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OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE  
WASHINGTON, DC 20511

John Greenewald  
The Black Vault  
27305 W. Live Oak Road  
Suite 1203  
Castaic, CA 91384-4520

January 11, 2019

Reference: ODNI Case DF-2016-00249

Dear Mr. Greenewald:

This is in response to your email received on 24 June 2016 (Enclosure 1), wherein you requested, under the Freedom of Information Act (FOIA), a copy of records of the Semi-Annual Inspector General reports published by DNI during the years of 2010 to date.

Most of the IC IG Semi-Annual Reports you are requesting that covers the time period of 2010 to date have been made available to the public on the ODNI's external web-site. The URL is <https://www.dni.gov/index.php/read-released-records>. The documents you requested can be found at the end of the webpage under "IC Inspector General Reports". With respect to the reporting period from July 2011 to October 2011, the report for this specific time period was never created due to the IC IG being established on November 7, 2011.

Attached are two reports missing from the website aforementioned which have not been updated to the website and that complete the overage of the time period you requested in its entirety. The first report is the IC IG Semi-annual Report April 2014 – Sept. 2014 (Enclosure 2) and the second report is the IC IG Semi-annual Report Oct. 2014 – March 2015 (Enclosure 3), both documents are being released in part.

Upon thorough review of the documents, ODNI identified material that requires withholding, pursuant to FOIA exemption (b)(3), which applies to information exempt by statute, specifically 50 U.S.C. 3024(m)(1), which protects, among other things, the names and identifying information of ODNI personnel; and FOIA exemption (b)(5), which applies to information that concerns communications within or between agencies that are protected by legal privileges.

If you wish to appeal our determination on this request, please cite the case number you are appealing and explain the basis of your appeal and forward to: Office of the Director of National Intelligence, Information Management Division, Washington, DC 20511, within 90 days of the date of this letter.

However, you may find it helpful to contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at [ogis@nara.gov](mailto:ogis@nara.gov); telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

# **ENCLOSURE 1**

DF-2016-00249

**From:** John Greenewald <john@greenewald.com>  
**Sent:** Friday, June 24, 2016 1:13 AM  
**To:** DNI-FOIA  
**Subject:** FOIA REQUEST

**JUN 24 2016**

To whom it may concern,

This is a non-commercial request made under the provisions of the Freedom of Information Act 5 U.S.C. S 552. My FOIA requester status as a "representative of the news media." I am a freelance television producer often working on documentaries related to my FOIA requests, my work is commonly featured throughout major news organizations, and I freelance writer for news sites as well. Examples can be given, if needed.

I prefer electronic delivery of the requested material either via email to john@greenewald.com or via CD-ROM or DVD via postal mail. Please contact me should this FOIA request should incur a charge.

I respectfully request a copy of records, electronic or otherwise, of the Semi-Annual Inspector General reports published by DNI during the years of 2010 to date.

Thank you so much for your time, and I am very much looking forward to your response.

Sincerely,

John Greenewald, Jr.  


Sincerely,

**John Greenewald, Jr.**

**The Black Vault**  
<http://www.theblackvault.com>

**Government Secrets**  
<http://www.governmentsecrets.com>

**Phone: (805) 32-VAULT**

# **ENCLOSURE 2**

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IC IG FY2015 - 001

1 April - 30 September 2014

# (U) SEMIANNUAL REPORT TO THE DIRECTOR OF NATIONAL INTELLIGENCE

OFFICE OF THE INSPECTOR GENERAL  
OF THE INTELLIGENCE COMMUNITY

---

I. Charles McCullough, III  
Inspector General of the Intelligence Community

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### **(U) Mission**

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

### **(U) Vision**

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

### **(U) Core Values**

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

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

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

### **(U) Diversity**

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

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## (U) A Message from the Inspector General



(U) On behalf of the members of the Office of the Inspector General of the Intelligence Community (IC IG), with whom I am honored to serve, I am pleased to provide this summary of our efforts for the period of 1 April through

30 September 2014. This report is submitted pursuant to Section 103H of the National Security Act of 1947, as amended.

(U) We continue to foster integration and collaboration among the IC Offices of Inspector General (IC OIGs) by:

- leading the statutory IC IG Forum and the Forum's Deputies, Audit, Inspections, Investigations, Counsel, and Management and Administration committees;
- continuing to develop our IC Whistleblowing and Source Protection program through training, outreach, and processing cases;
- managing the IC IG Forum's Peer Review Program in coordination with the IC OIGs;
- liaising with the Council of Inspectors General on Integrity and Efficiency; and
- improving the community-wide IG workforce through such initiatives as our mentoring program.

(U//~~FOUO~~) During this reporting period we:

- completed one audit;
- completed two inspections of Office of the Director of National Intelligence (ODNI) components;
- completed work on investigation cases;

- evaluated Intelligence Community information sharing prior to the April 15, 2013 Boston Marathon bombing; and
- reviewed NRO's Crimes Reporting Process.

(U//~~FOUO~~) We are currently :

- completing our FISMA compliance and FISMA capstone audits;
- conducting a baseline evaluation of intelligence oversight across the IC;
- conducting a joint evaluation of field-based information sharing entities;
- conducting an evaluation of ODNI's efforts to reduce over-classification; and
- conducting a component inspection.

(U) The credit goes to our hard-working personnel for these accomplishments and ongoing efforts. We remain committed to the highest standards of professionalism, objectivity, independence, and integrity. I very much appreciate the continued support of the Director of National Intelligence, the Administration, and the Congressional Intelligence Committees.

A handwritten signature in black ink, reading "I. Charles McCullough III". The signature is written in a cursive style and includes a horizontal line at the end.

**I. Charles McCullough, III**

*Inspector General of the Intelligence Community*

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## (U) Statutory Reporting Requirements

### A. (U) Standards

(U) All inspections and investigations conform to standards adopted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

### B. (U) Full and Direct Access Certification

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

### C. (U) Subpoena Authority

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

### D. (U) Legislative Proposals

(U) During this reporting period the IC IG made no additional legislative proposals. However, the office remained engaged with the congressional oversight committees to discuss IC IG personnel authorities, budget authorities, and protection of inspector general (IG) equities. The IC IG will continue to engage with the congressional oversight committees to foster an open dialogue as well as to protect and enhance IG authorities.

### E. (U) Status of Recommendations

(U) Appendix F presents the status of IC IG recommendations. Each recommendation identifies the Office of the Director of National Intelligence (ODNI) component or Intelligence Community (IC) element responsible for the necessary corrective actions and whether or not the corrective action has been fully implemented. Where corrective action has been completed, a description of that corrective action is provided.

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# (U) Overview

## A. (U) Organization

(U) The Intelligence Authorization Act (IAA) for FY 2010 established the IC IG with the authority to initiate and conduct independent audits, inspections, investigations, and reviews of programs and activities within the DNI's responsibility and authority. The IC IG promotes economy, efficiency, and effectiveness in the administration and implementation of such programs and activities, and prevents and detects fraud, waste, and abuse. The IC IG's broad authority, as established in the IAA, allows us to identify and investigate systemic IC issues that impact the DNI's ability to achieve intelligence integration. In addition, the IC IG facilitates leadership in coordination with other IC Inspectors General through the Intelligence Community Inspectors General Forum (IC IG Forum), also established by the FY 2010 IAA.

(U) The IC IG is composed of the IG, Deputy IG, Counsel to the IG, Assistant Inspectors General (AIGs) for Audit, Investigations, Inspections, and Management and Administration (M&A), a Senior Advisor on Intelligence Oversight (IO), and Executive Directors for Whistleblowing and Source Protection and for IG Community Standards. The office's principal operating divisions are Audit, Investigations, and Inspections. The Senior Advisor on IO provides reviews of intelligence activities, either within the ODNI or across IC organizations, to ensure that such activities are authorized and conducted lawfully. The M&A Division and the Counsel's Office support the operational divisions and the IC IG Front Office. The Executive Directors for Intelligence Community Whistleblowing and Source Protection and for IG Community Standards support the IC IG Forum.



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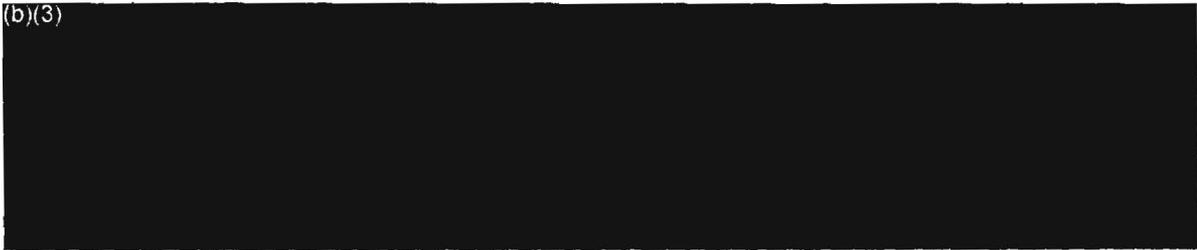
**B. (U) Personnel**

(U//~~FOUO~~) In FY 2014, the IC IG was authorized a total staffing complement of [redacted] positions, however, it was only apportioned for (b)(3). The table below shows positions by division and office. Positions, as of 30 September 2014, reflect (b)(3) (b)(3) [redacted], and (b)(3) vacancies.

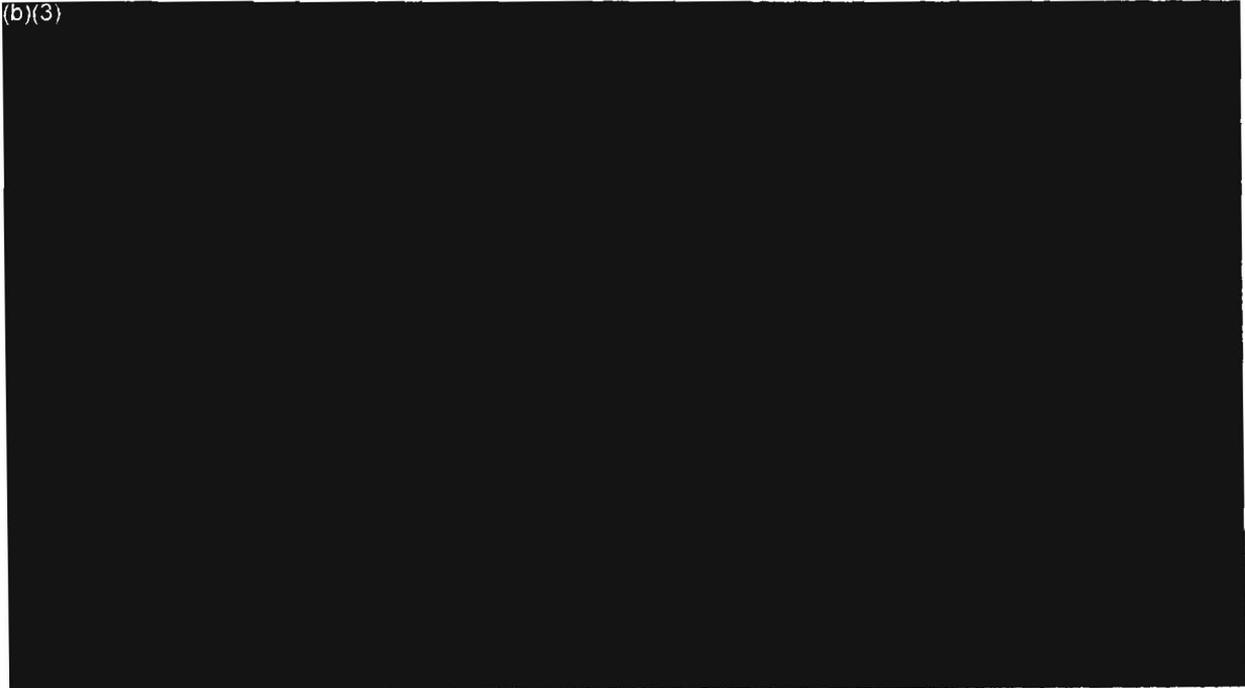
(U) The IC IG is composed of a diverse group of talented and highly-skilled employees to include cadre, joint duty detailees, and contractors who provide subject matter expertise. The following figures summarize the breakdown of the IC IG staff by category.

**(U) IC IG Position Allocation**

(b)(3)



(b)(3)



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### C. Funding

(U//~~FOUO~~) The ODNI provided adequate funding for the IC IG mission during this reporting period. Our budget covered personnel services and general support requirements such as travel, training, equipment, supplies, information

technology support, and office automation requirements. The IC IG requested, and the DNI supported, an increase in IC IG personnel for FY 2014. The increase in staffing assisted the IC IG in keeping pace with increasing mission requirements.

(b)(3)



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## (U) IC Inspectors General Activities

### A. (U) IC IG Forum

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

(U//~~FOUO~~) The committees engaged in the following activities during this reporting period:

- **Deputies Committee.** The Deputies met to collaborate on issues impacting the IGs from both an IG and an IC perspective. The Deputies focused on peer review, the IC IG Awards Program, protecting whistleblowing communications, and addressing access concerns.
- **Audit Committee.** The Audit Committee met twice and discussed: IPERA; Financial Statement Audit status; continuing professional education; Intelligence Community Directive 503 implementation status; and Continuous Monitoring. (b)(3) (Department of the Treasury, Deputy Assistant Inspector General for Audit) briefed the CIGIE Peer Review Guide; and (b)(3), Director of the Intelligence Community Security Coordination Center (IC SCC), provided an overview of the new capabilities the IC SCC offers to the community.
- **Investigations Committee.** Highlights of the Investigations Committee meetings include a briefing on and discussion of reprisal case reporting, and the effects of PPD-19 and the IC IG Intelligence Oversight Crimes Report findings. We also distributed the DNI's 3 July 2014 memorandum to the IC regarding "Reporting Possible Violations of Federal and State Criminal Law" to all committee members. Other topics of interest included detailed discussions on changes in the way ODNI manages Unauthorized Disclosures and the ongoing revision of the related policy found in ICD 701.
- **Inspections Committee.** The Inspections Committee met twice during this reporting period. Committee members discussed potential fraud indicators during an inspection; 2014 inspection Peer Review experiences of CIA, DIA, NRO, and IC IG; OIG practices regarding reviews of other oversight offices in their home agencies; notification preferences for external OIG information requests; and preparations for a FY 2015 cross-IC review of Suspension and Debarment programs. The committee received briefings from the Department of State OIG regarding their Intelligence Oversight program, and briefings on the IC IG Forum Peer Review and Mentor Programs.
- **Counsels Committee.** The Counsels' Committee met several times and discussed jurisdictional issues for IC-wide projects, legislative impacts to the IC IG community mission, congressional correspondence, and training opportunities to better educate the IG workforce. The Counsels' Committee has worked to ensure IC-wide uniform response to the Title VI, Intelligence Community Whistleblower Protects, § 5 601-04 of the Intelligence Authorization Act of Fiscal Year 2014. This relates to reviews of adverse security clearance or access determinations. Specifically, these sections adjust the mechanisms of whistleblower reprisal appeals previously available pursuant to PPD-19, among other things. The Counsel's Committee is working to recommend further legislative refinements within this broader area of concern.

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- **Management and Administration (M&A) Committee.** The M&A Committee met twice during the reporting period. Highlights of the committee meetings include: reviews of the impact and benefits of the transition to the Intelligence Community Information Technology Enterprise (IC-ITE); and briefings on Whistleblowing and Source Protection, peer reviews, mentoring and joint duty. The committee also continued to advance best practices throughout the IC by sharing information and forming a M&A virtual community of interest (COI). This COI provides opportunities for action officers to connect and seek and share best practices.

## **B. (U) The Council of the Inspectors General on Integrity and Efficiency (CIGIE)**

(U) The IC IG is a statutory member of the CIGIE. The IC IG actively participates in CIGIE meetings and has representatives who materially participate in each of the six CIGIE committees: Information Technology; Inspections and Evaluations; Investigations; Legislation; Professional Development; Counsel; and Audit, as well as the leadership development subcommittee. In addition, the IC IG Deputy Counsel supported community training by providing legal training to OIG staff at the Federal Law Enforcement Training Center in Glynco, Georgia.

## **C. (U) IC IG Peer Review Activities**

(U) In November 2013, we formally launched the IC IG Forum Peer Review Program with initiation of external peer reviews of CIA and IC IG inspection activities. Our program influenced CIGIE's decision to expand its peer review program to include external peer reviews of inspection and evaluation activities among the 72 Federal Inspectors General vice restricting their reviews to Audit and Investigation activities.

(U) During this reporting period the Defense Intelligence Agency OIG completed an external peer review of the IC IG Inspections Division. In accordance with the provisions of PL 111-203 (Dodd-Frank) DIA will provide information on the peer review in its Semiannual Report; a summary of the peer review results are included under the Inspections Division section of this report on page 11.

(U) Also during this reporting period, the National Reconnaissance Office OIG completed an external peer review of the CIA OIG Inspections Staff. NRO and CIA will include specifics of that peer review in their Semiannual Reports consistent with requirements levied in PL 111-203 (Dodd-Frank).

## **D. (U) Whistleblowing and Source Protection**

**(U) Concept of Operations.** The Directorate for Intelligence Community Whistleblowing & Source Protection's (ICW&SP) operations divide into four parts: outreach; training; disclosures; and appeals.

- **Outreach.** ICW&SP conducts outreach to stakeholders in the IC Whistleblowers Program who use, advise, or oversee the system.
- **Training.** Reserved for those who execute the whistleblowing process or protect whistleblowers.
- **Disclosures.** The IC IG processes disclosures primarily through the IC Hotline. However, ICW&SP also works on select disclosures, including processing all alleged 'urgent concerns' under the *Intelligence Community Whistleblower Protection Act of 1998*.
- **Appeals.** ICW&SP's appellate mission implements PPD-19.

**(U) Operations.** ICW&SP performed numerous outreach and training events and processed a number of appeals, complaints and reports of "Urgent Concern." Significant among the disclosures of urgent concern were

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communications to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence regarding both management and contracting practices. The number of IC whistleblower mission area activities is listed in the below chart.

(U) IC Whistleblower Mission Areas	(U) Total (FY 2014)
Outreach Events	28
Training Sessions	17
Whistleblower Reports of "Urgent Concern"	3
Title 50 Whistleblower Reports of Wrongdoing	5
Whistleblower Requests for PPD-19 External Review	4
Whistleblower Reprisal Complaints Referred to local agency IGs	4

**(U) Policy Development.** ICW&SP supported the IC IG in his role of coordinating and consulting for the DNI's policy initiatives implementing PPD-19. Lead among these was the issuance of Intelligence Community Directive 120 (Intelligence Community Whistleblower Protection) which provided for general PPD-19 implementation, as well as a reiteration of the President's commitment to the protection of IC contractors within the current limits of the law. The IC IG also coordinated on the DNI's memorandum to both Section A and B agencies whose whistleblowing programs are organized under PPD-19. The FY 2014 Intelligence

Authorization Act Whistleblower Provisions (Sep. 19, 2014) enabled statutory reforms through the existing structure created to implement PPD-19.

**(U) Special Initiatives.** Within the ICW&SP structure some resources are allocated for Special Initiatives. The FY 2014 Special Initiatives focused on expanding IC whistleblowing program stakeholder awareness. Foremost among these is the development of employee, supervisor and manager training. The initial phase of this training module has been funded and will be deployed within the ODNI during FY 2015. It will be compatible with, and ready-for-use on, CIA systems at the same time. The same module will be available for all IC Elements shortly thereafter through the IC Forum. ICW&SP has also provided subject-matter expertise to the National Intelligence University, to integrate whistleblowing awareness into curriculum for those permitted to take Masters-level education within the IC. Also within this initiative were communications designed to meet narrower, but still significant audiences in the broader public realm. Notably, ICW&SP co-authored "Whistleblower support in practice: Towards an integrated research model" in *International Handbook On Whistleblowing Research* as well as a forthcoming article "The Wasp's Nest: Intelligence Community Whistleblowing & Source Protection" in *Georgetown Law School's Journal Of National Security Law & Policy*.

**E. (U) IC IG Investigator – Prosecutor Initiative**

IC IG Investigations hired an investigator who will train to be a Special Assistant U.S. Attorney in the Eastern District of Virginia (EDVA). Subject to EDVA and ODNI policy, this investigator will take the lead in prosecuting Inspector General cases from the five independent IC agencies located in northern Virginia.

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#### **F. (U) IC IG Investigation Techniques and Procedures Course**

IC IG Investigations created and prepared for its first Investigation Techniques and Procedures Course that will take place in October 2014. The course is hosted by the IC IG with instructors from throughout the Intelligence Community and the Department of Justice. It will cover a range of topics relevant to the Federal Inspector General Community and highlight specific topics of interest to investigators within the IC.

#### **G. (U) IC IG Forum Mentoring Program**

(U) The IC IG Forum launched a formal mentoring program in May 2014. Well attended by IG officers from across the IC, the program serves to advance integration and professional development of IG officers in a career service construct. The next quarterly mentoring event will take place 30 October 2014, with a keynote address by Washington Capitals great Olie Kolzig on his life experiences, professional perspectives, and work-life balance, comparing and contrasting the demands of an NHL career and a family, including a special needs child, with those faced by IC IG officers.

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## (U) Audit Division

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

(U) During this reporting period, Audit completed one project and issued a report containing one recommendation to ensure that future payment recapture audit decisions are risk-based using a judgmental sample of high-risk payments, which most likely can be cost-effectively recaptured.

(U) As of 30 September 2014, the Audit staff had two on-going audits.

### A. (U) Completed Audits

#### 1. (U) *Review of the Office of the Director of National Intelligence's Fiscal Year 2013 Compliance with the Improper Payments Elimination and Recovery Act (IPERA) of 2010*

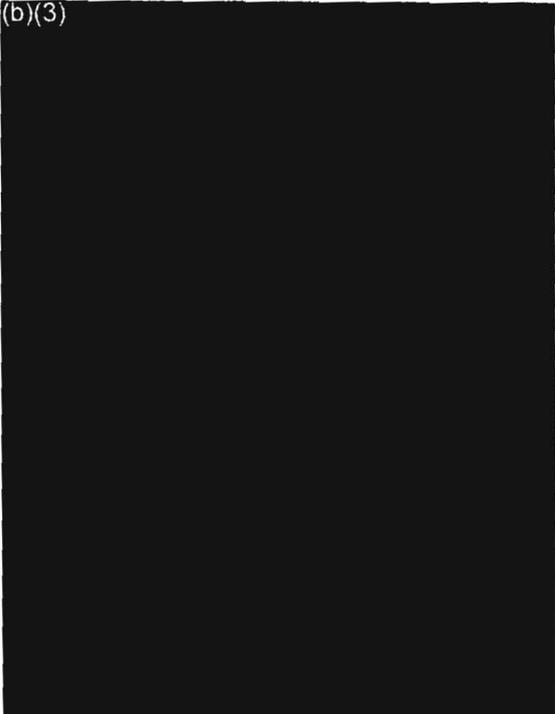
(AUD-2013-006, April 2014)

(U) IPERA requires agencies to identify and estimate improper payments and take into account those risk factors likely to contribute to significant improper payments. In addition, IPERA requires agencies to conduct payment recapture audits on each program and activity expending \$1 million or more annually, and if such audits would be cost-effective. It also requires agencies to report actions taken to recover improper payments.

(U) IPERA requires the IG of the agency to perform an annual "compliance review" to determine if an agency is compliant with IPERA. Pursuant to statute, Audit conducted the IPERA review for ODNI. Audit followed OMB Circular No. A-123 guidance to review the ODNI's improper payment reporting contained in the FY 2013 Annual Financial Report, and accompanying materials, to determine if ODNI is compliant with IPERA.

(U//~~FOUO~~) We found that the ODNI complied with IPERA requirements for FY 2013. However,

(b)(3)



the ODNI's IPERA program still needs to ensure that contractors provide detailed supporting cost documentation when invoices are submitted and its analysis of the cost effectiveness of payment recapture audits is strengthened.

(U) We recommended that the Chief Financial Executive ensure that future payment recapture audit decisions are risk-based using a judgmental sample of high-risk payments, which most likely can be cost-effectively recaptured. In addition, our prior recommendation to require a detailed invoice with supporting detailed cost information be provided to the contracting officials will remain open.

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## **B. (U) Ongoing Audits**

### **1. (U) Fiscal Year 2014 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002**

(AUD-2014-003)

(U) The Federal Information Security Management Act of 2002 (also Title III of the E-Government Act of 2002) requires the agency OIG, or an independent external auditor, to perform an annual independent evaluation of the agency's information security program and practices.

(U) The evaluation's objective is to determine the adequacy of the information security program and practices for the ODNI's internal operations. In addition, we will follow-up on steps taken to address previously open FISMA recommendations.

(U) We will issue our report by the end of calendar year (CY) 2014.

### **2. (U) Fiscal Year 2014 Consolidated Federal Information Security Management Act (FISMA) of 2002 Capstone Report for the Intelligence Community Elements' Inspectors General**

(AUD-2014-004)

(U//~~FOUO~~) The objective of this evaluation is to collect and summarize the FY 2014 FISMA report submissions from the OIGs for the IC elements operating or exercising control of national security systems. This evaluation will summarize 11 IC elements' information security program strengths and weaknesses, identify the cause of the weaknesses in these programs, if noted by the respective OIGs, and provide a brief summary of the recommendations made for IC information security programs based on our review of the OIG reports. To perform this evaluation, we will apply the Department of Homeland Security FY 2014 IG FISMA metrics for 11 information security program areas. These 11 information

security program areas are:

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

(U) We will issue our report by the end of CY 2014.

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## (U) Inspections Division

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

(U) INS also encourages the use of the IC IG Complaint Intake Process, or Hotline, as a confidential and reliable resource for IC employees and contractors to report fraud, waste, and abuse.

(U//~~FOUO~~) During this reporting period, we completed two Special Review Inspections. Special Reviews are accelerated assessments that use questionnaires and data call responses with limited interviews of component staff to gather information. The inspections covered four primary areas:

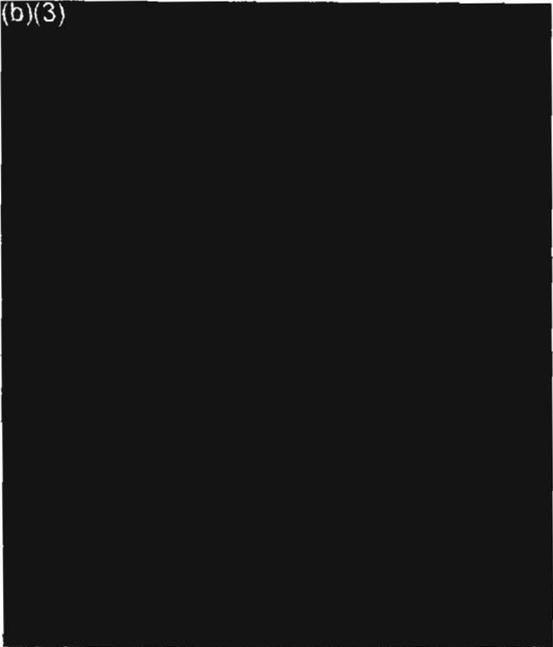
- Mission performance
- Management effectiveness
- Resource management
- Enterprise oversight

(U) As of 30 September 2014, INS had one ongoing ODNI component Special Review. We were also in the final phase of our first topical evaluation. We are assessing whether ODNI components adopted, followed and effectively administered applicable classification policies, procedures, rules, and regulations, as well as identifying policies, procedures, rules, regulations or management practices that may contribute to persistent misclassification of material. The review is directed under Section 6 of the Reducing Over-Classification Act, Public Law 111-258.

### A. (U) External Peer Review

(U) INS underwent IC IG's first external peer review in July. The Defense Intelligence Agency OIG, under the auspices of the IC IG Forum Peer Review Program, performed the review. Overall, DIA found INS was compliant with all seven

(b)(3)



agreed upon quality standards identified in the *2013 CIGIE Framework for External Peer Reviews for Offices of Inspector General Inspection and Evaluation Units*. DIA selected four IC IG Special Review reports as the basis of their review. Each report was produced during an agreed upon time period (between January 2013 and June 2014). Additionally, a different IC IG Inspection team leader oversaw each report.

(U) DIA also noted areas for improvement in Quality Control, Data Collection & Analysis, Evidence, Records Maintenance, and Reporting. We concurred with all of DIA's findings, and are addressing each identified weakness, to include updating our standard operating procedures inspections manual with a target completion date of October 2014. Additionally, INS will continue to consider other ways we can refine and improve our program based on the the peer review results.

(U) The peer review was a valuable learning

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opportunity that reinforced our efforts to comply with the CIGIE standards as well as support continuous improvement in our processes. We commend DIA for their high level of professionalism and thoroughness throughout the peer review process.

## B. (U) Completed Inspections

### 1. (U) Office of the Deputy Director of National Intelligence for Intelligence Integration (DDII)

(INS-2014-001, May 2014)

(U//~~FOUO~~) This Special Review inspection occurred during the period of November 2013-February 2014. DDII is one of the largest ODNI components. Created in 2010, DDII performs the core ODNI mission of strategically managing the Intelligence Community's global collection and analysis enterprise to integrate the IC and achieve unity of effort. We validated challenges in the following areas:

- The mission, framework, and resourcing for DDII's Global Maritime and Air Intelligence Integration and Air Domain Intelligence Integration Element required clarification and realignment;
- the National Intelligence Council (NIC) may have made improper use of "invitational travel";
- the DDII travel process required additional oversight and guidance;
- a systems engineering and technical assistance contractor was assigned to be a National Intelligence Collection Officer;
- IT software requirements supporting DDII's Analytic Integrity & Standards group were funded but not implemented;
- NIC technical production committees lacked charters;
- Unifying Intelligence Strategies were inaccessible to some cleared stakeholders and IC personnel;
- Joint Duty Assignment funding documents for DDII cadre on detail were incomplete;
- the process for DDII integration enhancement investments required modification;
- DDII may be inappropriately funding the

National Intelligence University and other Academic Centers and Organizations;

- DDII should review whether using exclusive and dedicated drivers is cost effective;
- a Continued Service Agreement for one employee on long-term training was executed after training was underway; and
- two Intelligence Community Directives inaccurately reflect the DDII mission and roles.

(U//~~FOUO~~) We observed and reported the following:

- DDII operations are adversely impacted by the CASES II contract award delay;
- there is no consolidated document formally identifying the roles and responsibilities of DDII organizational elements;
- DDII employees perceived ODNI HR does not fill vacant positions in a timely manner;
- minor changes may improve the Analytic Integrity & Standards Group's noteworthy analytic stakeholder survey process;
- questionnaire responses highlighted areas warranting DDII managerial attention;
- IT support to the National Intelligence Management Council Crisis Room should be strengthened;
- broader community participation in the President's Daily Brief (PDB) remains a challenge;
- the competing internal and external roles of the DDII leader should be re-evaluated;
- developing DDII metrics to determine intelligence integration activity effectiveness should remain a high priority;
- DDII personnel are highly concerned they may lose desktop Internet access;
- some contractor labor rates appeared excessive; and
- DDII COTRs should ensure they understand the requirements in OMB (OFPP) Policy Letter 11-01 given DDII's reliance on contractors for certain functions.

(U//~~FOUO~~) We noted as commendable the following:

- DDII continued to improve the organization of the PDB;

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- DDII's personnel advancement guidelines are a possible best practice;
- FY 2014 Financial Operating Guidance provided to DDII employees supports responsible financial management;
- the DDII website is a well-implemented communication tool; and
- questionnaire responses indicated positive aspects of DDII management.

## 2. (U) Chief Human Capital Office (CHCO)

(INS-2014-003, August 2014)

(U//~~FOUO~~) We conducted the Special Review Inspection from March through May 2014. CHCO leads the design, development, and execution of human resources strategies, plans, and policies in support of the people who serve in the nation's intelligence agencies. We validated challenges in the following areas:

- CHCO should strengthen oversight and monitoring of funds transferred to other agency language programs;
- CHCO's Information Services group required additional systems engineering and project management rigor;
- CHCO has purchased, but not deployed, mission-critical IT software; and
- the CHCO travel process required additional management oversight.

(U//~~FOUO~~) We observed and reported the following:

- Strategic Human Capital activities related to future capabilities were limited;
- CHCO collects minimal qualitative exit data from personnel completing Joint Duty Assignments (JDA);
- CHCO IC human capital policies required updating;
- a required FY 2014 monetary transfer to DoD was still ongoing in April 2014;
- time and attendance work tour records did not consistently match ODNI/HR documentation;
- enhanced time and attendance monitoring has

caused a workforce perception of mistrust;

- a JDA MOU was used to "forward deploy" a CHCO employee who is not on a JDA; and
- two different CHCO webpages linked from the DNI Connect site contained different information.

(U) We noted as commendable the following:

- partners praised the CHCO-managed National Intelligence Awards Program;
- CHCO actively participates in the Federal CHCO Council;
- the senior COTR mentors junior COTRs;
- the CHCO-managed JDA Program makes effective use of social media outreach; and
- CHCO staff reported improved morale.

## C. (U) Ongoing Inspections

### 1. (U) Office of the National Counterintelligence Executive (ONCIX)

(INS-2014-004)

(U) We are currently conducting a Special Review of the ONCIX. We will issue our report during the first quarter of FY 2015.

### 2. (U) Evaluation of ODNI Required under the Reducing Over-Classification Act

(INS-2014-002)

(U) We are in the final phase of evaluating ODNI classification policies, procedures, and practices in response to Section 6 of the Reducing Over-Classification Act of 2010. We will issue our initial evaluation report during the first quarter of FY 2015.

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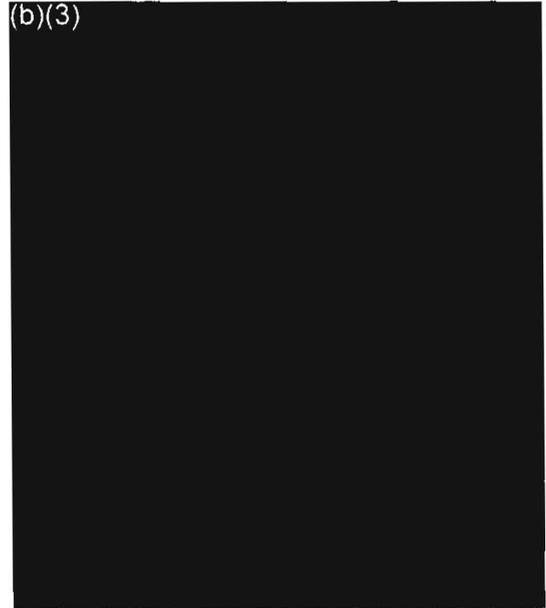
## (U) Investigations Division

(U//~~FOUO~~) The IC IG Investigations Division (INV) investigates allegations of violations of criminal, civil and administrative laws arising from the conduct of IC, ODNI, and contract employees. INV has unique authority to investigate programs and activities across the IC within the responsibility and authority of the DNI. Through this authority INV is able to coordinate and assist with the prosecution of criminal matters arising from the six independent intelligence agencies. INV also plays a principal role in conducting IC-wide administrative investigations into unauthorized disclosures of classified information.

(U//~~FOUO~~) During this reporting period, INV conducted 10 investigations (2 new and 8 carried over) of which 9 were closed. Of the 9 closed investigations, 1 was substantiated.

(U//~~FOUO~~) As of 30 September 2014, INV had one investigation and four preliminary inquiries open.

(b)(3)



### A. (U) Select Completed Investigation

#### ***(U) Conflict of Interest, Improper and Unauthorized Outside Employment, Falsification and Misrepresentation, and Misuse of Government Information and Information Systems***

(INV-2013-0034, September 2014)

A joint investigation with the Department of Defense Criminal Investigative Service and the Internal Revenue Service substantiated an ODNI employee engaged in conflicts of interest, improper and unauthorized outside employment, falsification and misrepresentation, misuse of government information and misuse of information systems. We referred the matter to management officials for action.

### B. (U) IC IG Hotline.

(U) The Hotline and intake processes provide confidential means for IC employees, contractors, and the public to report fraud, waste, and abuse. The intake process includes secure and commercial Hotline phone numbers, U.S. mail, anonymous secure Web application submissions, and walk-ins. Since the last Semiannual Report to Congress in March 2014, the Hotline logged 165 contacts

- 47 from within the IC; and
- 118 from external sources.

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## (U) Intelligence Oversight

(U) The Senior Advisor on IO serves as the principal advisor to the IC IG for the independent oversight of intelligence, counterintelligence, and intelligence-related activities in the IC; represents the IC IG, with the assistance of Counsel, to the President's Intelligence Oversight Board; provides advice and guidance on intelligence oversight to other IC IG elements and other IC IO elements; and ensures intelligence activities performed by IC elements are compliant with Executive Order 12333, and with other related Federal laws, Executive Orders, and policies or directives. The Senior Advisor on IO accomplishes these objectives by liaising and coordinating with IC element oversight organizations and engaging in IC-wide or ODNI-specific IO projects and evaluations.

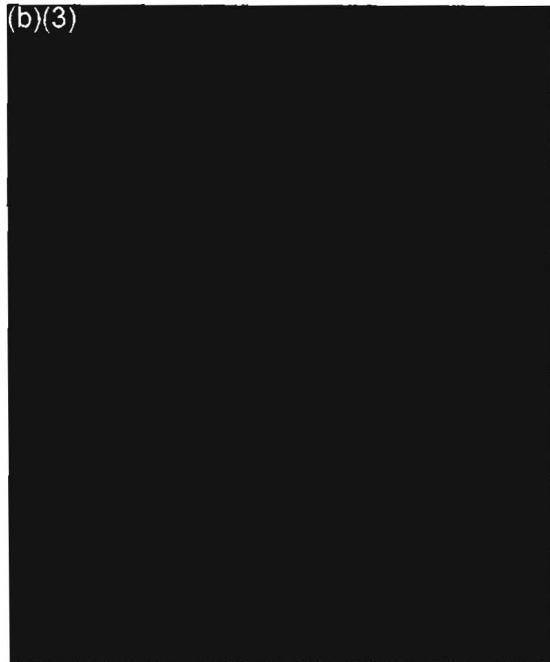
(U//~~FOUO~~) Pursuant to Executive Order 13462, the DNI designated the IC IG as a responsible office for reporting intelligence oversight matters arising within the ODNI to the Intelligence Oversight Board (IOB). During this reporting period, IO staff issued two evaluation reports and submitted two quarterly reports to the IOB. As of 30 September 2014, IO had an ongoing special review and a joint evaluation.

### A. (U) Completed Reports

#### 1. (U//~~FOUO~~) Special Review of NRO Crimes Reporting Process

(IO-2013-002, April 2014)

(U//~~FOUO~~) The IC IG completed a special review of NRO compliance with laws, policies, and procedures to identify and report NRO contractor, government civilian, and military personnel admissions of reportable crimes during polygraph sessions. The IC IG conducted the special review on behalf of the NRO Office Inspector General, which recused itself due to its role in the crimes reporting process. The IC IG publicly released two separate reports on the matter and made nineteen recommendations to strengthen NRO's crimes reporting process. NRO management concurred with the recommendations and has since completed action on them.



#### 2. (U//~~FOUO~~) Evaluation of Intelligence Community Information Sharing Prior to the April 15, 2013 Boston Marathon Bombing

(IO-2013-005, April 2014)

(U//~~FOUO~~) The Inspectors General of the IC, CIA, DOJ, and DHS completed a coordinated and independent review into the U.S. Government's handling of intelligence information leading up to the Boston Marathon Bombings. The IGs issued a classified report and unclassified summary in April 2014. The review examined the information available to the U.S. Government before the bombings and the information sharing protocols and procedures followed between and among the intelligence and law enforcement agencies. We determined that the FBI, CIA, DHS, and NCTC generally shared information and followed procedures appropriately and found no basis to make broad recommendations for changes in information handling or sharing.

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### 3. (U) First Quarter Calendar Year 2014 Report to the IOB

(IO-2014-005, May 2014)

(U//~~FOUO~~) The first quarter of calendar year 2014 the IC IG reported one new matter. The IC IG notified the Intelligence Committees that an IC-element's routine counterintelligence monitoring discovered some emails relating to whistleblowing. The IC IG is working with the IC IG Forum to devise a way to keep whistleblower communications confidential while the necessary counterintelligence monitoring occurs. This matter did not constitute a violation of E.O. 12333 or statutory law.

(U//~~FOUO~~) The IC IG also researched a claim initially reported to the IOB in the fourth quarter of calendar year 2013. A civilian employee with the Army Intelligence and Security Command made an IC IG Hotline Complaint alleging an interagency data repository, believed to be composed of numerous intelligence and non-intelligence sources, improperly included U.S. Person data. The complainant also reported he conducted potentially improper searches of the data repository to verify the presence of U.S. persons data. The IC IG concluded that the data repository has an adequate system of internal controls to ensure USP information is minimized, retained, and disseminated in accordance with applicable laws and regulations.

### 4. (U) Second Quarter Calendar Year 2014 Report to the IOB

(IO-2014-007, August 2014)

(U) There were no reports of intelligence activities we believed to be unlawful or contrary to Executive Order or Presidential Directive from within the ODNI during the second quarter of calendar year 2014.

## B. (U) Ongoing Evaluations

### 1. (U//~~FOUO~~) Special Review of IC Intelligence Oversight

(IO-2014-006)

(U//~~FOUO~~) The IG IG is conducting a baseline evaluation of intelligence oversight across the IC focusing on three areas: identifying programs within the IC designed to ensure compliance with procedures implementing Executive Order 12333; the degree to which the OIGs of IC elements review compliance with the procedures; and establishing an initial inventory of intelligence activities that are joint across the IC, involve multiple IC elements, and potentially that operate under more than one IC element's authorities.

### 2. (U//~~FOUO~~) Joint Evaluation of Field-Based Information Sharing Entities

(U//~~FOUO~~) In response to a request from the Senate Select Committee on Intelligence, the Senate Homeland Security and Governmental Affairs Committee, and the Senate Judiciary Committee, the Inspectors General of the Intelligence Community, Department of Justice, and Homeland Security, plan to review specific field-based information sharing entities that the Federal government supports. Those entities include state and major urban fusion centers; joint terrorism task forces; field intelligence groups; high intensity drug trafficking area investigative support centers; regional information sharing systems program centers; the joint regional intelligence group pilot program; and other field-based federal activities or centers engaged in domestic counterterrorism, intelligence, homeland security, and information sharing activities. We will potentially examine the entities' overall missions; specific functions and capabilities; and funding, personnel, and facility costs with a focus on identifying redundancies and gaps or potential changes that could improve the economy, efficiency or effectiveness of those entities.

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## (U) IC IG Counsel

(U) In accordance with Section 103H of the National Security Act of 1947, as amended, the IC IG has a separate Counsel who reports directly to the IG. The IC IG Counsel provides independent, objective, and confidential legal advice on a variety of legal and policy issues that impact the IC IG mission. The Counsel manages three main portfolios: legal and policy reviews, legislative reviews, and Congressional engagements.

### A. (U) Legal and Policy Reviews

((U) During this reporting period, we continued outreach efforts to the IC IG staff, ODNI components, and other IG Counsel counterparts. For example, we worked closely with the ODNI Office of General Counsel (OGC), the ODNI Policy and Strategy Office (P&S), and the ODNI Civil Liberties and Protection Officer (CLPO) to review certifications of whistleblower protection policies required for implementing Presidential Policy Directive-19 (PPD-19), Protecting Whistleblowers with Access to Classified Information (10 October 2012).

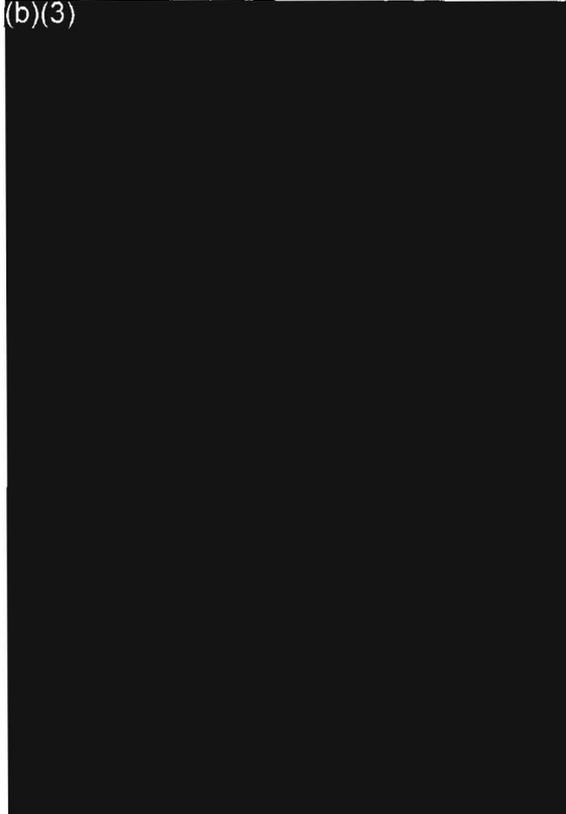
(U) PPD-19 protects IC employees and U.S. Government personnel with access to classified information from reprisal for making protected disclosures. Departments and agencies must certify to the DNI their policy is PPD-19 compliant. We continue to review of the compliance certifications to ensure that IG equities are protected.

(U) In addition, we reviewed the IC-wide policy on IC employee awareness of expanded whistleblower protections. The Counsel's continued coordination with OGC, P&S, and CLPO on these efforts ensures IG equities are protected in policies having an impact on the IG mission.

(U) To ensure legal sufficiency of the IC IG activities and products, we worked with the IC IG, the Deputy IG, the AIGs, and IC IG personnel to review plans, projects, and reports.

(U) Counsel worked with the IC IG and the Executive Director for IC Whistleblowing and Source Protection to formulate appropriate PPD-19 appeals procedures to ensure a fair and streamlined process.

(b)(3)



(U//~~FOUO~~) Continuing our outreach efforts to ODNI stakeholders, we worked closely with the ODNI Information Management Division (IMD), and the ODNI Public Affairs Office (PAO) to develop strategies for information review and media releases. IMD understands the sensitive nature of IG information and agreed to adhere to practices and procedures for us to review sensitive IG information prior to official release under a FOIA or Privacy Act requests. Likewise, we worked with PAO so they understood the need for the IC IG to independently work with media contacts to preserve IC IG objectivity and independence in supporting the IC IG mission.

(U) Counsel also supported the resolution of legal issues identified during outside OIG conducted peer reviews of IC IG elements, as part of IC IG's compliance with Council of Inspectors General on Integrity and Efficiency (CIGIE) standards.

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## **B. (U) Legislative Reviews**

(U//~~FOUO~~) The IC IG has statutory obligations to recommend legislation promoting economy, efficiency, and effectiveness in the administration and implementation of programs and activities within the responsibility and authority of the DNI. During this reporting period, the IC IG reviewed congressional proposals impacting the IC IG mission, including cyber-information sharing and enhanced IG authorities. The IC IG Legislative Counsel tracked each proposed bill and analyzed the potential impact to the IC IG mission and statutory authorities.

## **C. (U) Congressional Engagements**

(U) Pursuant to section 103H of the National Security Act of 1947, as amended, the IG has a statutory obligation to ensure that the congressional oversight committees are kept informed of significant problems and deficiencies within the programs and activities of the DNI. During this reporting period, the IC IG engaged with congressional oversight committees on several matters. In April 2014, IC IG Forum members completed the review of information sharing leading up to the Boston Marathon

bombing. In response to the report, the Senate Homeland Security and Governmental Affairs Committee held a hearing entitled "Lessons Learned from the Boston Marathon Bombings: Improving Intelligence and Information Sharing." The IC IG testified in both open and closed sessions. In addition, the IC IG led IC IG Forum efforts to brief congressional oversight committees on the joint report findings. These widely-attended briefings included members from the Massachusetts delegation, and Senate and House leadership office staff. The following committee staff also attended joint briefings on the subject: Senate Select Committee on Intelligence; Senate Homeland Security and Governmental Affairs Committee; Senate Judiciary Committee; Senate Appropriations Committee; House Permanent Select Committee on Intelligence; House Committee on Oversight and Government Reform; House Committee on Homeland Security; House Judiciary Committee; and House Appropriations Committee. In addition to the briefings related to the Boston Marathon Bombing, the IC IG briefed committee staff on several other issues including the IC IG reports related to the National Reconnaissance Office crimes reporting process, the Semiannual Report, and several component inspections.

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## (U) Appendix A: Summary of Audits

1 April - 30 September 2014

(U) Audit Number		(U) Audit Title
<b>(U) Completed Audits</b>		
Financial Management	AUD-2013-006	(U) Review of the Office of the Director of National Intelligence's Fiscal Year 2013 Compliance with the Improper Payments Elimination and Recovery Act (IPERA) of 2010
<b>(U) Ongoing Audits</b>		
Information Technology	AUD-2014-003	(U) Fiscal Year 2014 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002
	AUD-2014-004	(U) Fiscal Year 2014 Consolidated Federal Information Security Management Act (FISMA) of 2002 for the Intelligence Community Elements' Inspectors General

## (U) Appendix B: Summary of Inspections

1 April - 30 September 2014

(U) Inspection Number		(U) Inspection Title
<b>(U) Completed Inspections</b>		
Component Inspections	INS 2014-001	(U) Office of the Deputy Director of National Intelligence for Intelligence Integration (DDII)
	INS 2014-003	(U) Chief Human Capital Office (CHCO)
<b>(U) Ongoing Inspections</b>		
Component Inspections	INS 2014-004	(U) Office of the National Counterintelligence Executive (ONCIX)
Topic Inspection	INS 2014-002	(U) Evaluation of ODNI Required under the Reducing Over-Classification Act

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## (U) Appendix C: Additional Reporting

1 April - 30 September 2014

	(U) Report Number	(U) Report Title
<b>(U) Completed Reports</b>		
	IO-2013-002	(U) Special Review of NRO Crimes Reporting Process
Intelligence Oversight	IO-2013-005	(U// <del>FOUO</del> ) Evaluation of Intelligence Community Information Sharing Prior to the April 15, 2013 Boston Marathon Bombing
	IO-2014-005	(U) First Quarter Calendar Year 2014 Report to the IOB
	IO-2014-007	(U) Second Quarter Calendar Year 2014 Report to the IOB
<b>(U) Ongoing Activities</b>		
Special Review	IO-2014-006	(U// <del>FOUO</del> ) Special Review of IC Intelligence Oversight
Evaluation	TBD	(U// <del>FOUO</del> ) Joint Evaluation of Field-Based Information Sharing Entities

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## (U) Appendix D: Summary of Investigations

1 April to 30 September 2014

(U) Case Number	(U) Closed and Discontinued Investigations
INV-2014-0064	(U) Discontinued (Time and Attendance Fraud)
INV-2014-0010	(U) Closed – Unsubstantiated (Conflict of Interest)
INV-2014-0007	(U) Discontinued (Labor Mischarging)
INV-2014-0006	(U) Discontinued (Labor Mischarging)
INV-2014-0005	(U) Discontinued (Labor Mischarging)
INV-2014-0004	(U) Discontinued (Public Integrity Offense)
INV-2014-0003	(U) Discontinued (Public Integrity Offense)
INV-2013-0079	(U) Discontinued (Labor Mischarging)
INV-2013-0075	(U) Closed – Unsubstantiated (Labor Mischarging)
INV-2013-0034	(U) Closed – Substantiated (Conflict of interest)

## (U) Appendix E: Ongoing Investigations

As of 30 September 2014

(U) Ongoing Investigations and Preliminary Inquiries	(U) Number of Cases
<b>(U) Open Investigations</b>	
Time and Attendance - Administrative	1
<b>(U) Open Preliminary Inquiries</b>	
Misconduct - Criminal	4
<b>(U) Total Ongoing Activities</b>	<b>5</b>

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(U) AUDIT REPORT OF INTELLIGENCE COMMUNITY SECURITY CLEARANCE RECIPROCITY  
ISSUED December 2012  
Report Total: 2 Recommendations: 2 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)



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(U//F O) FISCAL YEAR 2012 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH THE FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002  
ISSUED December 2012  
Report Total: 12 Recommendations: 1 Open 11 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) Summary of Closed Recommendations

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(U//FOUO); FISCAL YEAR 2012 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH THE FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002  
ISSUED December 2012  
Report Total: 12 Recommendations: 1 Open 11 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U/) REVIEW OF THE ODNI's FY 2012 COMPLIANCE WITH IPERA  
ISSUED April 2013  
Report Total: 4 Recommendations: 1 Open 3 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)

(U) Summary of Closed Recommendations

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(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW  
ISSUED May 2013  
Report Total: 13 Recommendations: 1 Open 12 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) Summary of Closed Recommendations

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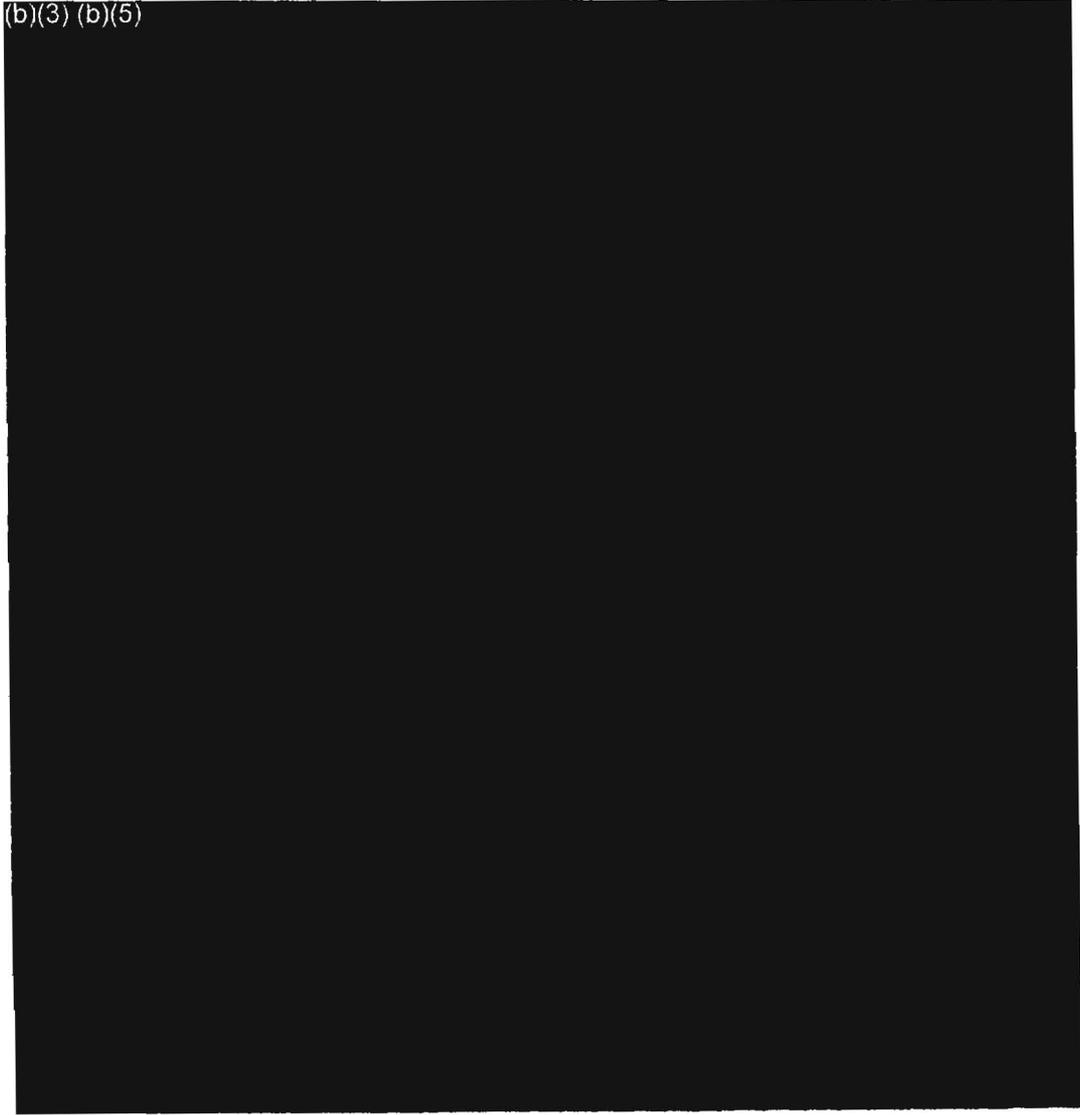
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(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW  
ISSUED May 2013  
Report Total: 13 Recommendations: 1 Open 12 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW  
ISSUED May 2013  
Report Total: 13 Recommendations: 1 Open 12 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) STUDY OF INTELLIGENCE COMMUNITY ELECTRONIC WASTE DISPOSAL PRACTICES  
ISSUED May 2013  
Report Total: 5 Recommendations: 5 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) AUDIT OF THE INTERNAL CONTROLS OVER THE ODNI PAYROLL  
ISSUED September 2013  
Report Total: 12 Recommendations: 3 Open 9 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) Summary of Closed Recommendations

(b)(3) (b)(5)			
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(U) AUDIT OF THE INTERNAL CONTROLS OVER THE ODNI PAYROLL  
ISSUED September 2013  
Report Total: 12 Recommendations: 3 Open 9 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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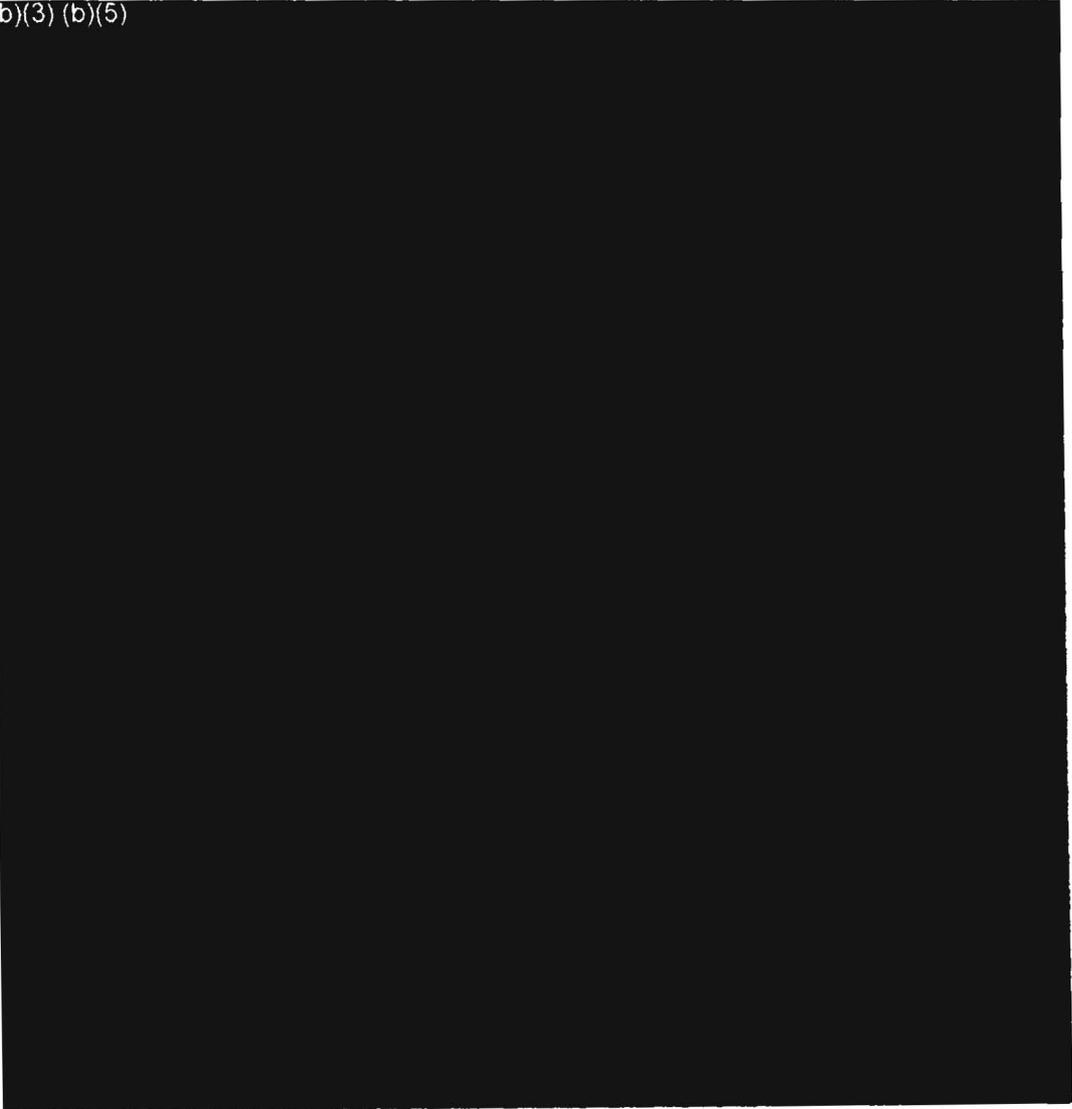
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(U) REPORT OF INSPECTION: OFFICE OF THE ASSISTANT DIRECTOR OF NATIONAL INTELLIGENCE FOR ACQUISITION, TECHNOLOGY AND FACILITIES (AT&F)  
ISSUED December 2013  
Report Total: 9 Recommendations: 0 Open 9 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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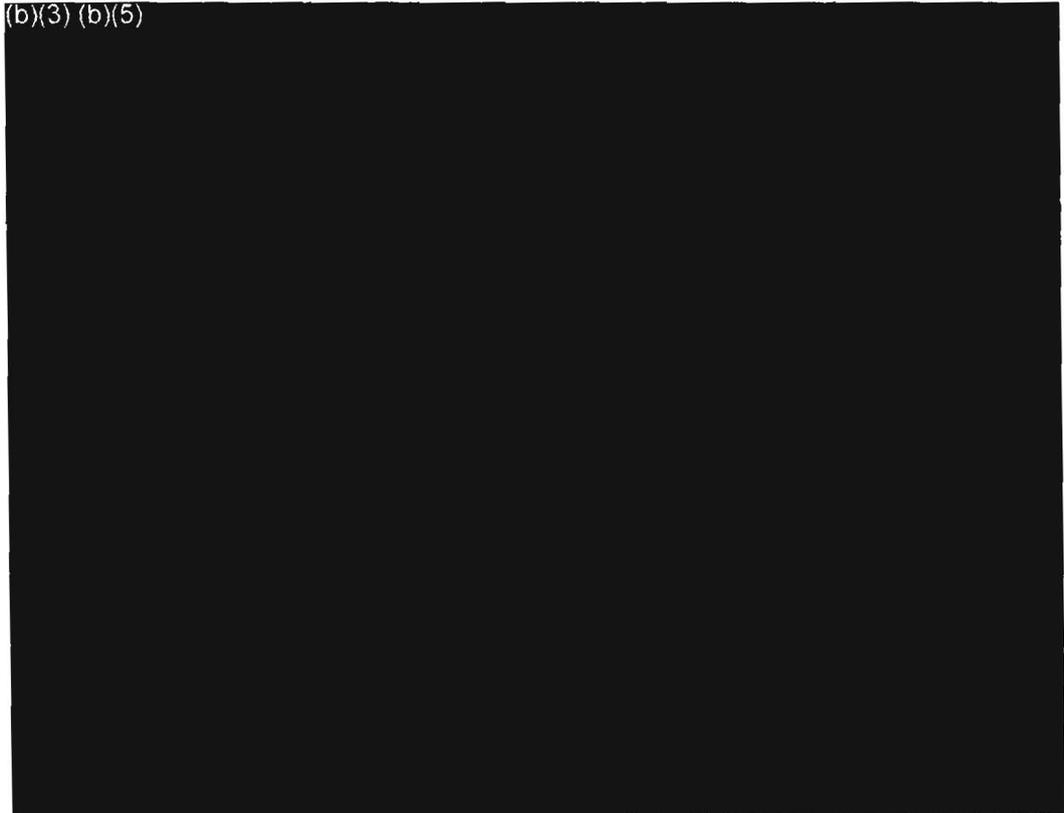
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(U) REPORT OF INSPECTION, OFFICE OF THE ASSISTANT DIRECTOR OF NATIONAL INTELLIGENCE FOR ACQUISITION, TECHNOLOGY AND FACILITIES (AT&F)  
ISSUED December 2013  
Report Total: 9 Recommendations: 0 Open 9 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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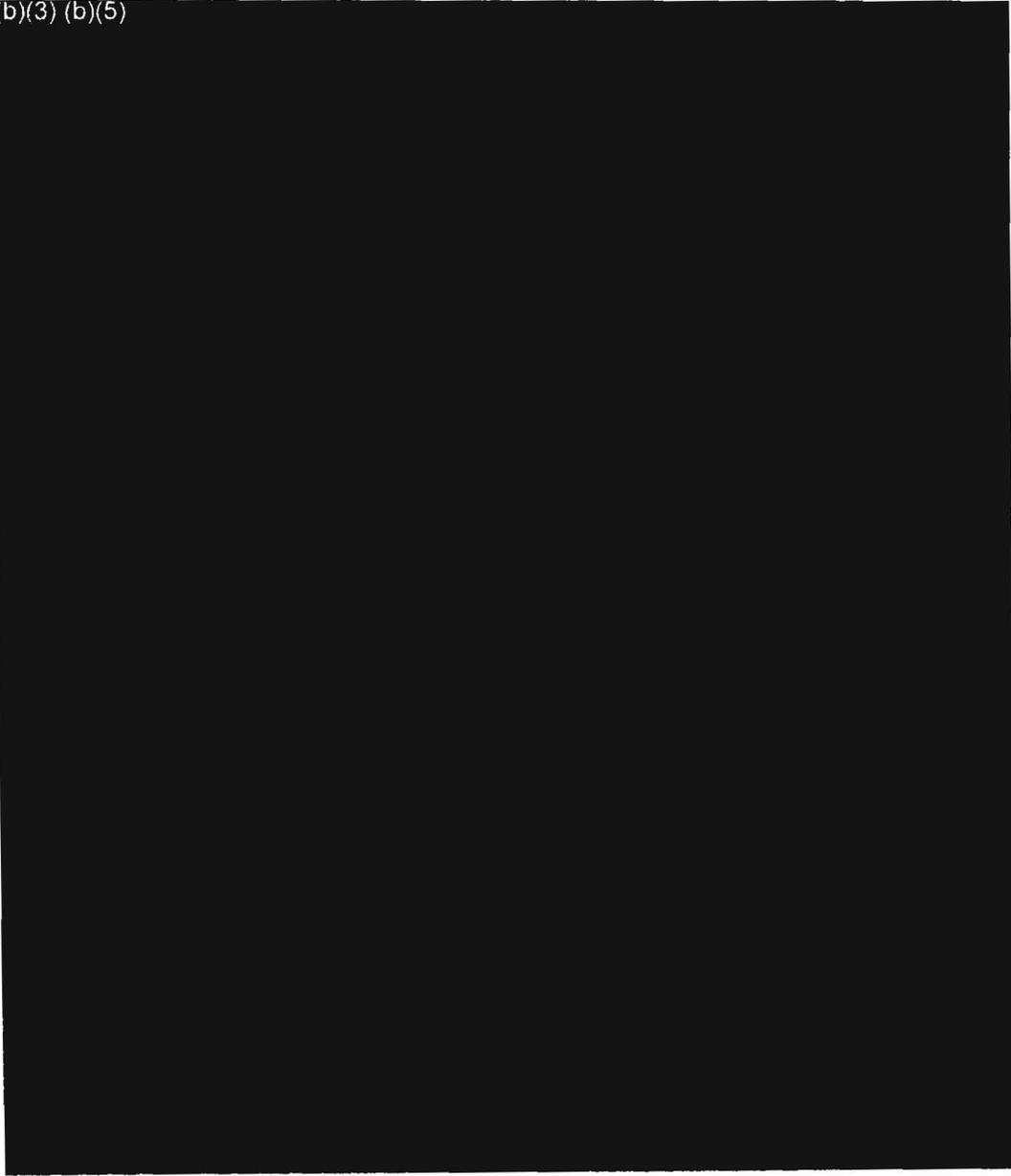
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(U) REPORT OF INSPECTION: INTELLIGENCE COMMUNITY EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY OFFICE (IC EEOD)  
ISSUED January 2014  
Report Total: 9 Recommendations: 0 Open 9 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) REPORT OF INSPECTION INTELLIGENCE COMMUNITY EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY OFFICE (IC EEO/D)  
ISSUED January 2014  
Report Total: 9 Recommendations: 0 Open 9 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(U) EVALUATION OF MEDIA CLAIMS REGARDING NON-REPORTING BY THE NRO OF CERTAIN 2010 ADMISSIONS OF POTENTIAL CRIMES  
ISSUED February 2014  
Report Total: 5 Recommendations: 0 Open 5 Closed

(U) Summary of Closed Recommendations

Recommendation	Rec #	Responsible Office	Corrective Action
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(b)(3) (b)(5)



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(U/) REVIEW OF THE ODNI's FY 2013 COMPLIANCE WITH IPERA  
ISSUED April 2014  
Report Total: 1 Recommendation, 1 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)

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(U) EVALUATION OF NATIONAL RECONNAISSANCE OFFICE CRIMES REPORTING PROCESS  
ISSUED April 2014  
Report Total: 13 Recommendations: 0 Open 13 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)



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(U) EVALUATION OF NATIONAL RECONNIASSANCE OFFICE CRIMES REPORTING PROCESS  
ISSUED April 2014  
Report Total: 13 Recommendations: 0 Open 13 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)



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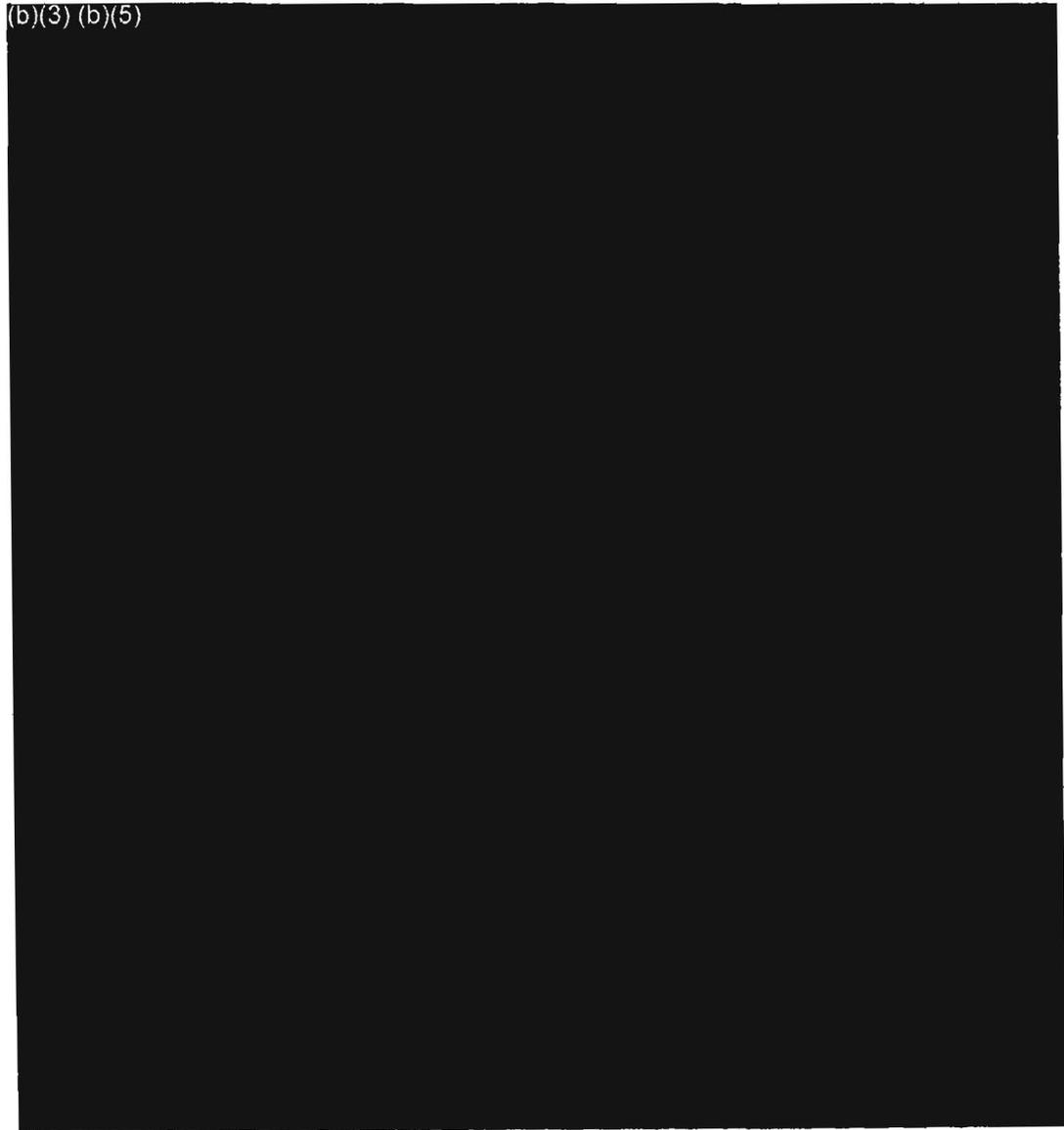
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(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations. 14 Open 7 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)



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(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 14 Open 7 Closed

(U) Summary of Open Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)

(U) Summary of Closed Recommendations

(b)(3) (b)(5)

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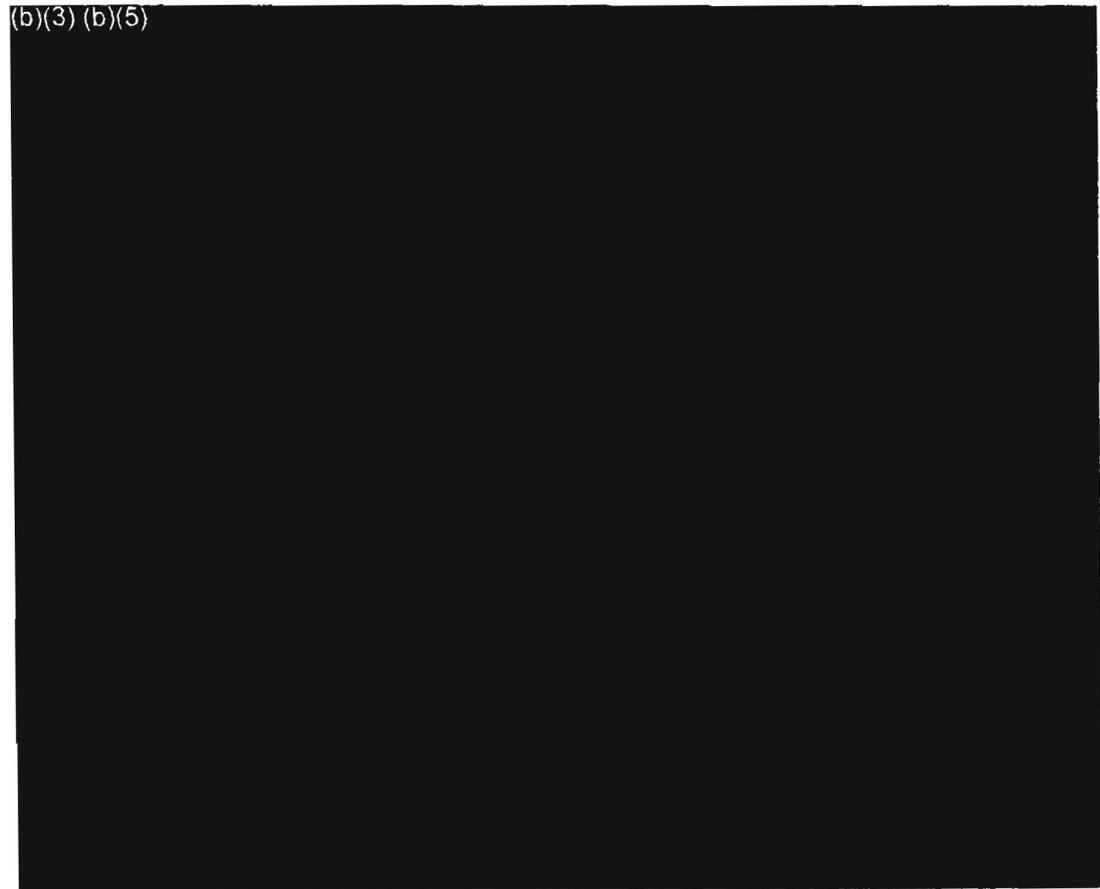
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(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 14 Open 7 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b)(3) (b)(5)



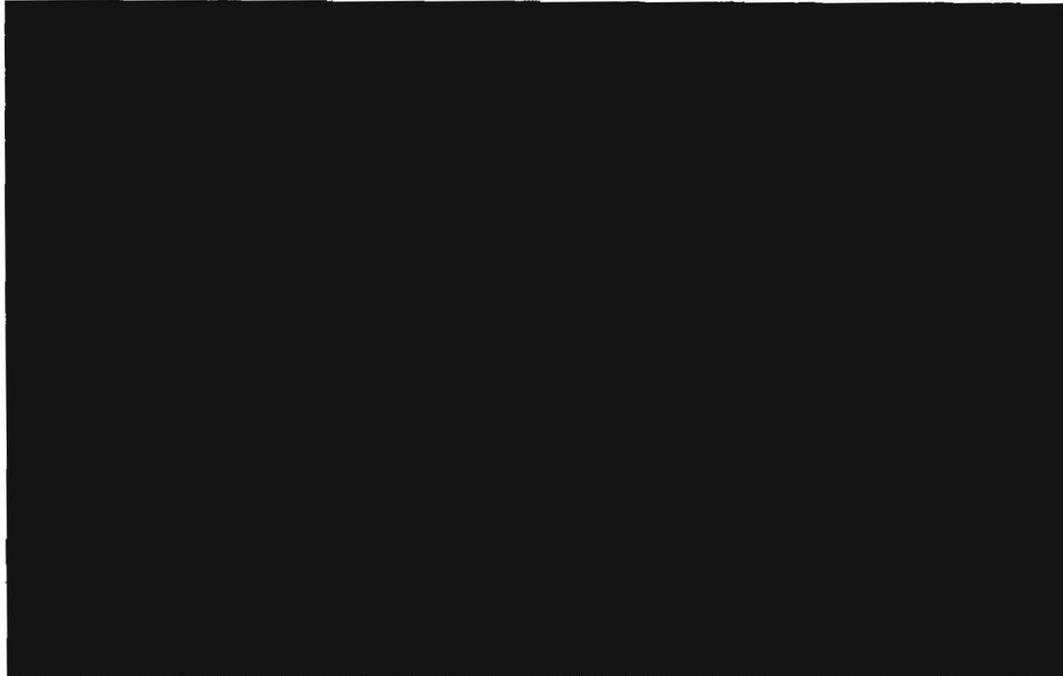
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(U) Report of Inspection: Chief Human Capital Office (CHCO)  
ISSUED September 2014  
Report Total: 5 Recommendations: 5 Open 0 Closed

(U) Summary of Closed Recommendations

Recommendation	Rec #	Responsible Office	Corrective Action
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# **ENCLOSURE 3**



IC IG FY 2015-004

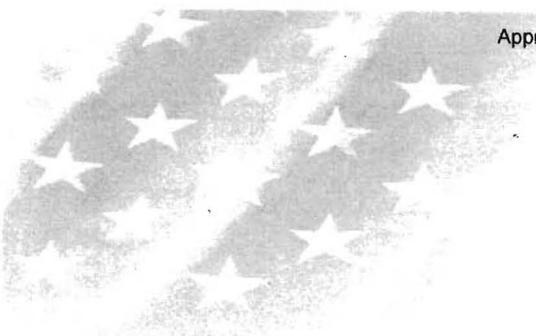
1 October 2014 - 31 March 2015

# (U) SEMIANNUAL REPORT TO THE DIRECTOR OF NATIONAL INTELLIGENCE

OFFICE OF THE INSPECTOR GENERAL  
OF THE INTELLIGENCE COMMUNITY

---

I. Charles McCullough, III  
Inspector General of the Intelligence Community



## **(U) Mission**

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

## **(U) Vision**

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

## **(U) Core Values**

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

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

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

## **(U) Diversity**

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

# (U) A Message from the Inspector General



(U) On behalf of the members of the Office of the Inspector General of the Intelligence Community (IC IG), with whom I am honored to serve, I am pleased to provide this summary of our efforts for the period 1 October 2014 through 31 March 2015. This report is submitted pursuant to Section 103H of the National Security Act of 1947, as amended.

(U) We continue to foster integration and collaboration among the IC Offices of Inspector General (IC OIGs) by:

- leading the statutory IC IG Forum and the Forum's Deputies, Audit, Inspections, Investigations, Counsel, and Management and Administration committees;
- continuing to develop our IC Whistleblowing and Source Protection program through training, outreach, and processing cases;
- managing the IC IG Forum's Peer Review Program in coordination with the IC OIGs; and
- liaising with the Council of Inspectors General on Integrity and Efficiency.

(U//~~FOUO~~) During this reporting period we:

- completed three audits;
- completed two inspections of Office of the Director of National Intelligence (ODNI) components, and one cross-IC inspection; and
- conducted 18 investigations, of which five were substantiated.

(U//~~FOUO~~) We are currently:

- completing two compliance audits;
- conducting a Joint Intelligence Community Information Technology Enterprise (IC ITE) Survey;
- conducting a baseline evaluation of intelligence oversight across the IC;
- conducting a joint evaluation of field-based information sharing entities;
- conducting an evaluation of suspension and debarment programs; and
- conducting one component inspection.

(U) The credit goes to our hard-working personnel for these accomplishments and ongoing efforts. We remain committed to the highest standards of professionalism, objectivity, independence, and integrity. I very much appreciate the continued support of the Director of National Intelligence, the Administration, and the Congressional Intelligence Committees.

A handwritten signature in black ink, reading "I. Charles McCullough III". The signature is stylized and includes a small "III" at the end.

**I. Charles McCullough, III**

*Inspector General of the Intelligence Community*



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# (U) Statutory Reporting Requirements and Congressionally Requested Information

## A. (U) Standards

(U) All inspections and investigations conform to standards adopted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

## B. (U) Full and Direct Access Certification

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

## C. (U) Subpoena Authority

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

## D. (U) Legislative Proposals

(U) During this reporting period, the IC IG provided an important legislative proposal to the Senate Select Committee on Intelligence (SSCI) and the House Permanent Select Committee on Intelligence (HPSCI) regarding IG reviews of security clearance determinations. In the Intelligence Authorization Act for Fiscal Year 2014 (FY 2014 IAA) the SSCI and HPSCI both supported enhanced whistleblower protections by prohibiting retaliatory personnel actions and security clearance actions against IC employees who make protected disclosures. These statutory provisions codified most whistleblower protections provided to IC employees under Presidential Policy Directive-19 (PPD-19), Protecting Whistleblowers with Access to Classified Information (10 October 2012). One of the most significant enhancements provided for IG review of alleged reprisal claims.

(U) While enhanced whistleblower protections are critical to protecting sensitive sources, requiring an IG to conduct fact-finding reviews for any security clearance determination an employee found unfavorable was overly burdensome. Therefore, the IC IG proposed amending the newly created security clearance appeals process codified in 50 U.S.C. § 3341, Security Clearances. The IC IG proposed streamlining the appeals process for security clearances by limiting IG reviews to only cases where an individual alleges a security

clearance action was taken in reprisal for having made a protected disclosure. The SSCI and HPSCI included this proposal in the Intelligence Authorization Act of Fiscal Year 2015. These changes took effect when the President signed the bill into law on 19 December 2014. As a result, IG reviews in the appeals process are now in keeping with the prohibition of using security clearance actions in retaliation for employees who made protected disclosures, as stated in 50 U.S.C. § 3341(j).

## E. (U) Status of Recommendations

(U) Appendix F presents the status of IC IG recommendations, to include the current number of open recommendations and recommendations closed during this reporting period. Each recommendation identifies the Office of the Director of National Intelligence (ODNI) component or Intelligence Community (IC) element responsible for the necessary corrective actions and whether or not the corrective actions have been fully implemented. Where corrective actions remain incomplete, a status update is provided. Where corrective actions have been completed, a description of that corrective action is provided.

## F. (U) Conference Reporting

(U) During this reporting period, ODNI held four conferences in Virginia costing between \$20,000 and \$100,000. The average cost per conference was approximately \$51,000. The average number of ODNI attendees was 61. The conferences' cost-per-person average was approximately \$420.

## G. (U) Whistleblower Issues

(U) Information on the status of whistleblower allegations, including those involving reprisal, is included in the IC Inspectors General Activities section.

## H. (U) Investigations

(U) Descriptions of closed investigations are included in Appendix D. For this reporting period, the IC IG did not substantiate misconduct allegations against any government employee paid at the GS-15 or above level.

# (U) Overview

## A. (U) Organization

(U) The Intelligence Authorization Act for Fiscal Year 2010 (FY 2010 IAA) established the IC IG with the authority to initiate and conduct independent audits, inspections, investigations, and reviews of programs and activities within the DNI's responsibility and authority. The IC IG promotes economy, efficiency, and effectiveness in the administration and implementation of such programs and activities, and prevents and detects fraud, waste, and abuse. The IC IG's broad authority, as established in the IAA, allows us to identify and investigate systemic IC issues that impact the DNI's ability to achieve intelligence integration. In addition, the IC IG facilitates coordination among other IC Inspectors General through the Intelligence Community Inspectors General Forum (IC IG Forum), also established by the FY 2010 IAA.

(U) The IC IG is composed of the IG, Deputy IG, General Counsel to the IG, Assistant Inspectors General (AIGs) for Audit, Investigations, Inspections, and Management and Administration (M&A), a Senior Advisor on Intelligence Oversight (IO), and Executive Directors for Whistleblowing and Source Protection, and the IC IG Forum. The office's principal operating divisions are Audit, Inspections, and Investigations. The Senior Advisor on IO provides reviews of intelligence activities, either within the ODNI or across IC organizations, to ensure that such activities are authorized and conducted lawfully. The M&A Division and the General Counsel's Office support the operational divisions and the IC IG Front Office. The Executive Directors for Intelligence Community Whistleblowing and Source Protection and for the IC IG Forum support the IC IG Forum.

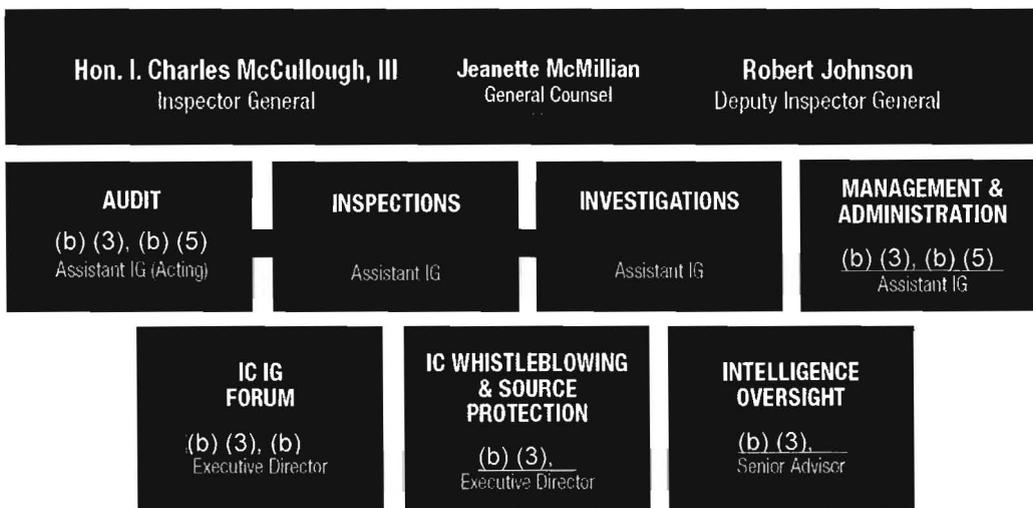


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## B. (U) Personnel

(U//~~FOUO~~) In FY 2015, the IC IG was authorized a total staffing complement of (b) (3) positions. Consistent with ODNI personnel funding levels (b) (3) of these (b) (3) positions) are funded. The table below shows positions by division and office, and reflects (b) (3) and (b) (3) vacancies as of 31 March 2015.

(U) The IC IG is composed of a diverse group of talented and highly-skilled employees to include cadre, joint duty detailees, and contractors who provide subject matter expertise. The following figures summarize the breakdown of IC IG staff by category.

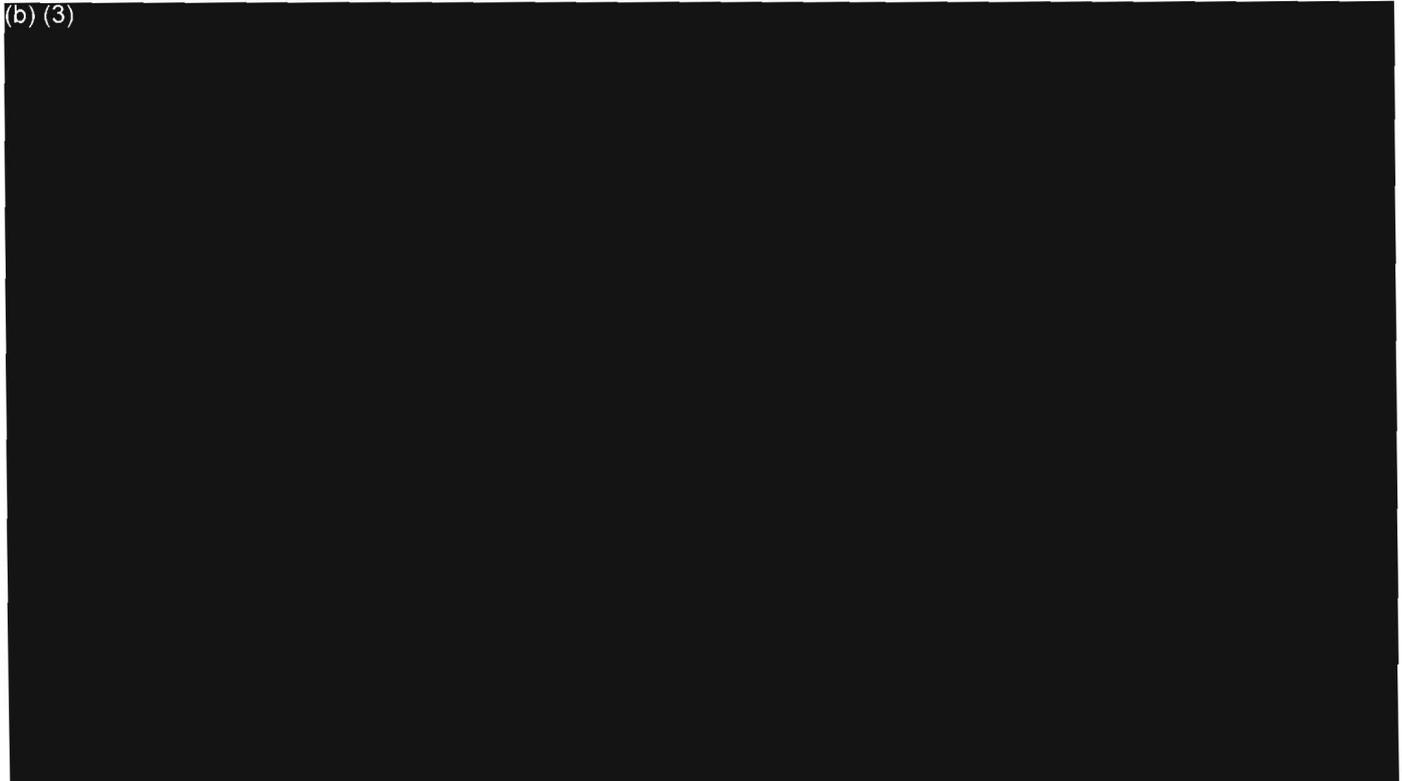
### (U) IC IG Position Allocation

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(b) (3)

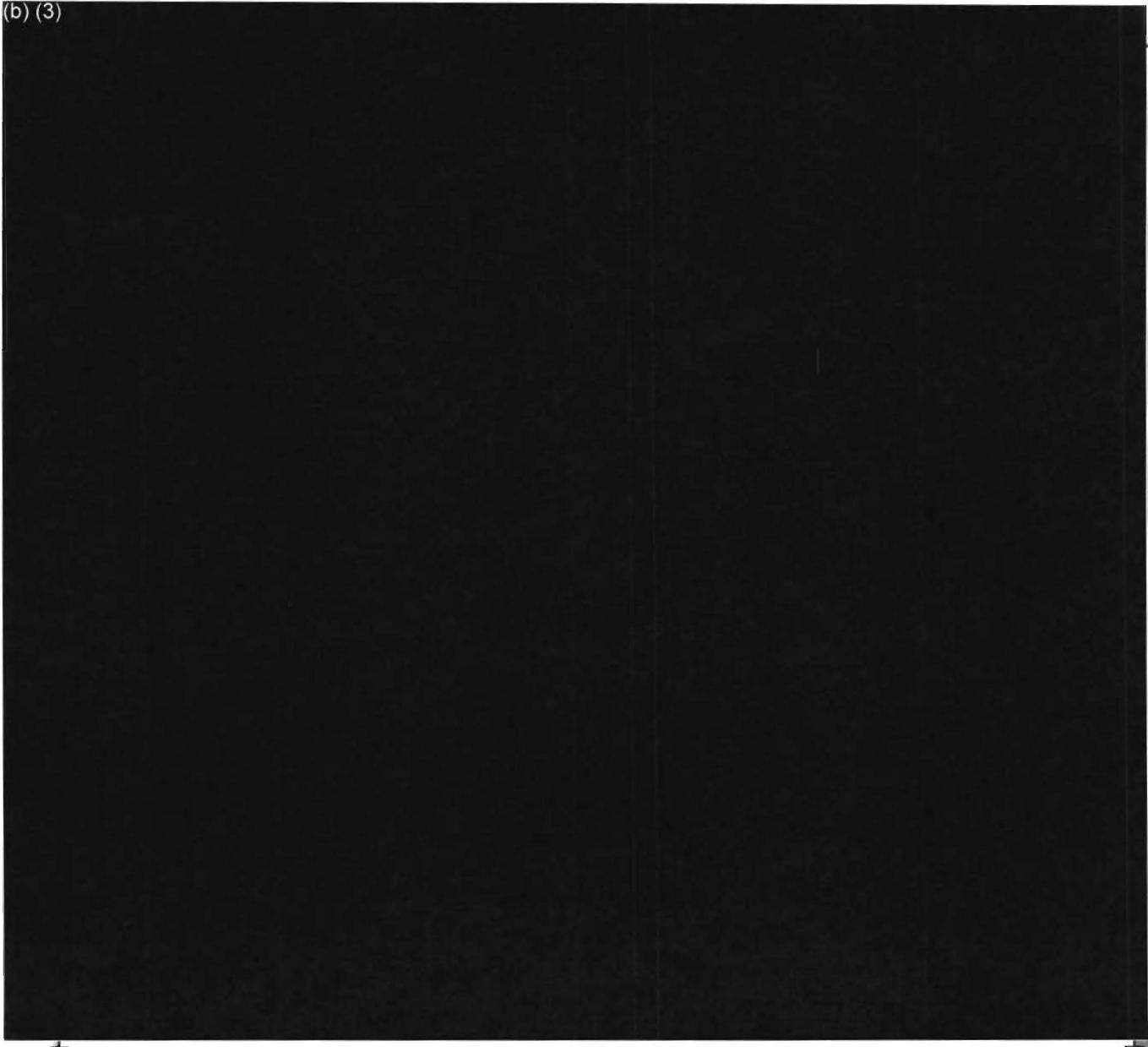


### C. (U) Funding

(U//~~FOUO~~) The ODNI provided adequate funding for the IC IG mission during this reporting period. Our budget covered personnel services and general support requirements such as travel, training, equipment, supplies, information

technology support, and office automation requirements. The IC IG requested, with the DNI's support, an increase in IC IG personnel for FY 2015. The increase assists the IC IG in keeping pace with increasing mission requirements.

(b) (3)



## (U) IC Inspectors General Activities

### A. (U) IC IG Forum

(U) The FY 2010 IAA established the IC IG Forum. The IC IG chairs the Forum, which is composed of IGs with oversight responsibilities for IC elements. The IC IG Deputy, Counsel, and Assistant Inspectors General (AIGs) chair the Forum committees. Forum members collaborate on IC-wide projects; share information and best practices; resolve jurisdictional issues; and facilitate access to employees, contractors, and other resources that may be of assistance. The IC IG uses the Forum to clarify, identify, and prioritize IC-wide projects; to seek key IG stakeholder project buy-in; and to develop strategies on how to best leverage the limited IG resources across the community.

(U) This reporting period we appointed an Executive Director for the IC IG Forum to bolster the Forum's statutory role and strengthen ties to CIGIE's many initiatives. This includes ensuring IC IG representation on CIGIE's standing committees. The Executive Director has been particularly involved with CIGIE's Inspection and Evaluation (I&E) Committee, assisting them in formulating an external peer review program for the I&E activities of the federal OIGs. Additionally, the Forum's Peer Review Program was a topic at this year's annual IC IG Conference, drawing a large number of IG officers to share lessons learned from the program's first year experiences.

(U//~~FOUO~~) The Forum's committees engaged in the following activities during this reporting period:

- **(U//~~FOUO~~) Audit Committee.** The Audit Committee met twice this reporting period and discussed peer review schedules; the IC ITE project; IPERIA, including new 2015 requirements; charge card risk assessments and audits; Data Act implementation; and performance metrics. (b) (3), Group Chief for National Counterintelligence Executive, Center for Security Evaluation, Technology and Information Assurance Group, provided a briefing on the risks and new regulations made necessary by secure wireless capabilities. (b) (3), Deputy

Assistant Inspector General for Performance Audit, Treasury Department OIG provided an overview of the process for implementing the Digital Accountability and Transparency Act of 2014.

- **(U//~~FOUO~~) Investigations Committee.** The Investigations Committee met twice during this reporting period. Highlights of the meetings included a session on the implementation of PPD-19 led by the Executive Director, IC Whistleblowing and Source Protection. Other topics included discussions on Peer Review, specifically interagency blended peer review teams, and the IC IG investigator's completion of the Eastern District of Virginia's (EDVA) Special Assistant United States Attorney (SAUSA) training program. During one committee meeting, the IC IG's SAUSA and State Department's long-term SAUSA provided an overview of the EDVA program, along with strategies for working, selecting, and presenting cases to EDVA.
- **(U//~~FOUO~~) Inspections Committee.** The Inspections Committee met twice during this reporting period. Committee members discussed a professional development framework for inspections and evaluations (I&E) personnel; non-management leadership positions in I&E; information access challenges and lessons learned; IC IG's community Suspension & Debarment Programs Evaluation status; trial results for a knowledge management tool used to support inspections; and potential joint inspections. IC IG also briefed the committee on its evaluation of ODNI classification policies, procedures, and practices in response to Section 6 of the Reducing Over-Classification Act of 2010. The evaluation included an overview of classification areas requiring more emphasis in the largest IC elements.
- **(U//~~FOUO~~) Counsels Committee.** The Counsels Committee met four times during the reporting period to discuss jurisdictional issues for IC-wide projects, legislative impacts

to the IC IG community, congressional correspondence, and training opportunities to better educate the IG workforce. The Counsels' Committee worked closely with the Council of Counsels to Inspectors General (CCIG), which has a similar mandate to provide general advice and counsel to CIGIE. The CCIG and the Counsels Committee collaborated on several initiatives to ensure they addressed concerns unique to IC IG Forum members.

### **B. (U) The Council of the Inspectors General on Integrity and Efficiency (CIGIE)**

(U) The IC IG is a statutory member of the CIGIE. The IC IG actively participates in CIGIE meetings. His representatives materially participate in CIGIE's Committees on Information Technology; Inspections and Evaluations; Investigations; Legislation; Professional Development; Counsel; and Audit, as well as the Leadership Development subcommittee.

### **C. (U) IC IG Peer Review Activities**

(U) This reporting period, IC IG assisted the National Reconnaissance Office's (NRO) peer review of the National Geospatial-intelligence Agency's (NGA) Audit division.

### **D. (U) Whistleblowing and Source Protection**

(U) The Intelligence Community Whistleblowing & Source Protection Program (ICW&SP) conducts outreach to stakeholders managing agency IC Whistleblowing Programs. The program audience includes those who use, advise, or oversee the system; offer subject-matter expertise for training federal personnel on executing the whistleblowing and whistleblower protection process; and process general disclosures through the IC Hotline. The program also offers IC IG specialized expertise for handling select disclosures, including disclosures to Congressional committees of jurisdiction under the IC IG's title 50 authorities and implementing PPD-19.

(U) This reporting period ICW&SP processed an expanding number of PPD-19-related appeals and Congressional disclosures of urgent concern. Significant among them were disclosures to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence regarding alleged investigative misconduct; contract waste, fraud, and abuse; overseas operational concerns; documentation of senior-level national security decisionmaking; and an alleged reprisal against sources of an inspector general. ICW&SP held outreach and training events to raise awareness and proficiency. The number of IC whistleblower activities this reporting period is listed below.

<b>(U) IC Whistleblower Mission Areas</b>	<b>(U) Mid-Year Totals</b>
Outreach events	18
Training sessions	14
Congressional disclosures processed	5
Requests for appeals	3
Appeals accepted	0

(U) ICW&SP supported the IC IG's coordination of and consultation concerning the DNI's policy initiatives implementing PPD-19. Of particular focus was the FY 2014 IAA's codification of particular sections of PPD-19. Congressional intelligence committee staffs were briefed on the impacts of the FY 2014 IAA and the need for further improvements as they codify PPD-19.

(U) The IC IG also demonstrated the IC Whistleblowing web-based training at the 2015 Intelligence Community Inspectors General Conference. To support PPD-19, Section D, all employees must complete some training annually. Training remains a component-level activity. Therefore, in the event of an unlawful disclosure,

it may be possible to examine the component's training records, and ascertain whether supervisors and managers trained their workforce on the lawful means of making a disclosure. Funds to update this training, including those necessitated by changes in the whistleblower law, have been allocated. The ICW&SP Executive Director continues to provide subject-matter expertise to the National Intelligence University by integrating whistleblowing awareness into the curriculum. Lastly, we designed communication activities to meet narrower, but still significant audiences in the broader public realm, including opinion leaders at institutions such as James Madison University, as well as professional IC contractor associations.

### E. (U) IC IG Conference

(U) IC IG hosted the Annual IC Inspectors General Conference on 26 March at NGA. This was our largest conference so far – with over 400 registered attendees from 16 IC agencies. The Director of National Intelligence, the Honorable James R. Clapper provided the keynote address. Sessions covered topics ranging from ethics and

(b) (3), (b) (6)

IG-related legislation, to cloud computing and financial criminal investigations. This year we also took the opportunity to advertise various programs and opportunities, e.g., IC Joint Duty, and a CIGIE promoted federal-wide IG training program.

### F. (U) IC IG Awards

(U//~~FOUO~~) The IC IG hosted the Annual IC IG Awards program for members of the IC Inspectors General community to recognize IG professionals throughout the IC who have made extraordinary

contributions to the missions and objectives set forth in the U.S. National Intelligence Strategy, and in their respective IG offices. The awards review board selected the following individuals and teams for this year's awards.

#### Lifetime Achievement Award:

(b) (3)

#### Leadership Award:

(b) (3)

#### Audit Award:

(b) (3)

#### Inspections Award:

(b) (3)

(b) (3)

#### Investigations Award:

(b) (3)

#### Collaboration Award:

(b) (3)

### G. (U) IC IG Investigator – Prosecutor Initiative

(U//~~FOUO~~) An IC IG investigator completed training as a Special Assistant United States Attorney (SAUSA) with the Eastern District of Virginia (EDVA). This investigator will assist with strategies for working, selecting, and presenting cases for criminal prosecution to EDVA for both the IC IG and the broader community of Inspectors General in the IC.

### H. (U) IC IG Investigative Techniques and Procedures Course

(U//~~FOUO~~) The IC IG Investigations Division hosted its first four-day, investigator-focused training session for Federal Government IG investigators. Instructors from across the IC OIGs taught the course. Over 65 investigators, senior managers, and counsel from across the IC and DOJ attended. The course covered a range of topics relevant to the Federal Inspector General Community and highlighted specific topics of interest to investigators within the IC.

## I. (U) IC Counter Fraud Working Group

(U//~~FOUO~~) The IC IG Investigations Division leads the quarterly IC Counter Fraud Working Group (CFWG). The CFWG identifies and resolves issues of common concern across the IC and develops a framework for collaborative projects and data sharing to detect and prevent fraud in IC programs and activities. During this reporting period, the Investigations Division met with representatives from NGA and DIA, and discussed best practices and techniques for proactive fraud detection and prevention.

## (U) Audit Division

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

(U) During this reporting period, Audit completed three projects and issued reports containing two recommendations.

(U) As of 31 March 2015, the Audit staff had three on-going projects.

### A. (U) Completed Audits

#### ***(U) Fiscal Year 2014 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002***

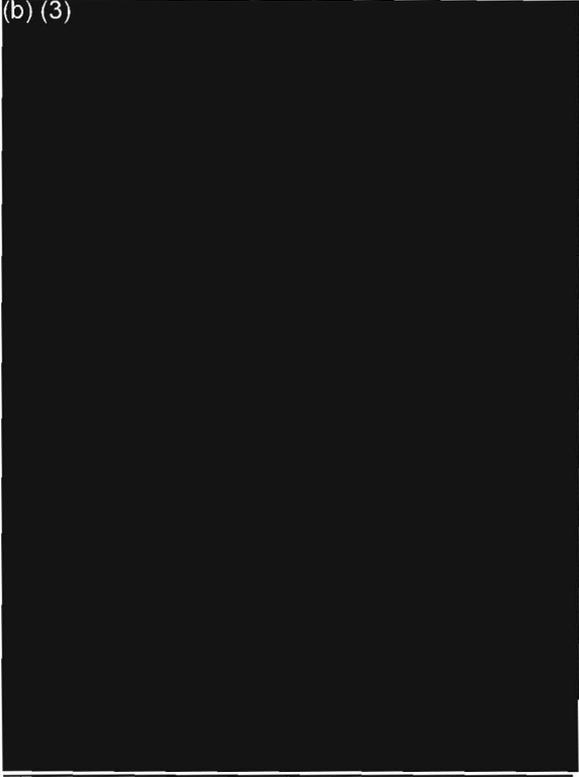
(AUD-2014-003, November 2014)

(U//~~FOUO~~) FISMA requires Federal agencies to establish security measures for information systems that support their operations and to report annually on those measures. FISMA also requires agency OIGs, or an independent external auditor, perform an annual independent evaluation.

(U) The objective of this evaluation was to provide an independent assessment of the ODNI's information security program and practices. To perform the evaluation, we used the Department of Homeland Security's (DHS) FY 2014 IG FISMA metrics, which covered eleven information security (IS) program areas:

1. Continuous Monitoring Management
2. Configuration Management
3. Identity and Access Management
4. Incident Response and Reporting
5. Risk Management
6. Security Training
7. Plan of Action and Milestones
8. Remote Access Management
9. Contingency Planning

(b) (3)



10. Contractor Systems

11. Security Capital Planning.

(U) We also followed up on outstanding recommendations from the FY 2012 FISMA report.

(U//~~FOUO~~) Our evaluation determined the ODNI had established programs in 7 of the 11 IS program areas. The ODNI does not allow remote access, so that IS program area was not required.

(U//~~FOUO~~) The following information security programs met FY 2014 DHS IG FISMA metric requirements:

1. Continuous Monitoring
2. Security Configuration Management
3. Incident Response and Reporting
4. Risk Management
5. Plan of Action and Milestones
6. Contractor Systems
7. Security Capital Planning.

(U//~~FOUO~~) Notably, ODNI implemented new initiatives for the Continuous Monitoring program and continued implementing the Risk Management Framework (RMF). Of the three required programs remaining, the CIA established and managed two IS program areas, and the ODNI is currently developing its Contingency Planning Program. Two new FISMA recommendations will finalize the ODNI Continuous Monitoring Plan and establish milestones for authorizing FISMA reportable systems. One FY 2012 recommendation regarding the contingency plan program remains open.

**(U) Fiscal Year 2014 Consolidated Federal Information Security Management Act (FISMA) of 2002 Capstone Report for the Intelligence Community Elements' Inspectors General**

(AUD-2014-004, December 2014)

(U//~~FOUO~~) This evaluation's objective was to collect and summarize the FY 2014 FISMA report submissions from the OIGs for IC elements operating or exercising control of national security systems. We applied the FY 2014 IG FISMA metrics for eleven IS program areas for this evaluation. This evaluation summarized the elements' information security (IS) program strengths and weaknesses; identified the cause of the weaknesses in programs if noted by the respective OIGs; and provided a summary of IC information security program recommendations.

(U//~~FOUO~~) Our review of the 11 OIG reports revealed compliance most often with Incident Response and Reporting, Risk Management, and Security Capital Planning. Specifically, nine OIGs reported their element had established a program consistent with FISMA requirements, Office of Management Budget (OMB) policy, and applicable National Institute of Standards and Technology (NIST) guidelines. Eight OIGs reported they had established programs for: Identity and Access Management, Security Training, Plan of Action and Milestones, and Contractor Systems.

(U//~~FOUO~~) While a majority of OIGs reported their element had established programs in the 11 IS program areas, 3 areas were found to be inconsistent with FISMA requirements. Five OIGs reported their element had not yet established programs in Security Configuration Management and Contingency Planning. Four OIGs reported

their element had not established a Continuous Monitoring program.

(U//~~FOUO~~) In their FY 2014 FISMA reports, 6 OIGs made 41 recommendations addressing individual element findings. In some cases, the recommendations repeated or were from previous years and had not been fully implemented. Additionally, 8 OIGs reported 37 outstanding open recommendations from prior FISMA reports.

**(U) Assessment of the Office of the Director of National Intelligence's Fiscal Year 2014 Charge Card Program**

(AUD-2015-001, January 2015)

(U) The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) requires heads of executive agencies to establish and maintain safeguards and internal controls for issuance and use of charge cards. It also requires IGs of each executive agency to conduct periodic risk assessments of agency charge card programs to identify and analyze the risks of illegal, improper, or erroneous purchases and payments. IGs are to: (1) use the results of the risk assessments to determine the scope, frequency, and number of periodic audits of these programs; and (2) submit their findings and recommendations to OMB for compilation in an annual report to Congress.

(U//~~FOUO~~) The Act addresses management of three types of government charge card-related purchasing methods: (1) purchase cards and convenience checks; (2) travel cards; and (3) centrally billed accounts. ODNI does not use convenience checks or centrally billed accounts for travel. In addition, ODNI's FY 2014 travel card spending did not exceed the \$10 million threshold requirement to perform an audit or review of its government travel cards. Therefore, we only assessed ODNI's purchase card program and found ODNI's associated risks to be moderate. We determined an audit of ODNI's purchase card spending was not warranted.

(U) We noted two areas of risk identified for improved performance in OMB's annual report to Congress: (1) compliance with existing policies and procedures, and (2) cardholder and card manager training. We suggested management address these areas and ensure effective control over card usage.

**B. (U) Ongoing Audits*****(U) Evaluation of the Office of the Director of National Intelligence's Fiscal Year 2014 Compliance with the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012***

(AUD-2015-002)

(U) The Improper Payments Information Act (IPIA), enacted on 26 November 2002, requires federal agencies to provide for estimates and annual reports of improper payments. IPERIA, enacted on 10 January 2013, further amended IPIA by expanding previous requirements and intensifying agency efforts to identify, prevent, and recover payment errors within agency programs.

(U) IPERIA also requires the IG of each executive agency to perform an annual IPERIA compliance review. OMB Circular No. A-123 specifically requires each head of agency to identify programs and activities susceptible to significant improper payments, and respective OIGs to perform the annual review for accuracy and completeness.

(U) We are conducting our FY 2014 evaluation in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). We completed fieldwork, and the draft report is currently in our quality review process. We anticipate issuing the final report memorandum to the DNI before the May 2015 deadline.

***(U//FOUO) Joint IC IG Forum Intelligence Community Information Technology Enterprise (IC ITE) Survey***

(AUD-2015-003)

(U) In 2014 the DNI issued the latest National Intelligence Strategy. It outlines six IC enterprise objectives for the next four to five years. These include Integrated Mission Management, Integrated Enterprise Management, Information Sharing and Safeguarding, Innovation, Our People, and Our Partners. Of particular interest to the IC OIGs is the Information Sharing and Safeguarding Objective. This section highlights the IC Information Technology Enterprise (IC ITE), which is designed to transform agency centric information technology to a common platform.

(U) Because IC ITE affects all IC elements, the IC OIGs determined that a survey across the IC elements would be the most effective way to obtain a comprehensive understanding of IC ITE and eliminate the potential for duplicative inquiries of IC ITE service providers and customers.

(U) The objectives of this survey is to gather information related to IC ITE. Specifically, we will document:

- (U) general background information on the IC ITE;
- (U) extent and nature of each IC element's role and responsibility;
- (U) funding for IC ITE at each IC element; and
- (U) goals and objectives established by legislation and the IC elements.

(U) We will provide audit topic proposals to the IC IG Forum for consideration when the survey is complete.

***(U) Fiscal Year 2015 Independent Evaluation of ODNI Compliance with the Federal Information Security Modernization Act (FISMA) of 2014***

(AUD-2015-004)

(U) FISMA requires agency OIGs, or an independent external auditor, to perform an annual independent evaluation of the agency's information security program and practices. The IC IG performs this evaluation for the ODNI.

(U) Specifically, we will determine the effectiveness and status of the information security program for ODNI's internal operations using the Department of Homeland Security's FY 2015 IG FISMA metrics. Additionally, we will follow up on ODNI actions to address the two open FISMA recommendations from FY 2014 and the one open recommendation from FY 2012.

(U) We will issue our report by the end of Calendar Year (CY) 2015.

## (U) Inspections Division

(U) The IC IG Inspections Division (INS) conducts inspections, reviews, and evaluations to improve ODNI and IC-wide performance and integration. The division examines information access, collaboration, collection, and analysis; IC programs and issues; and compliance with laws and regulations. INS also encourages IC employees and contractors to use the IC IG Complaint Intake Process, or Hotline, as a confidential resource to report fraud, waste, and abuse.

(U//~~FOUO~~) During this reporting period, INS completed two Special Reviews, its first topical evaluation, and one joint inspection. Special Reviews are accelerated assessments that use questionnaires and data call responses with limited interviews of component staff to gather information. These inspections cover mission performance, management effectiveness, resource management, and enterprise oversight.

(U) As of 31 March 2015, INS had one ongoing ODNI component Special Review and one cross-IC topical inspection.

### A. (U) Completed Inspections and Evaluations

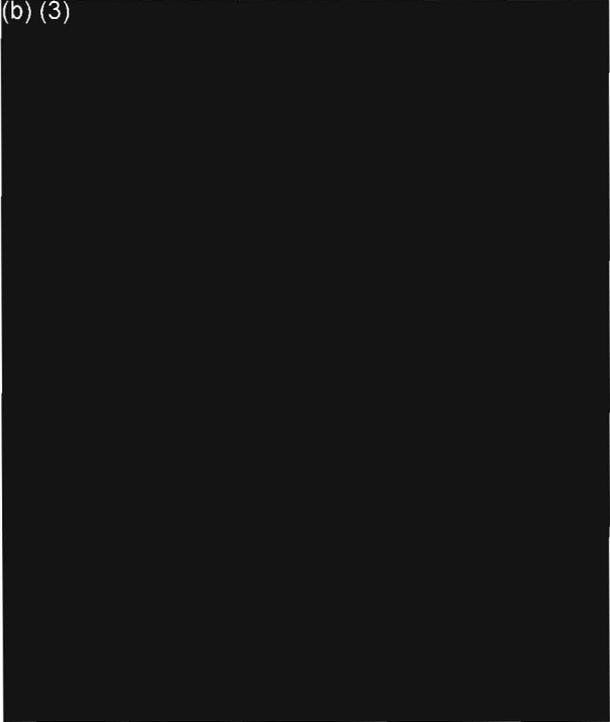
#### **(U) Office of the National Counterintelligence Executive (ONCIX)**

(INS-2014-004, December 2014)

(U//~~FOUO~~) This Special Review occurred during the period of June - September 2014. The ONCIX mission is to lead an integrated national counterintelligence and security effort against foreign intelligence threats to the United States. In November 2014, the DNI established the National Counterintelligence and Security Center (NCSC) to integrate and align counterintelligence and security mission areas under a single organizational construct. Since that organizational action took place after we completed our inspection fieldwork, this report uses the organizational name "ONCIX."

(U//~~FOUO~~) Inspections noted challenges in the following areas:

(b) (3)



- (U//~~FOUO~~) ONCIX was late producing the National Threat Identification and Prioritization Assessment, a Congressionally Directed Action due every three years;
- (U//~~FOUO~~) the Business Risk Analysis Clearinghouse (BRANCH) pilot project supporting supply chain risk management research and analysis required greater oversight;
- (U//~~FOUO~~) a new mission support database named Project Razor, designed to replace two obsolete systems, required greater technical and resource attention;
- (U//~~FOUO~~) creation of a Diplomatic Post Database on foreign intelligence threats was long overdue;
- (U//~~FOUO~~) the IC policy governing reviews of unauthorized disclosures should be better defined;
- (U//~~FOUO~~) contract administration functions needed strengthening and additional management oversight; and
- (U//~~FOUO~~) the Scattered Castles database

is not accurate or complete due to agencies' declining compliance with the IC policy governing the recognition and use of the database as the authoritative personnel security repository for the community.

(U//~~FOUO~~) We observed and reported the following:

- (U//~~FOUO~~) IC element responsiveness to ONCIX data calls needed improvement;
- (U//~~FOUO~~) ONCIX should ensure that implementation of the BRANCH pilot project (mentioned above) is consistent with IC policy governing the collection and sharing of IT audit data;
- (U//~~FOUO~~) the previous National Counterintelligence Executive did not complete FY 2014 performance reviews for six ONCIX personnel;
- (U) the ONCIX travel plans and approval process would benefit from closer review;
- (U//~~FOUO~~) the Unifying Intelligence Strategy for Counterintelligence was not accessible to many cleared stakeholders and IC personnel; and
- (U//~~FOUO~~) a Zero-Based Review planned by the new ONCIX leadership should:
  1. consider the findings from the 2009 National Counterintelligence Review Group;
  2. consider development of a plan to improve the efficiency, timeliness, and partner agency participation to complete damage assessments; and
  3. determine if an organizational level strategic plan was warranted.

(U//~~FOUO~~) We noted as commendable the following:

- (U//~~FOUO~~) ONCIX support to a whole-of-government effort to counter a sensitive threat resulted in positive mission impact;
- (U) ONCIX worked effectively with the IC to collaboratively staff the Security Coordination Center, which provides 24/7, end-to-end situational awareness and incident case management for the IC Information Technology Enterprise (IC ITE);
- (U) ONCIX leadership took reasonable action to provide the workforce with the

ability to continue participation in the ODNI Civilian Fitness Program while fitness facilities were unavailable during ongoing construction of new facilities in Bethesda MD; and

- (U) the new ONCIX classified website is well structured and clearly organized.

### **(U) Office of the Chief Financial Executive (CFE)**

(INS-2015-002, March 2015)

(U//~~FOUO~~) We conducted the CFE Special Review from October 2014 to January 2015. Created in 2012, the CFE office enables the mission of the ODNI by providing oversight of the Community Management Account's financial and contracting resources. We noted challenges in the following areas:

- (U//~~FOUO~~) the CFE's role as the budget expert and office of primary responsibility for the Community Management Account is not clear due to inconsistent practices in the ODNI; and
- (U//~~FOUO~~) the CFE does not fully comply with all conference reporting requirements.

(U//~~FOUO~~) We observed and reported the following:

- (U//~~FOUO~~) the number of CFE government staff may not be sufficient to meet Office of Management and Budget, Office of Federal Procurement Policy guidance on retaining sufficient internal capability;
- (U//~~FOUO~~) fully obligating funds remains an issue, which detailee reimbursement process modifications may improve;
- (U//~~FOUO~~) the ODNI budget formulation is improving, but warrants continued focus;
- (U//~~FOUO~~) the current process for statistically sampling ODNI travel vouchers may be insufficient;
- (U//~~FOUO~~) ODNI support contracts' management and oversight may be inadequate to ensure effective, efficient, and auditable contract execution;

- (U//~~FOUO~~) the current ODNI contracts' office staffing requirements may not meet ODNI needs;
- (U//~~FOUO~~) the manning structure for the ODNI Head of Contract Activity (HCA) and Deputy HCA positions may lead to a lack of continuity; and
- (U//~~FOUO~~) the CFE Contracting Officer Technical Representative (COTR) training may benefit from mandating certain key training aspects, possibly as computer-based, with specific due dates.

(U//~~FOUO~~) We noted as commendable the following:

- (U//~~FOUO~~) a majority of CFE partners and stakeholders praised the support the CFE Referents provided; and
- (U//~~FOUO~~) the CFE continued to improve COTR processes and training.

### ***(U) Evaluation of the ODNI Under the Reducing Over-Classification Act (ROCA)***

(INS-2014-002, December 2014)

(U) Directed under Section 6 of the Reducing Over-Classification Act, Public Law 111-258 (7 October 2010), INS assessed whether ODNI components adopted, followed, and effectively administered applicable classification policies, procedures, rules, and regulations. INS identified policies, procedures, rules, regulations or management practices that may contribute to persistent misclassification of material.

(U) INS found no instances where the ODNI used classification to conceal violations of law, inefficiency, or administrative error; prevent embarrassment to a person, organization, or agency; restrain competition; or prevent or delay the release of information not requiring protection in the interest of national security. We validated the following challenges:

- (U//~~FOUO~~) the ODNI Original Classification Authority (OCA) training records, and the business processes used to monitor that training, require improvement;
- (U//~~FOUO~~) the number of authorized ODNI OCAs appears to exceed the limits specified by Executive Order 13526;

- (U//~~FOUO~~) ODNI's compliance with mandatory derivative classifier training, maintenance of training records, and the business processes used to monitor the training, require significant improvement; and
- (U//~~FOUO~~) derivative classifier training and product quality assurance by ODNI supervisors, managers, and production officers require improvement.

(U) In addition to the evaluation of the ODNI under ROCA, we analyzed the ROCA reports from the IGs of five IC partners (CIA, DIA, NGA, NSA, and NRO), and the IC IG evaluation of the ODNI, to determine the extent systemic issues might benefit from DNI attention. We found the key areas requiring emphasis across the IC enterprise were training content and periodicity, program management, and oversight of the IC classification markings program. We recommended the ODNI align its monitoring authorities and reporting responsibilities for the IC Classification Management Program under a single office to provide more effective and efficient oversight. Performance metrics developed by the office should also measure workforce compliance and assess the quality of IC training efforts.

### ***(U//~~FOUO~~) Joint Inspection of a U.S. Embassy with Department of State OIG***

(U//~~FOUO~~) INS completed its first joint inspection with an IC element by partnering with State Department OIG in its review of a U.S. Embassy. This type of collaboration is intended to further the statutory goals of the IC IG Forum. Namely, to strengthen the collective role and effectiveness of community IGs in support of the National Intelligence Strategy; achieve optimal utilization of resources to increase efficiency and avoid duplication of effort among the IGs; promote the sharing of information of common interest among the IGs; and foster the continued training and development of inspectors.

(U//~~FOUO~~) The joint work provided valuable insights and documented lessons learned to improve the efficiency and effectiveness of participant IG programs. Moreover, the insight into cross-community challenges IC IG gained will help formulate future work plans. State Department OIG will provide the results of this

joint inspection in its Semiannual Report. INS plans to collaborate with other IC partners in FY 2015 and 2016.

## **B. (U) Ongoing Inspections**

### ***(U) National Counterproliferation Center (NCPC)***

(INS-2015-003)

(U) We are currently conducting a Special Review of NCPC. We will issue our inspection report during the fourth quarter of FY 2015.

### ***(U) Evaluation of Intelligence Community Suspension and Debarment Programs***

(INS-2015-001)

(U//~~FOUO~~) INS launched its first unilateral cross-IC topic evaluation to help fulfill IC IG's unique statutory community responsibilities. We are reviewing the Suspension and Debarment (S&D) programs of the ODNI and ten of our IC partners. Under the Federal Acquisition Regulation, agencies cannot solicit offers from, award contracts to, or consent to subcontracts with contractors that are suspended, debarred or proposed for debarment unless the agency head determines there is a compelling reason for such action. We will assess the adequacy of the agencies' S&D policies and practices regarding both procurement and non-procurement activities (e.g., grants), and determine if there are systemic issues that could benefit from the DNI's attention. We are in mid-phase of this evaluation and will issue our report during the fourth quarter of FY 2015.

## (U) Investigations Division

(U//~~FOUO~~) The IC IG Investigations Division (INV) investigates allegations of violations of criminal, civil, and administrative laws and regulations arising from the conduct of IC, ODNI, and contract employees. INV has unique authority to investigate programs and activities across the IC within the responsibility and authority of the DNI. Through this authority, INV is able to coordinate and assist with the prosecution of criminal matters arising from the six independent intelligence agencies. INV also plays a principal role in conducting IC-wide administrative investigations into unauthorized disclosures of classified information.

(U//~~FOUO~~) During this reporting period, INV conducted 18 investigations, of which 15 were closed. Of the 15 closed investigations, five were substantiated, with potential recoveries of over \$165,000, and two were referred to industry for resolution.

(U//~~FOUO~~) As of 31 March 2015, INV had three open investigations, 20 preliminary inquiries, and five external review requests under ICD 120/PPD-19.

### A. (U) Select Completed Investigations

#### **(U) Labor Mischarging**

(INV-2014-0017, March 2015)

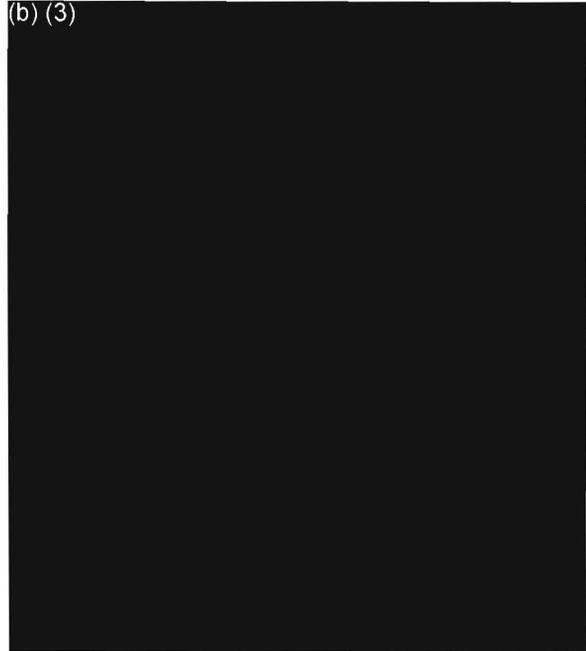
(U) A contract labor mischarging investigation substantiated a contractor billed the U.S. Government over \$10,000 for services not performed under the contract. The U.S. Attorney for the Eastern District of Virginia declined prosecution in this matter. INV referred the matter to the Head of Contracting Activity for appropriate recovery.

#### **(U) Labor Mischarging**

(INV-2014-0018, March 2015)

(U) A contract labor mischarging investigation substantiated a contractor billed the U.S. Government over \$89,000 for services not performed under the contract. The U.S. Attorney for the Eastern District of Virginia declined

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prosecution in this matter. INV referred the matter to the Head of Contracting Activity for appropriate recovery.

#### **(U) Labor Mischarging**

(INV-2014-0023, March 2015)

(U) A contract labor mischarging investigation substantiated a contractor billed the U.S. Government over \$8,000 for services not performed under the contract. The U.S. Attorney for the Eastern District of Virginia declined prosecution in this matter. INV referred the matter to the Head of Contracting Activity for appropriate recovery.

#### **(U) Labor Mischarging**

(INV-2014-0024, March 2015)

(U) A contract labor mischarging investigation substantiated a contractor billed the U.S. Government over \$24,000 for services not performed under the contract. The U.S. Attorney for the Eastern District of Virginia declined prosecution in this matter. INV referred the matter to the Head of Contracting Activity for appropriate recovery.

***(U) Labor Mischarging***

(INV-2014-0025, March 2015)

(U) A contract labor mischarging investigation substantiated a contractor billed the U.S. Government over \$35,000 for services not performed under the contract. The U.S. Attorney for the Eastern District of Virginia declined prosecution in this matter. INV referred the matter to the Head of Contracting Activity for appropriate recovery.

**(U) IC IG Hotline**

(U) The Hotline and intake process provides a confidential means for IC employees, contractors, and the public to report fraud, waste, and abuse. The intake process includes secure and commercial Hotline phone numbers, U.S. mail, anonymous secure Web application submissions, and walk-ins. Since the last Semiannual Report to Congress in October 2014, the Hotline logged 175 contacts: 73 from within the IC; and 102 from external sources.

# (U) Intelligence Oversight

(U) The Senior Advisor on Intelligence Oversight:

- (U) serves as the principal advisor to the IC IG for the independent oversight of intelligence, counterintelligence, and intelligence-related activities in the IC;
- (U) represents the IC IG, with the assistance of the IC IG General Counsel, to the President's Intelligence Oversight Board;
- (U) provides advice and guidance on intelligence oversight to other IC IG elements and other IC IO elements; and
- (U) ensures intelligence activities performed by IC elements comply with Executive Order 12333, and with other related Federal laws, Executive Orders, and policies or directives.

(U) The Senior Advisor on IO accomplishes these objectives in coordination with IC element oversight organizations and by engaging in IC-wide or ODNI-specific IO projects and evaluations.

(U//~~FOUO~~) Pursuant to Executive Order 13462, the DNI designated the IC IG as a responsible office for reporting intelligence oversight matters arising within the ODNI to the Intelligence Oversight Board (IOB). During this reporting period, IO staff issued two quarterly reports to the IOB. As of 31 March 2015, IO had one ongoing special review and one joint evaluation.

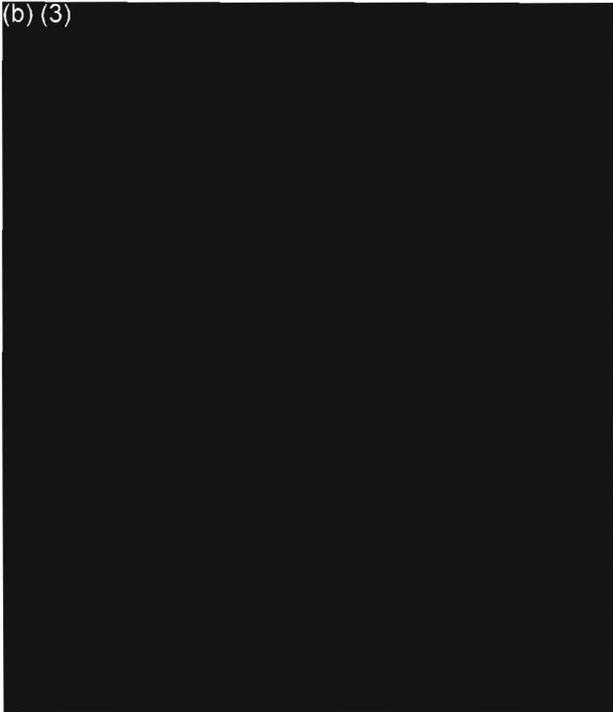
## A. (U) Completed Reports

### *(U) Third Quarter Calendar Year 2014 Report to the IOB*

(IO-2015-002, November 2014)

(U//~~FOUO~~) The IC IG was unaware of any intelligence activities or matters believed to be unlawful or contrary to executive order or presidential directive during the third quarter of CY 2014.

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### *(U) Fourth Quarter Calendar Year 2014 Report to the IOB*

(IO-2015-003, February 2015)

(U//~~FOUO~~) The IC IG was unaware of any intelligence activities or matters believed to be unlawful or contrary to executive order or presidential directive during the fourth quarter of CY 2014.

## B. (U) Ongoing Evaluations

### *(U//~~FOUO~~) Special Review of IC Intelligence Oversight*

(IO-2014-006)

(U//~~FOUO~~) The IC IG is baselining intelligence oversight activities focusing on three areas:

- 1) identifying programs within the IC designed to ensure compliance with procedures

implementing Executive Order 12333;

2) surveying the degree to which IC element  
OIGs review compliance with those  
procedures; and

3) establishing an inventory of intelligence  
activities that are joint, cross-IC, and involve  
multiple IC elements, or potentially operate  
under more than one IC element's authorities.

(U//~~FOUO~~) This research project will assist future  
reviews but will not result in an IC-wide evaluation  
of the programs.

**(U//~~FOUO~~) Joint Evaluation of Field-Based  
Information Sharing Entities**

(IO-2015-001)

(U//~~FOUO~~) Responding to a Senate Select  
Committee on Intelligence, Senate Homeland  
Security and Governmental Affairs Committee,  
and Senate Judiciary Committee request, the  
Inspectors General of the Intelligence Community,  
Department of Justice, and Department of  
Homeland Security are jointly reviewing federally  
supported entities engaged in field-based  
domestic counterterrorism, homeland security,  
intelligence, and information-sharing activities  
in conjunction with state, tribal, and local law  
enforcement agencies. The OIGs, operating both  
separately and in coordination, have divided  
their efforts, issued announcement letters, and  
completed planning. Field work has begun.

(U) We will issue our report by second quarter  
FY 2016.

## (U) General Counsel

(U) In accordance with Section 103H of the National Security Act of 1947, as amended, the IC IG has a separate General Counsel who reports directly to the IG. The IC IG General Counsel provides independent, objective, and confidential legal advice on a variety of legal and policy issues that impact affect the IC IG mission. The IC IG General Counsel manages four main portfolios: legal and policy reviews, legislative reviews, IG ethics reviews, and Congressional engagements.

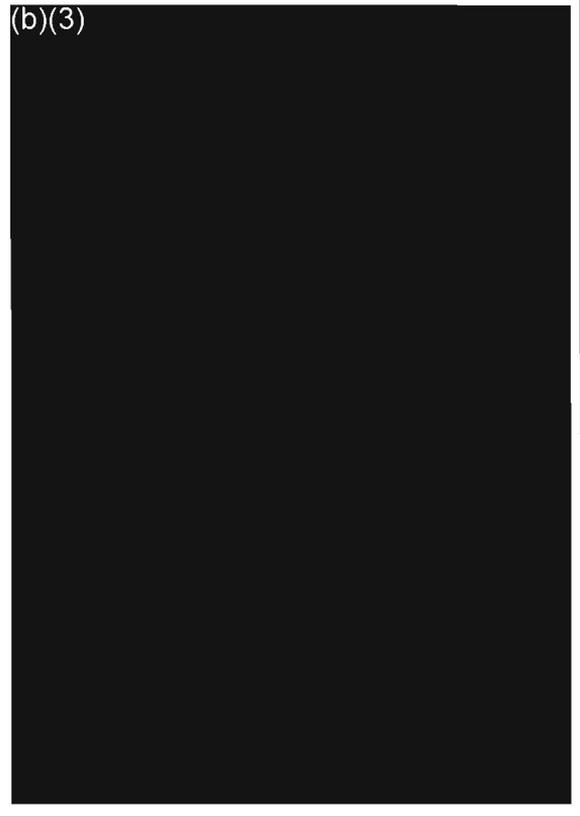
### A. (U) Legal and Policy Reviews

(U) During this reporting period, we continued outreach efforts to the IC IG staff, ODNI components, and other IG Counsel counterparts. For example, we worked closely with the ODNI Office of General Counsel (OGC), the ODNI Policy and Strategy Office (P&S), and the ODNI Civil Liberties and Protection Officer (CLPO), to understand the legislative impacts from the FY 2014 and FY 2015 IAA on the Intelligence Community whistleblower protections under Presidential Policy Directive-19 (PPD-19), Protecting Whistleblowers with Access to Classified Information, (10 October 2012). The legislative enhancements will require the Director of National Intelligence to provide additional guidance, including how to reconcile the legislative requirements with the PPD-19 requirements. The IC IG General Counsel continues to work closely with these ODNI offices to ensure that the required IG reviews are fully incorporated into the policy guidance, as well as the requirements to notify IC employees of whistleblower protections.

(U) In addition, we reviewed the new IC IG Executive Director for Whistleblowing and Source Protection-developed whistleblower training module for ODNI employees. This training incorporates the new legal and policy protections for IC personnel, and expands whistleblower protection awareness. The General Counsel's continued coordination with the Executive Director ensures whistleblower outreach efforts are consistent with the latest legal and policy developments.

(U) Jeanette McMillian,  
General Counsel to the IC IG

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### B. (U) Legislative Reviews

(U//~~FOUO~~) The IC IG is statutorily obligated to recommend legislation promoting economy, efficiency, and effectiveness in the administration and implementation of programs and activities within the responsibility and authority of the DNI. During this reporting period, the IC IG provided a legislative proposal regarding IG reviews in the security clearance appeals process. As outlined on page 1, this proposal was fully incorporated into the FY 2015 IAA. IGs can now focus their resources on reviewing alleged reprisal actions in the security clearance appeals process.

(U) In addition, the IC IG General Counsel reviewed the IG Empowerment Act of 2015 and

other bills designed to enhance IG authorities. The IC IG Legislative Counsel tracked each bill and analyzed the impact to the IC IG mission and statutory authorities. We continue to engage with Congressional committees and the IC IG Counsel Committee as these bills progress through the 114th Congress.

### **C. (U) Ethics Portfolio**

(U) During this reporting period, the IC IG General Counsel established an IC IG Ethics portfolio to provide IC IG professionals with an internal resource for advice on IG standards. Because of the deference afforded IGs, the IC IG General Counsel works with Assistant Inspectors General (AIG) to ensure that IC IG personnel are performing the IG mission in accordance with applicable IG standards in addition to the federal ethics rules and Standards of Conduct. The IC IG Counsel reviews IG work projects and activities with the cognizant AIG and identifies solutions to mitigate potential conflicts of interest and potential appearances of bias that may impugn the work of the IC IG. In addition, the ODNI Designated Agency Ethics Official (DAEO) designated the IC IG General Counsel as a deputy ethics official for the purpose of reviewing the public and confidential financial disclosure reports submitted by IC IG personnel. Close collaboration with the ODNI DAEO, Alternate DAEO, and OGE officials ensures consistent application of federal ethics rules and Standards of Conduct within the IC IG office. Finally, the IC IG General Counsel promotes and provides opportunities for IG-centric ethics training for IC IG personnel. For example, the ODNI Alternate DAEO briefed IG professionals at the annual IC IG conference on the important role the DAEO office can play in an IG ethics investigation. This briefing was well received, as the audience appreciated the IG-focused training. The IC IG General Counsel will continue to collaborate with the ODNI DAEO, Alternate DAEO, and OGE as this ethics portfolio evolves.

### **D. (U) Congressional Engagements**

(U) Pursuant to section 103H of the National Security Act of 1947, as amended, the IG is statutorily obligated to inform the congressional oversight committees of significant problems and deficiencies within the programs and activities of the DNI. During this reporting period, the IC IG engaged with congressional oversight committees on several matters. Specifically, and as discussed in the Statutory Reporting Requirements and Congressionally Requested Information section, the IC IG shared concerns with language in the FY 2014 IAA detailing the adverse information access determination appeals process. The oversight committees remedied these concerns with the enactment of the FY 2015 IAA. Additionally, the IC IG updated the congressional staff on IC IG Forum efforts and discussed enacted and proposed legislation affecting the IC IG Forum members and intelligence oversight committees jurisdiction.

# (U) Appendix A: Summary of Audits

1 October 2014 - 31 March 2015

(U) Audit Number	(U) Audit Title
<b>(U) Completed Audits</b>	
Information Technology	AUD-2014-003 (U) Fiscal Year 2014 Independent Evaluation of ODNI Compliance with the Federal Information Security Management Act (FISMA) of 2002
	AUD-2014-004 (U) Fiscal Year 2014 Consolidated Federal Information Security Management Act (FISMA) of 2002 for the Intelligence Community Elements' Inspectors General
Financial Management	AUD-2015-001 (U) Assessment of the Office of the Director of National Intelligence's Fiscal Year 2014 Charge Card Program
<b>(U) Ongoing Audits</b>	
Financial Management	AUD-2015-002 (U) Evaluation of the Office of the Director of National Intelligence's Fiscal Year 2014 Compliance with the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012
Information Technology	AUD-2015-003 (U// <del>FOUO</del> ) Joint IC IG Forum Intelligence Community Information Technology Enterprise (IC ITE) Survey
	AUD-2015-004 (U) Fiscal Year 2015 Independent Evaluation of ODNI Compliance with the Federal Information Security Modernization Act (FISMA) of 2014

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## (U) Appendix B: Summary of Inspections

1 October 2014 - 31 March 2015

<b>(U) Inspection Number</b>		<b>(U) Inspection Title</b>
<b>(U) Completed Inspections</b>		
IC-wide Inspection	INS 2014-002	(U) Evaluation of ODNI Required under the Reducing Over-Classification Act (ROCA)
Component Inspections	INS 2014-004	(U) Office of the National Counterintelligence Executive (ONCIX)
	INS 2015-002	(U) Office of the Chief Financial Executive (CFE)
<b>(U) Ongoing Inspections</b>		
Topic Inspection	INS 2015-001	(U) Evaluation of Intelligence Community Suspension and Debarment Programs
Component Inspection	INS 2015-003	(U) National Counterproliferation Center (NCPC)

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# (U) Appendix C: Additional Reporting

1 October 2014 - 31 March 2015

(U) Report Number		(U) Report Title
<b>(U) Completed Reports</b>		
Intelligence Oversight	IO-2015-002	(U) Third Quarter Calendar Year 2014 Report to the IOB
	IO-2015-003	(U) Fourth Quarter Calendar Year 2014 Report to the IOB
<b>(U) Ongoing Activities</b>		
Special Review	IO-2014-006	(U// <del>FOUO</del> ) Special Review of IC Intelligence Oversight
Evaluation	IO-2015-001	(U// <del>FOUO</del> ) Joint Evaluation of Field-Based Information Sharing Entities

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## (U) Appendix D: Summary of Investigations

1 October 2014 - 31 March 2015

(U) Case Number	(U) Closed and Discontinued Investigations
INV-2014-0008	(U) Closed - Unsubstantiated (Labor Mischarging)
INV-2014-0012	(U) Discontinued (Fraud)
INV-2014-0014	(U) Closed - Referred (Labor Mischarging)
INV-2014-0016	(U) Closed - Unsubstantiated (Labor Mischarging)
INV-2014-0017	(U) Closed - Substantiated (Labor Mischarging)
INV-2014-0018	(U) Closed - Substantiated (Labor Mischarging)
INV-2014-0019	(U) Closed - Unsubstantiated (Labor Mischarging)
INV-2014-0020	(U) Discontinued (Labor Mischarging)
INV-2014-0021	(U) Closed - Unsubstantiated (Labor Mischarging)
INV-2014-0022	(U) Closed - Unsubstantiated (Labor Mischarging)
INV-2014-0023	(U) Closed - Substantiated (Labor Mischarging)
INV-2014-0024	(U) Closed - Substantiated (Labor Mischarging)
INV-2014-0025	(U) Closed - Substantiated (Labor Mischarging)
INV-2014-0026	(U) Closed - Referred (Labor Mischarging)
INV-2014-0027	(U) Closed - Unsubstantiated (Labor Mischarging)

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## (U) Appendix E: Ongoing Investigations

As of 31 March 2015

(U) Ongoing Investigations and Preliminary Inquiries	(U) Number of Cases
<b>(U) Open Investigations</b>	
Labor Mischarging - Administrative	1
Misconduct - Administrative	2
<b>(U) Open Preliminary Inquiries</b>	
Misconduct - Criminal	20
<b>(U) Open ICD 120/PPD-19 External Review Requests</b>	
Part A - Personnel Actions	1
Part B - Security Clearance Action	4
<b>(U) Total Ongoing Activities</b>	<b>28</b>

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# (U) Appendix F: Status of Recommendations

As of 31 March 2015

(U) Summary of Recommendations				
(U) Report	Recommendations			Page
	Open	Closed	Closed this period	
(U) 2012 Reports				

(b) (3), (b) (5)



TABLE IS UNCLASSIFIED

(U) AUDIT REPORT OF INTELLIGENCE COMMUNITY SECURITY CLEARANCE RECIPROCITY  
ISSUED December 2012  
Report Total: 2 Recommendations: 2 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

TABLE IS UNCLASSIFIED

(U//~~FOUO~~) FISCAL YEAR 2012 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH THE FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002  
ISSUED December 2012  
Report Total: 12 Recommendations: 1 Open 11 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

(U) Summary of Closed Recommendations

(b) (3), (b) (5)

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(U//~~FOUO~~) FISCAL YEAR 2012 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH THE FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002

ISSUED December 2012

Report Total: 12 Recommendations: 1 Open 11 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

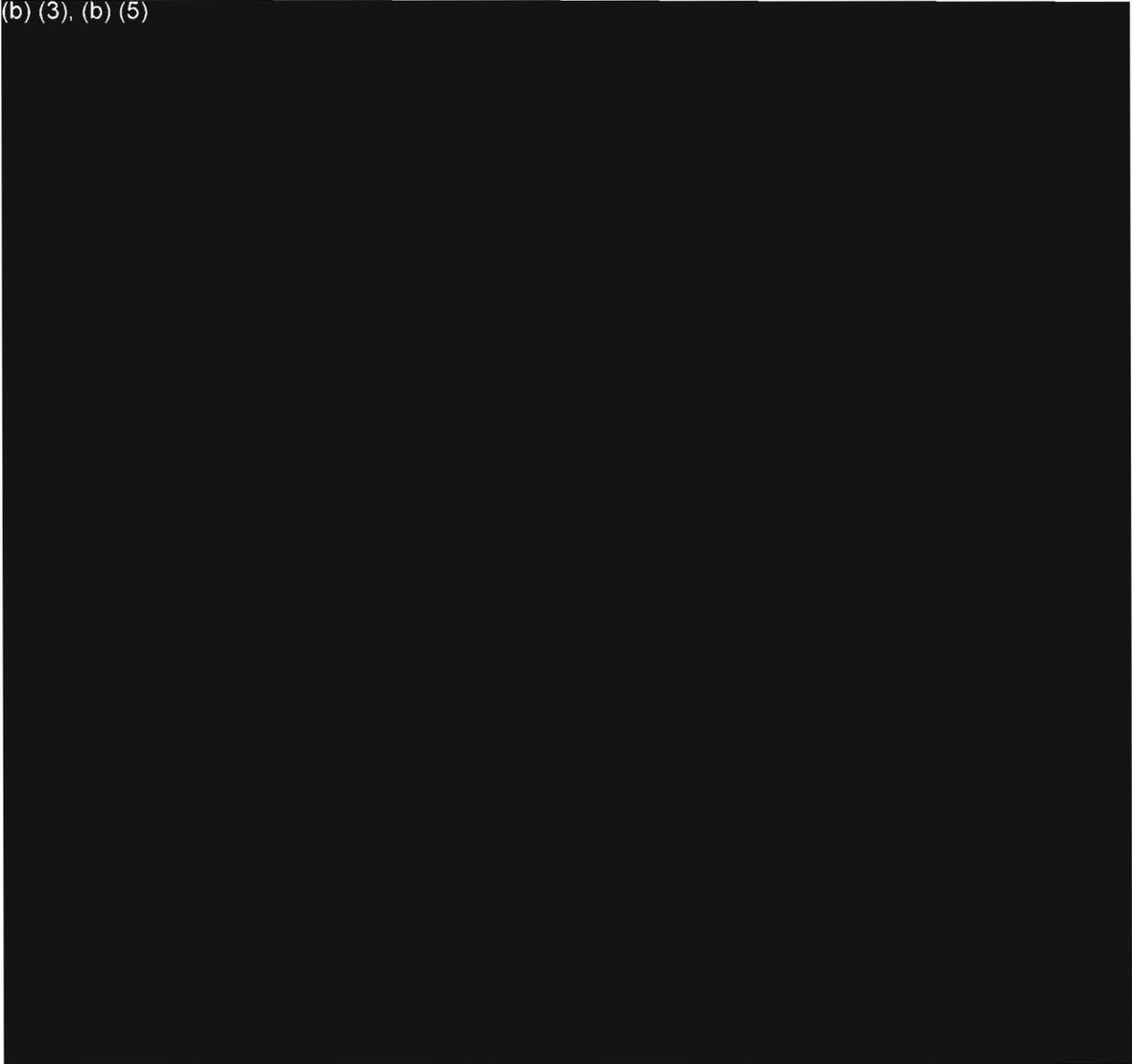


TABLE 15. UNCLASSIFIED//~~FOR OFFICIAL USE ONLY~~

(U/) REVIEW OF THE ODNI's FY 2012 COMPLIANCE WITH IPERA  
ISSUED April 2013  
Report Total: 4 Recommendations: 0 Open 4 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

TABLE IS UNCLASSIFIED

(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW  
ISSUED May 2013  
Report Total: 13 Recommendations: 0 Open 13 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
----------------	------------------	--------------------	-------------------

(b) (3), (b) (5)

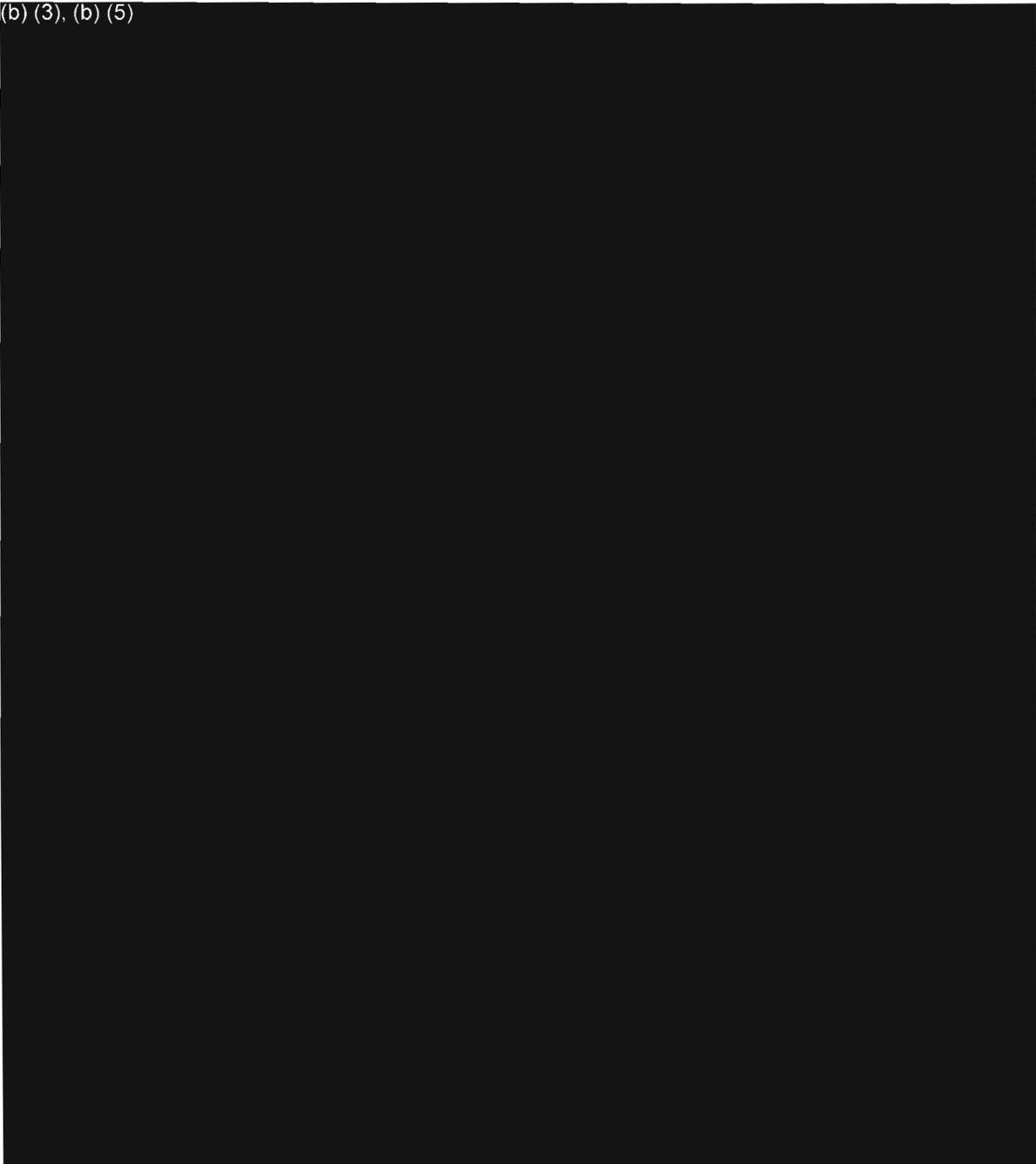


TABLE IS UNCLASSIFIED//~~FOR OFFICIAL USE ONLY~~

(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW  
ISSUED May 2013  
Report Total: 13 Recommendations: 0 Open 13 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
----------------	------------------	--------------------	-------------------

(b) (3), (b) (5)

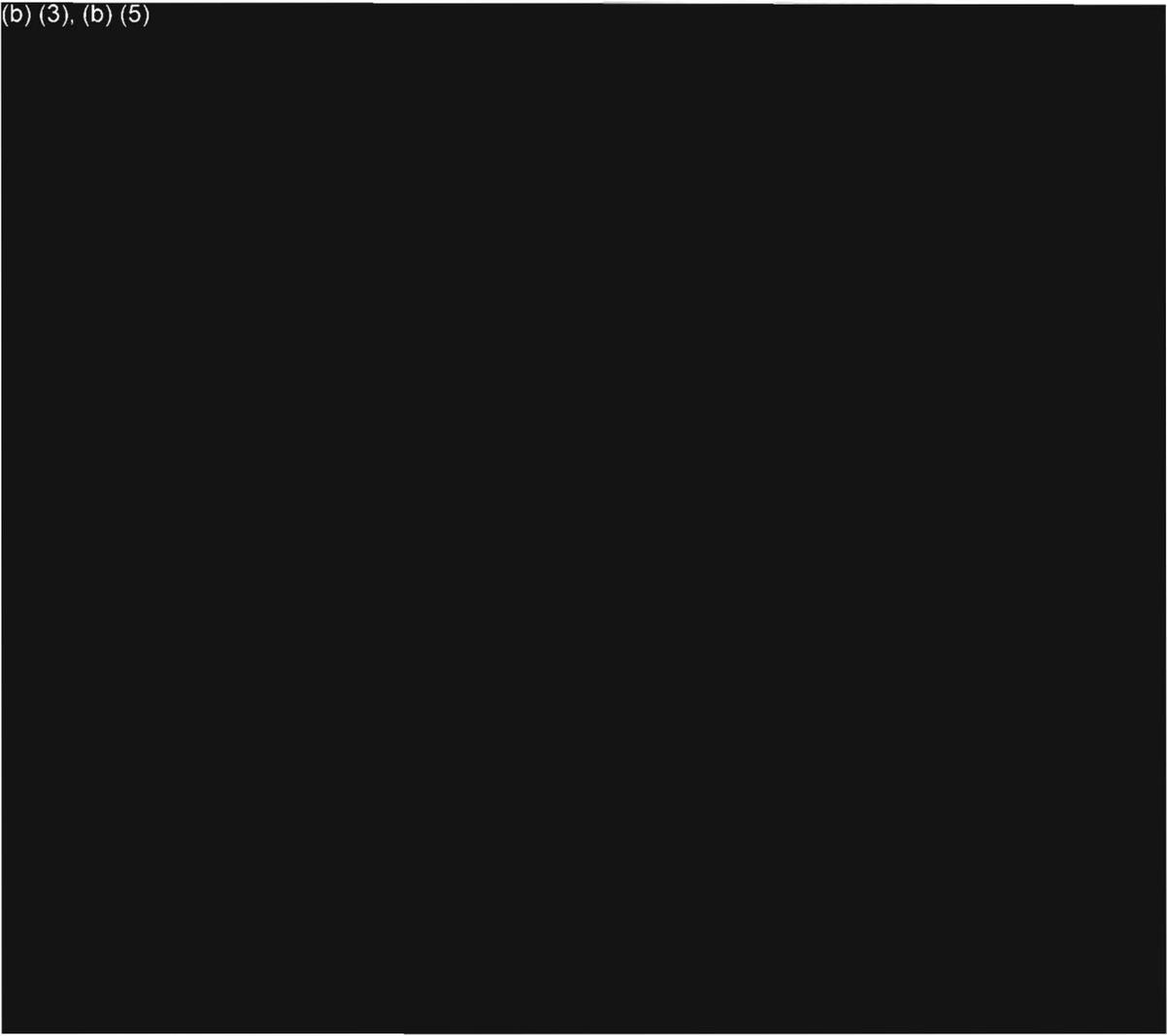


TABLE IS UNCLASSIFIED

(U) INTELLIGENCE COMMUNITY ACCOUNTABILITY REVIEW

ISSUED May 2013

Report Total: 13 Recommendations: 1 Open 12 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

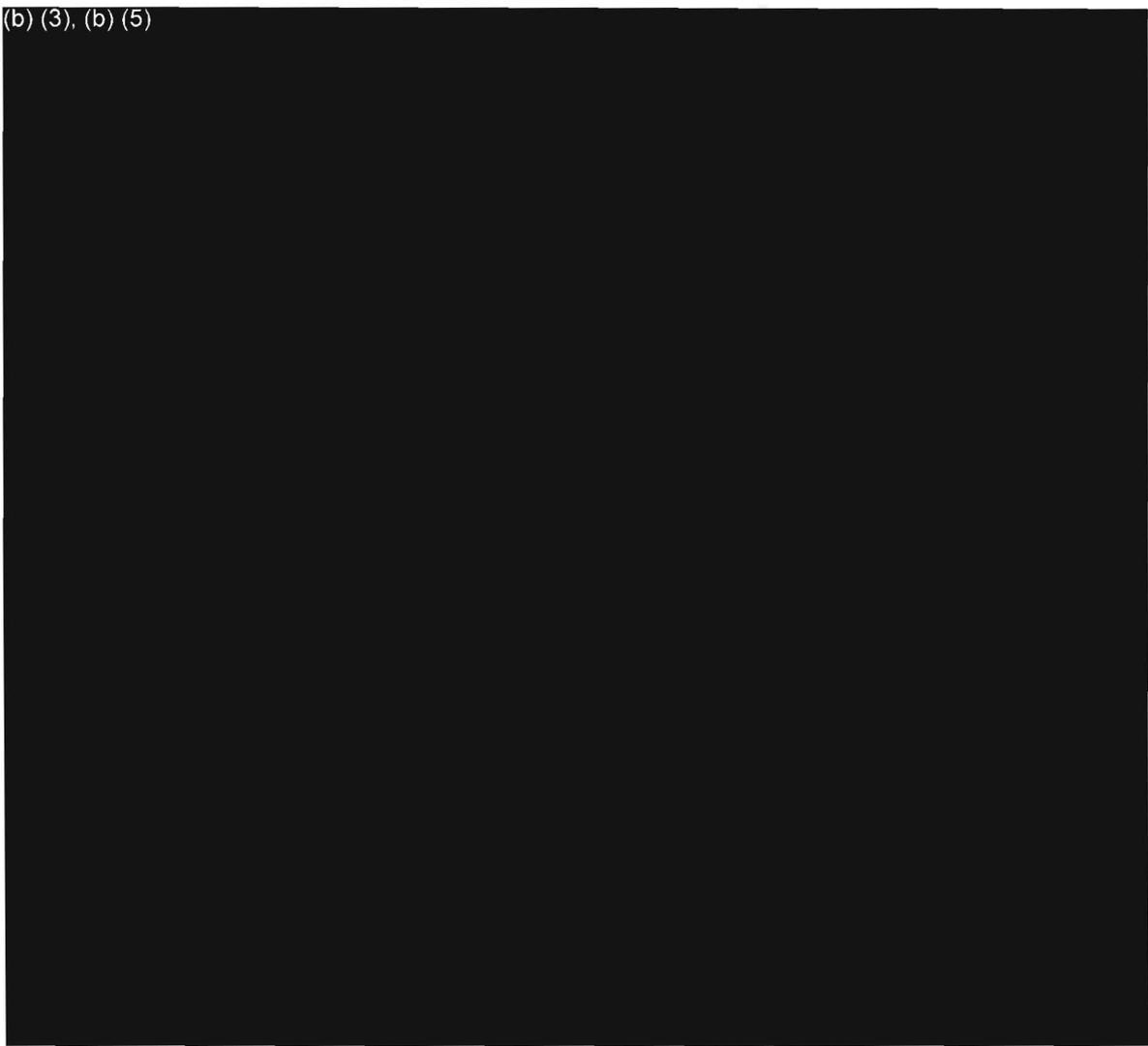


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(U) STUDY OF INTELLIGENCE COMMUNITY ELECTRONIC WASTE DISPOSAL PRACTICES  
ISSUED May 2013  
Report Total: 5 Recommendations: 5 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)



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(U) AUDIT OF THE INTERNAL CONTROLS OVER THE ODNI PAYROLL  
ISSUED September 2013  
Report Total: 12 Recommendations: 2 Open 10 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)



(U) Summary of Closed Recommendations

(b) (3), (b) (5)

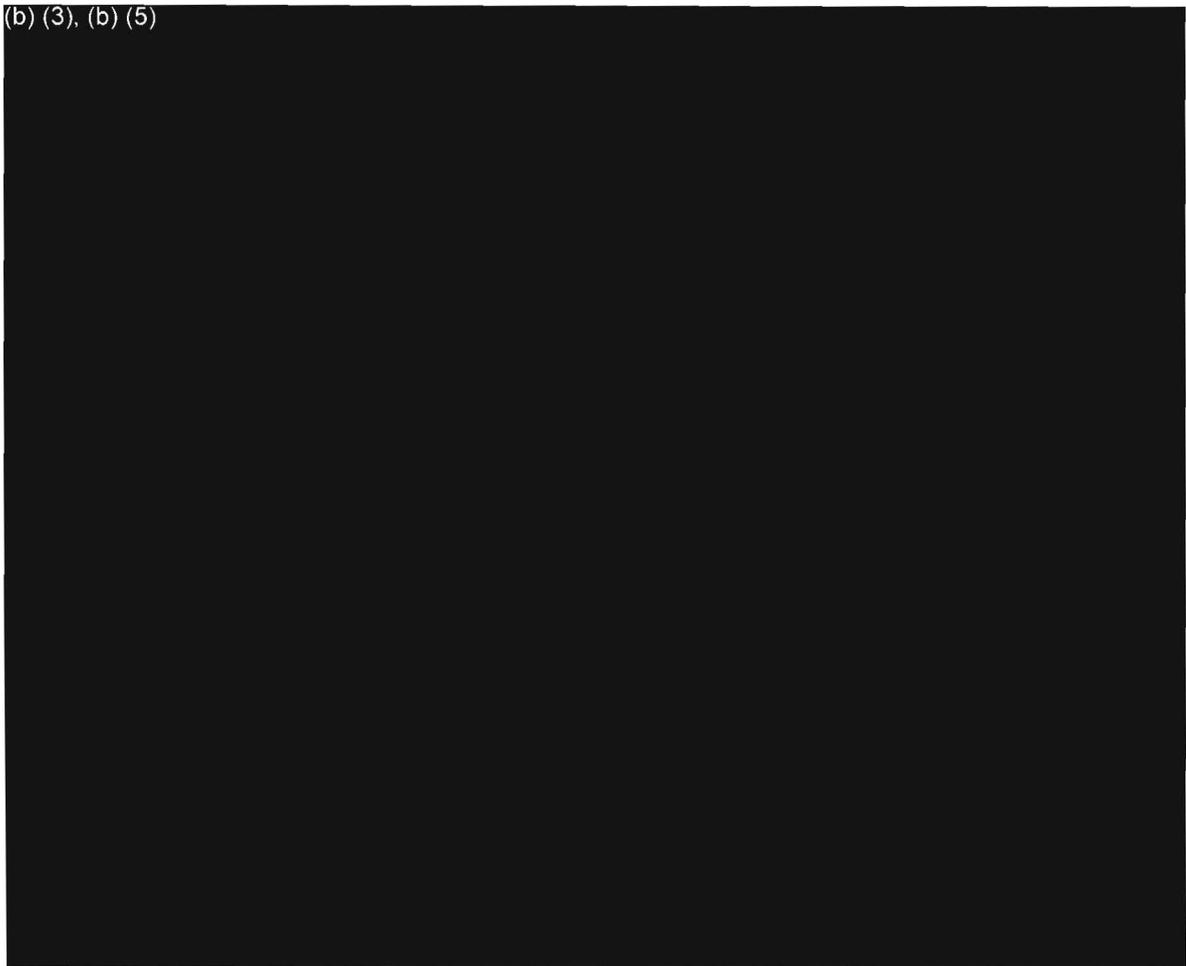


TABLE IS UNCLASSIFIED

(U) AUDIT OF THE INTERNAL CONTROLS OVER THE ODNI PAYROLL  
ISSUED September 2013  
Report Total: 12 Recommendations: 2 Open 10 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

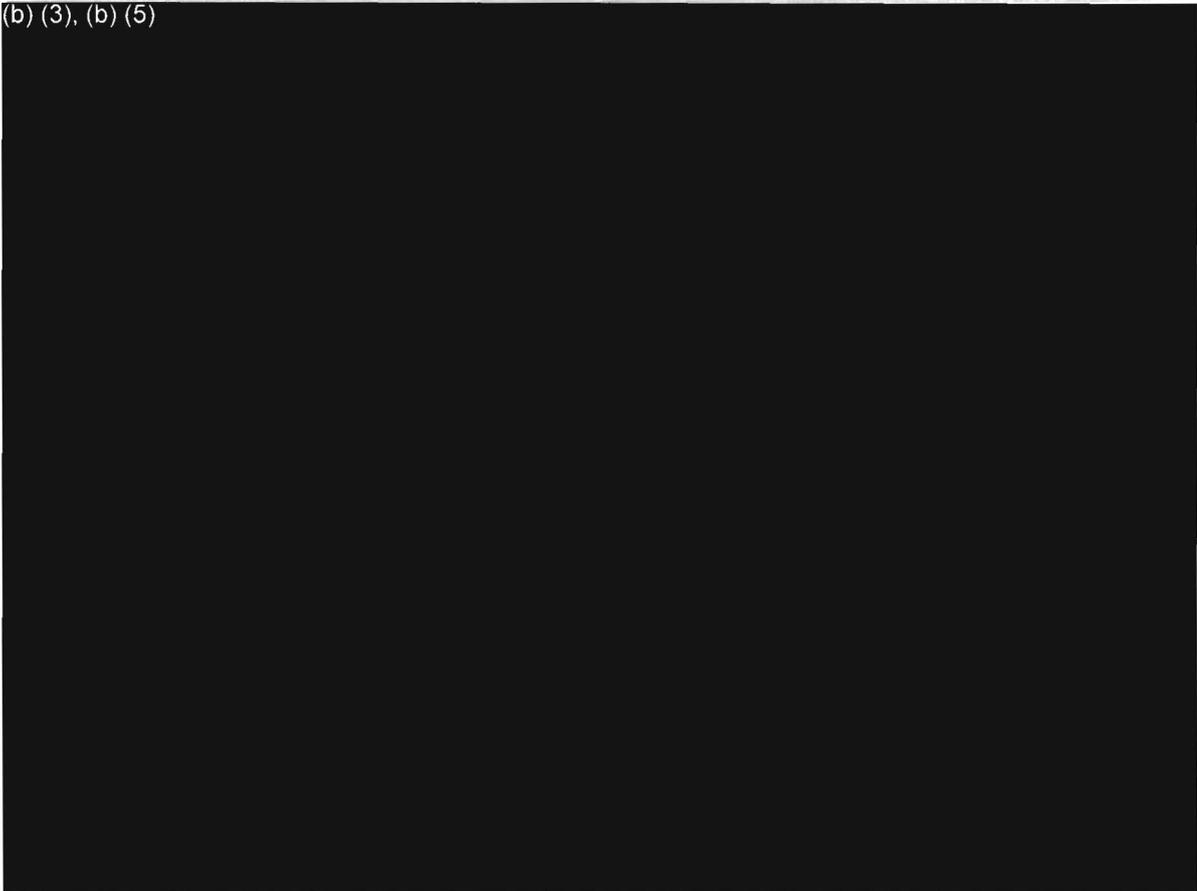


TABLE IS UNCLASSIFIED

(U/) REVIEW OF THE ODNI's FY 2013 COMPLIANCE WITH IPERA  
ISSUED April 2014  
Report Total: 1 Recommendation: 0 Open 1 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

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(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 2 Open 19 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

(U) Summary of Closed Recommendations

(b) (3), (b) (5)

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(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 2 Open 19 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

TABLE IS UNCLASSIFIED//~~FOR OFFICIAL USE ONLY~~

(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 2 Open 19 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

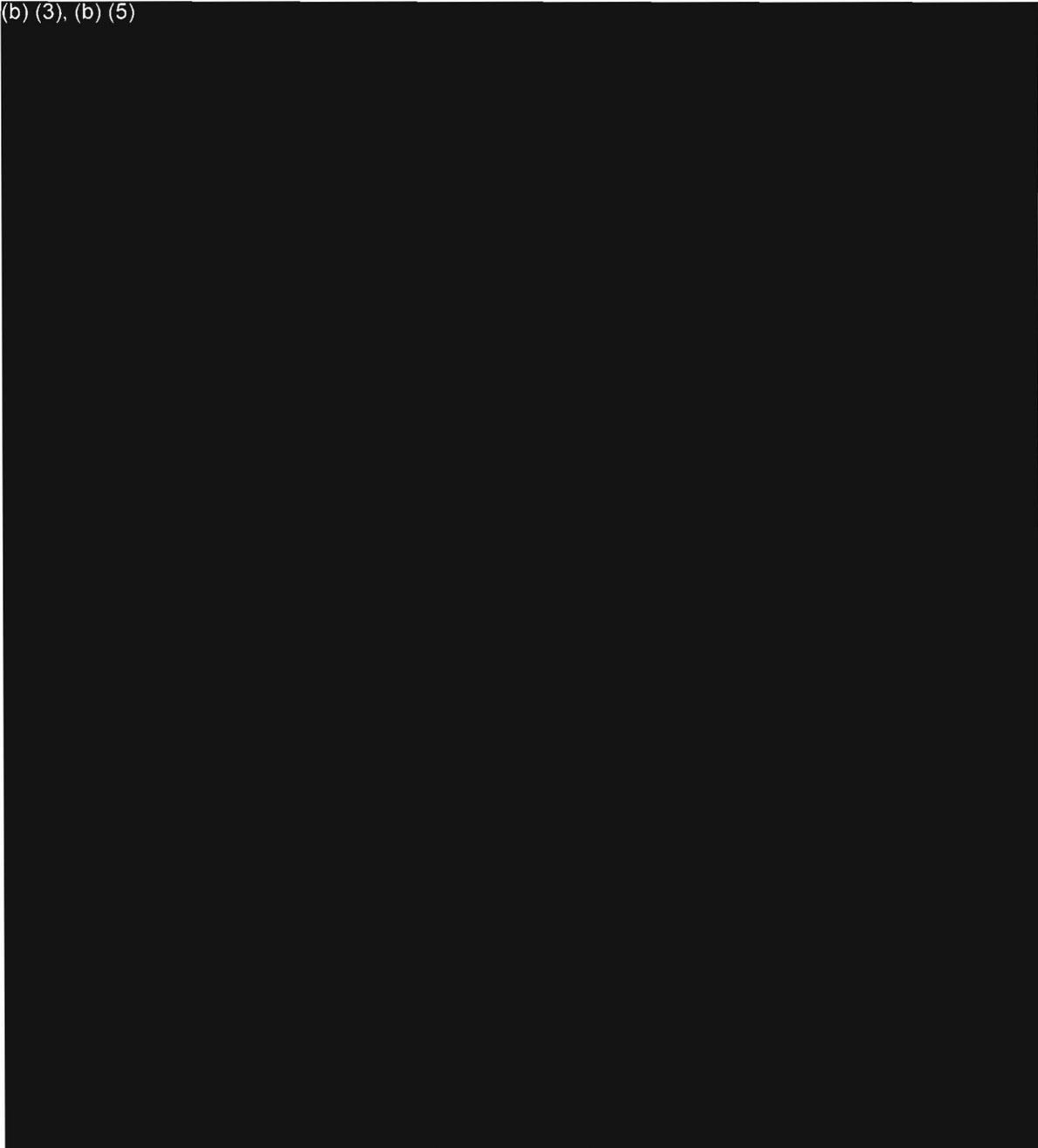


TABLE IS UNCLASSIFIED//~~FOR OFFICIAL USE ONLY~~

(U) REPORT OF INSPECTION: OFFICE OF THE DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE  
FOR INTELLIGENCE INTEGRATION (DDII)  
ISSUED May 2014  
Report Total: 21 Recommendations: 2 Open 19 Closed

(U) Summary of Closed Recommendations (continued)

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

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(U) Report of Inspection: Chief Human Capital Office (CHCO)  
ISSUED September 2014  
Report Total: 5 Recommendations: 1 Open 4 Closed

(U) Summary of Open Recommendations

Recommendation	Rec #	Responsible Office	Corrective Action
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(b) (3), (b) (5)

(U) Summary of Closed Recommendations

(b) (3), (b) (5)

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(U//FOUO) FISCAL YEAR 2014 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH THE FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002  
ISSUED November 2014  
Report Total: 2 Recommendations: 2 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

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(U) REPORT OF INSPECTION: OFFICE OF THE NATIONAL COUNTERINTELLIGENCE EXECUTIVE (ONCIX)  
ISSUED December 2014  
Report Total: 11 Recommendations: 9 Open 2 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
(b) (3), (b) (5)			

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(U) REPORT OF INSPECTION: OFFICE OF THE NATIONAL COUNTERINTELLIGENCE EXECUTIVE (ONCIX)  
ISSUED December 2014  
Report Total: 11 Recommendations: 9 Open 2 Closed

(U) Summary of Closed Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)



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(U) EVALUATION OF THE ODNI UNDER THE REDUCING OVER-CLASSIFICATION ACT  
ISSUED DECEMBER 2014

Report Total: 7 Recommendations: 1 Open 6 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)

(U) Summary of Closed Recommendations

(b) (3), (b) (5)

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(U) REPORT OF INSPECTION: OFFICE OF THE CHIEF FINANCIAL EXECUTIVE (CFE)  
ISSUED MARCH 2015  
Report Total: 3 Recommendations: 3 Open 0 Closed

(U) Summary of Open Recommendations

Recommendation	Reference Number	Responsible Office	Corrective Action
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(b) (3), (b) (5)



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