficient evidence to conclude that the supervisory civilian employee wasted public funds during the course of executing their duties. However, we did identify a management deficiency that, if previously identified, could have prevented an appearance that the Complainant would be returned to service when, in fact, their proposed nomination package for a follow-on assignment was simply returned. We issued one recommendation, which has been closed.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	Directorate for Operations, in coordination with the Military Integration Office, provide us with corrective actions and/or a plan of action, to include activity milestones, they intend to take to address the issues. We also request notification when the Identified actions are complete.	Management's response is pending. Status: Open

Table B-14: Reprisal, Abuse of Authority, and Violation of the Joint Travel Regulations Investigation (2021-000049-OI)

What We Did. We investigated, but did not substantiate, multiple allegations of acts of reprisal, abuse of authority, and waste of Government funds involving three DIA civilian employees, two of whom are DIA civilian senior officials. However, we identified that the Agency office, to which one of the employees was assigned, violated the DoD Joint Travel Regulation and DIAI 4515.001, “Temporary Duty Travel Request and Reimbursement Procedures,” June 24, 2015. Specifically, the Agency office did not obtain the requisite approval of the Director, DIA, when the employee’s TDY assignment exceeded 180 days. As a result, without the appropriate approval, we determined the costs incurred for the TDY (in excess of 180 days) should not have been expended.

What We Concluded. During the course of our investigation, we identified management deficiencies that, if previously identified, could have precluded the TDY period of one of the employee’s from exceeding 180 days. We issued two recommendations, which remain open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The DIA Directorate for Mission Services ensure that the DIA Office of Human Resources (OHR) personnel comply with regulations pertaining to temporary duty travel lengths and approval processes. Provide OHR support staff training on the regulations and requirements of temporary duties and approval processes, so they follow Joint Travel Regulations and Defense Travel System policies.	With management for consideration. Status: Open
02	DIA OHR establish a mechanism to track temporary duty lengths to prevent future occurrences or violations.	With management for consideration. Status: Open

Table B-15: Time and Labor Fraud Investigation (2021-000066-OI)

What We Did. We investigated, but did not substantiate an allegation of time and labor fraud involving a DIA civilian employee who allegedly routinely worked fewer than 8 hours per workday, submitted inaccurate time information to their supervisor, and claimed credit for hours not actually worked.

What We Concluded. During our investigation, we identified a management deficiency that, if addressed, could have aided in determining whether a Time and Labor violation had occurred. We issued one recommendation, which remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	<p>The Director, Military Integration Office, ensure supervisors comply with DIA Guide 1404.2-4, <i>“Telework Program,”</i> which states that teleworkers are required to meet the following criteria:</p> <ol style="list-style-type: none"> 1) Complete telework training in the Advanced Global Intelligence Learning Environment training system prior to performing duties in a telework status (Course DIA-CMP-2074, <i>“Telework 101”</i>); 2) Submit a Telework Agreement Request form in the DIA <i>myHR</i> system and wait for supervisor approval prior to performing duties in a telework status; and 3) Maintain a <i>“successful”</i> performance level in accordance with the employee’s performance plan. 	<p>With management for consideration.</p> <p>Status: Open</p>

Table B-16: Abuse of Authority, Unfair Hiring Practices, and Conflict of Interest Investigation (2022-000058-OI)

What We Did. We investigated, but did not substantiate, multiple allegations, including abuse of authority, unfair hiring practices, and conflict of interest, made by a DIA employee against two DIA senior official civilian employees.

What We Concluded. During our investigation we identified a management deficiency that, if addressed, could have prevented the appearance of impartiality. We issued one recommendation, which remains open.

Rec. No.	Summary of Recommendation	Action Planned/Status
01	The Directorate for Mission Services consider developing a policy to address potential or perceived conflicts of interest involving the relationship of panel members, consistent with title 5 C.F.R. section 2635.101(14), <i>“Basic obligation of public service.”</i>	With management for consideration. Status: Closed

Appendix C. Reports Closed Since April 1, 2022

Table C-1: Audits Closed Since April 1, 2022

Report No.	Date Closed	Summary
2022-1003	08/03/2022	Evaluation of DIA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021. A summary of this report can be found in the "Status of Recommendations" section of the Main Report. We issued one recommendation which is closed.
2017-1005	09/27/2022	Audit of DIA's Contract Requirements. A summary of this report can be found on page 27. We issued four recommendations which are all closed as of this year.

Table C-2: Investigations Closed April 1, 2022

Report No.	Date Closed	Summary
2017-5026-OI	04/07/2022	<p>Reprisal and Abuse of Authority Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2018–September 30, 2018), we substantiated allegations of reprisal and abuse of authority by four DIA civilian employees—two senior officials and two non-senior officials—against a subordinate DIA civilian employee after the employee made multiple protected communications to leadership and to our office. Specifically, we substantiated that one senior official, personally and through his subordinates (the other three employees), engaged in the prohibited personnel practice of reprisal in violation of merit system principles, Defense Civilian Intelligence Personnel System regulations, and PPD-19, “<i>Protecting Whistleblowers with Access to Classified Information</i>,” October 10, 2012. We also determined there was sufficient evidence to conclude that the aforementioned senior official and one of his subordinate employees made separate attempts to impede cooperation with our investigation, violating Agency regulations, thereby abusing their authority. Likewise, we determined that the remaining senior official and subordinate employee similarly abused their authorities with their improper management and documentation of the complainant’s performance. This report of investigation was forwarded to DIA leadership for their awareness and consideration of potential actions (including disciplinary actions), as appropriate.</p> <p>DIA leadership subsequently determined the following:</p> <ul style="list-style-type: none"> -- The senior official (against whom OIG substantiated both reprisal and abuse of authority violations) retired from federal service prior to DIA management rendering a disciplinary decision. -- With regard to the second senior official (against whom OIG substantiated an abuse of authority violation), DIA management cancelled their disciplinary decision upon receiving a reply from the second senior official’s legal representative. -- As for the remaining two (non-senior) employees, DIA management issued a Letter of Reprimand to one of the employees. However, DIA management cancelled disciplinary action against the other non-senior employee upon consideration of the offense against relevant Douglas Factors.

Table C-2: Investigations Closed Since April 1, 2022, Cont'd

Report No.	Date Closed	Summary
2020-005013-OI	04/18/2022	<p>Violation of Agency Policy Investigation. Violation of Agency Policy Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021), we did not substantiate allegations against a DIA civilian employee for violating U.S. Army War College (USAWC) policy and displaying poor academic professionalism by publishing an article in the Military Review journal using incomplete USAWC research without review before publication. We determined that there was insufficient evidence to substantiate if the employee violated any law, regulation, or policy when they used USAWC’s research. However, we also determined that the employee failed to follow DIA policy when they prepared and submitted a separate, inaccurate prepublication request to DIA leadership for a different publication. We referred our Report of Investigation to DIA management for further consideration and action (including disciplinary action), as appropriate. On February 11, 2022, DIA management issued the employee a letter of reprimand.</p>
2020-00005016-OI	05/11/2022	<p>Time and Labor Fraud Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021), we substantiated allegations of time and labor fraud, false official statements, false claims, and theft of public funds by a DIA employee. Specifically, the employee fraudulently prepared, signed, and submitted timesheets from December 23, 2018, to December 21, 2019, totaling 308 regular work hours that they did not work. We estimated a \$17,144.73 loss to the Government. Since this represented a violation of law, we referred this case to the appropriate AUSA, who declined criminal prosecution. We referred our Report of Investigation to DIA management for further consideration and action (including disciplinary action and recovery of lost funds), as appropriate. Working with the Finance and Accounting Office (Ft. George G. Meade, MD), DIA management confirmed that the employee was issued a Letter of Indebtedness (of Base Pay) as of January 24, 2022, in order to recover the earlier-cited lost funds (i.e., \$17,144.73). The employee also received a Letter of Counseling from DIA management.</p>

Table C-3: Investigations Closed Since April 1, 2022, Cont'd

Report No.	Date Closed	Summary
2020-005027-OI	06/01/2022	<p>Contractor Cost Mischarging Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021), we substantiated allegations of false official statements, false claims, and theft of public funds against four DIA contractor employees. Following initial notification from a DIA contracted commercial firm, we determined that between February 25, 2019, and March 11, 2021, four contractor employees, working for two separate companies, had collectively prepared and submitted fraudulent timesheets claiming a total of approximately 852.49 hours they did not work. The total loss to the Government was estimated at \$78,585.31. Since these activities represented a violation of law, we referred this case to the appropriate AUSA, who declined criminal prosecution. We referred our Report of Investigation to DIA management for further consideration and action (including disciplinary action), as appropriate.</p> <p>DIA management subsequently recovered, from the first of the two contractor companies, \$46,208.83 (vice \$44,893.05, as initially reported), and also received an additional cost avoidance of \$12,030.00. DIA management also met with the second contractor company and recovered the earlier cited funds determined to be lost –\$21,662.26. Further, upon considering the factors enumerated under Subpart G—Suspension, 2 Code of Federal Regulations (C.F.R.) § 180.800 and Subpart H—Debarment, 2 C.F.R. § 180.800, evaluating the record of investigation, considering the facts, and conferring with the DIA Office of General Counsel, the Agency Senior Acquisition Executive concluded that neither suspension nor debarment were warranted.</p>

Table C-3: Investigations Closed Since April 1, 2022, Cont'd

Report No.	Date Closed	Summary
2022-000032-OI	06/27/2022	<p>Prohibited Use of Public Office for Private Gain Investigation. (See report summary on page 27 of this report.)</p>
2021-000010-OI	07/14/2022	<p>Misuse of Government Travel Credit Card Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2021), we substantiated allegations of misuse of a Government Travel Credit Card (GTCC) by a DIA employee. Specifically, we determined that the employee violated DoD guidance, when they made and subsequently paid for numerous personal transactions and cash withdrawals using their GTCC while on travel between January 2019 and May 2020, amounting to \$14,395.05. However, there was insufficient evidence to support a criminal referral to an AUSA. We referred our Report of Investigation to DIA leadership for further consideration and action (including disciplinary action), as appropriate.</p> <p>On May 3, 2022, both DIA management and the employee entered into a mutual agreement whereby the employee was suspended (without pay) for 30 calendar days. Further, the employee agreed that for the following two years, they would not engage in any misconduct or violate any Agency rules or regulations. Otherwise, DIA will remove the employee immediately from Federal service.</p>

Table C-3: Investigations Closed Since April 1, 2022, Cont'd

Report No.	Date Closed	Summary
2021-000002-OI	07/28/2022	<p>Misuse of Government Resources Investigation. As reported in DIA OIG Semiannual Report to Congress (October 1, 2021–March 31, 2022), we substantiated that two Agency civilian employees violated title 5, Code of Federal Regulations Part 2635, § 704, “<i>Misuse of Government Property</i>,” when on October 15, 2020, they used Agency-owned night vision goggles (considered to be a “sensitive” item) and other various equipment to legally hunt feral pigs on private property, allegedly with the landowner’s permission. As well, we determined that the two civilian employees hunted with their own privately-owned weapons and ammunition, and not with Government-issued weapons or ammunition. As the determination did not represent a violation of Federal statute, this case was not referred to the Office of the Assistant U.S. Attorney. We referred our Report of Investigation to DIA management for consideration of appropriate administrative actions, including potential disciplinary action. As of July 21, 2022, both employees received a Letter of Reprimand from DIA management.</p>
2019-005063-OI	11/04/2021	<p>Privacy Act Violation Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2020–September 30, 2020), we did not substantiate multiple allegations from a DIA employee, who alleged that two DIA senior officials (assigned to two separate Combatant Command [CCMD] Directorates for Intelligence) violated the Privacy Act by sharing the Complainant’s security clearance information and security-related information with select CCMD personnel. We determined there was insufficient evidence to conclude that either senior official violated the Privacy Act. The report of investigation was forwarded to DIA management for their awareness.</p>

Table C-3: Investigations Closed Since April 1, 2022, Cont'd

Report No.	Date Closed	Summary
2021-000018-OI	07/28/2022	<p>Abuse of Authority, Hostile Work Environment, and Mishandling Personal Identifying Information (PII) and Personal Health Information (PHI) Investigation. As reported in DIA OIG Semiannual Report to Congress (April 1, 2021–September 30, 2022), we did not substantiate allegations made against two DIA civilian senior officials (one of whom is now retired) for abusing their authority, creating a hostile (office) work environment, or for mishandling DIA employee’s sensitive PII and PHI. However, we did determine that two Agency military staff officers violated DIA Directive 5400.500, <i>“Privacy and Civil Liberties Program,”</i> November 9, 2020, when they breached Agency systems and repeatedly gained access to employee PII and PHI. We also determined that the officers violated article 92, Uniform Code of Military Justice (UCMJ), <i>“Failure to Obey Order or Regulation,”</i> (undated), when they continued to access the PII and PHI data after being told by DIA senior leadership that they were prohibited from accessing, reviewing, or maintaining the information. Our report of investigation was referred to the Commanding General, Joint Task Force–National Capital Region/U.S. Army Military District Washington (JTF-NCR/MDW) as the appropriate general court-martial convening authority for consideration of appropriate administrative or criminal action under the UCMJ. As of February 16, 2022, DIA OIG was informed that JTF-HQ/MDW was aware of the investigation findings but decided to take no action in the matter.</p>

Appendix D. Index of Reporting Requirements

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