



**NATIONAL RECONNAISSANCE OFFICE**

*Office of Inspector General  
14675 Lee Road  
Chantilly, VA 20151-1715*



25 March 2016

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE  
PRINCIPAL DEPUTY DIRECTOR, NATIONAL  
RECONNAISSANCE OFFICE  
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE  
DIRECTOR, BUSINESS PLANS AND OPERATIONS DIRECTORATE,  
NATIONAL RECONNAISSANCE OFFICE  
DIRECTOR, OFFICE OF CONTRACTS, NATIONAL RECONNAISSANCE  
OFFICE  
DIRECTOR, CENTER FOR THE STUDY OF INTELLIGENCE, CENTRAL  
INTELLIGENCE AGENCY

Subject: (U) Report of Investigation: Use of Public Office for  
Private Gain (Case Number 15-0027-I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of  
Inspector General (OIG) initiated an investigation based on an  
allegation that [REDACTED]

[REDACTED] Center for the Study of National Reconnaissance, NRO,  
may have violated ethics regulations due to his conduct in a contract  
award to an individual with whom he had a personal relationship.

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(U//~~FOUO~~) During the course of the investigation, the OIG  
developed information that indicated [REDACTED] may have committed  
additional ethics violations due to his conduct during the award of a  
different contract to another individual with whom he had a personal  
relationship. The attached Report of Investigation details the  
overall investigation results.

(U//~~FOUO~~) The OIG requests that the Director, Business Plans and  
Operations Directorate, and the Director, Office of Contracts, provide  
a written response by 12 May 2016 that identifies any actions taken on  
this matter. Please address your response to [REDACTED]  
Assistant Inspector General for Investigations.

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(U//~~FOUO~~) OIG investigation reports are to be reviewed only by  
those individuals to whom the OIG provides them, or to whom the OIG  
specifically authorizes their release. If there are other persons who  
you believe require access as part of their official duties, please  
let us know, and we will promptly review your request.

Subject: (U) Report of Investigation: Use of Public Office for  
Private Gain (Case Number 15-0027-I)

(U//~~FOUO~~) Please direct any questions regarding this Report of  
Investigation to Special Agent-in-Charge [redacted]  
(secure) or to [redacted] Assistant Inspector General for  
Investigations, [redacted]

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[redacted]

Deputy Inspector General

Attachment:  
(U) Report of Investigation:  
(Case Number 15-0027-I) (U//~~FOUO~~)

cc:  
GC/NRO  
GC/CIA  
D/OS/CIA  
C/OS [redacted] CIA

(b)(3) 50 USC ± 3605

Subject: (U) Report of Investigation: Use of Public Office for  
Private Gain (Case Number 15-0027-I)

[REDACTED] 25 Mar 16

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**EXTERNAL DISTRIBUTION:**

Director, Center for the Study of Intelligence, Central Intelligence  
Agency

General Counsel, Central Intelligence Agency

Director, Office of Security, Central Intelligence Agency

Chief, Office of Security, [REDACTED] Central  
Intelligence Agency

(b)(3) 50 USC + 3605

**INTERNAL DISTRIBUTION:**

Director, National Reconnaissance Office

Principal Deputy Director, National Reconnaissance Office

Deputy Director, National Reconnaissance Office

Director, Business Plans and Operations Directorate

Director, Office of Contracts

General Counsel

OIG Official Record [REDACTED]

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*(U) National Reconnaissance Office  
Office of Inspector General  
Investigations Division*

# **(U) REPORT OF INVESTIGATION**

**(U) (15-0027-I)**

**25 March 2016**

**(U//~~FOUO~~) Section A – Subject:**

1. **(U//~~FOUO~~) Full Name:**

**Grade:**

**Occupation:**

**Career Service: Center for the Study of Intelligence**

**NRO Position:**

**Center for the Study of National  
Reconnaissance**

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**(U) Section B – Predication:**

2. (U//~~FOUO~~) On 12 January 2015, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) received an allegation that [redacted] Center for the Study of National Reconnaissance (CSNR), may have violated ethics regulations due to his conduct in a contract award to an individual with whom he had a personal relationship. If substantiated, [redacted] actions may have violated certain ethics regulations, to include 5 CFR 2635.702 – Use of public office for private gain, and 5 CFR 2635.10, Basic obligation of public trust.

3. (U//~~FOUO~~) During the course of the investigation, the OIG developed information that indicated [redacted] may have committed additional ethics violations due to his conduct during the award of a different contract to another individual with whom he had a personal relationship.

**(U) Section C – Potential Violations:**

4. (U//~~FOUO~~) 5 CFR 2635.702 prohibits a federal employee from using his public office for his own gain or for the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity. 5 CFR 2635.101(b)(8) requires a federal employee to act impartially and not give preferential treatment to any private organization or individual.

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**(U) Section D – Investigative Findings:**

(U//~~FOUO~~) [redacted] relationship with [redacted] and use of his public office for her private gain

5. (U//~~FOUO~~) According to [redacted] Central Intelligence Agency biographic data report, [redacted] within the CSNR, since approximately April 2009. During his tenure as [redacted] he developed a personal relationship with an individual named [redacted]. The relationship began in summer 2010 when [redacted] moved to the [redacted] Virginia area and began attending a church [redacted] provided [redacted] with [redacted] services from approximately July 2010 to January 2011. In late summer or early fall of 2010, he met with [redacted] to discuss [redacted] matters. After conclusion of those discussions, [redacted] informed him she had difficulties finding employment as a teacher in the Washington, D.C. area.

6. In response, [redacted] asked her to send him her resume so he could review her qualifications with the Director of the CSNR to determine whether [redacted] would be a good

<sup>1</sup> (U//~~FOUO~~) OIG did not request any information relative to the [redacted] discussions.

candidate for the oral historian position within the CSNR. [redacted] believed that [redacted] background and experience qualified her as a trained historian and may satisfy the CSNR's standing need for an oral historian. He also claimed that previous attempts to bring in federal employees or industrial contractors, including attempts to bring in trained historians under a CSNR contract<sup>2</sup> had been unsuccessful and cost prohibitive.

7. (U//~~FOUO~~) During her interview with the OIG, [redacted] confirmed that her relationship with [redacted] began when she moved to the Virginia area in 2010 and began attending [redacted] church. She explained that, during their meetings, she discussed her difficulties in finding a permanent job in the area and that he reviewed her resume and arranged for her interview with the Director of the CSNR. She also noted that [redacted] subsequently asked her if she would like to work for the NRO as a contractor, and she acknowledged interest. Further, she noted that, pursuant to [redacted] request, she developed an estimate of her labor hours and pricing for her support to the NRO. She claimed she developed these estimates independently and provided them to [redacted] prior to the contract award.

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8. (U//~~FOUO~~) [redacted] indicated he used his position as the [redacted] to assist [redacted] in attempting to obtain an Independent Contractor (IC) contract within the CSNR. He noted that after his first [redacted] meeting with [redacted] he arranged for the Director of the CSNR to interview her relative to an oral historian position vacancy within the CSNR.<sup>3</sup> After this interview, the Director of the CSNR and [redacted] discussed [redacted] background and mutually determined that [redacted] could serve as an oral historian through a sole source contract. From approximately October 2010 to early January 2011, at the direction of [redacted] and the Director of the CSNR, the CSNR's contract support staff developed the sole source contract for [redacted]. [redacted] explained that he believed this contract arrangement would be a low-risk endeavor because the CSNR planned to offer [redacted] a low rate for her services. He further reasoned that if [redacted] proved incapable of performing oral historian services, at a minimum, she could provide transcription services. He also noted that if after the first year of the contract she failed as an oral historian, the CSNR could end the contractual relationship.

9. (U//~~FOUO~~) The OIG obtained an email dated 14 October 2010 in which [redacted] provided the cognizant COTR the requirements for [redacted] planned IC contract as well as a justification for the planned sole source award. [redacted] justification for the sole source award claimed that [redacted] was a trained historian and that research indicated companies had a difficult time identifying trained historians to support the CSNR's oral history efforts.

10. (U//~~FOUO~~) [redacted] stated that, for reasons unknown to him, the Office of Contracts (OC) stopped the award of the sole source contract to [redacted] and began a competitive solicitation for the oral historian support. The OIG's independent review of

<sup>2</sup> (U//~~FOUO~~) The CSNR contract with TASC, (contract number NRO000-06-C-0049, ended approximately [redacted] months after the NRO's award of [redacted]

<sup>3</sup> (U//~~FOUO~~) NRO visitor records indicate the interview took place on 22 September 2010.

pertinent contract documents and market research information evidenced that, in early January 2011, the cognizant Contracting Officer (CO) ceased the planned sole source contract to [redacted] when routine market research identified several industrial contractors with the potential capability to provide oral historian support to the CSNR. As a result, on 2 February 2011, the CO released a competitive solicitation for an oral historian position to five industrial contractors and [redacted]

11. (U//~~FOUO~~) Dr. Outzen indicated that he, along with the CSNR staff, developed the technical requirements used for the oral historian competition. According to [redacted] the acquisition was not “rigged” to meet [redacted] qualifications; rather, he and the CSNR staff constructed the acquisition in a way that would allow her to be competitive while also allowing others to be competitive.<sup>4</sup> He further explained that his intention was not to contract with [redacted] specifically, but to have as broad a solicitation as possible.

12. (U//~~FOUO~~) [redacted] noted he did not conduct the technical evaluations alone. Rather, others assisted him during the technical evaluations, to include the contract specialist assigned to the contract and an NRO acquisition consultant who advised the source selection team. However, the OIG obtained emails illustrating [redacted] was nevertheless substantially involved in the source selection. He provided the CO with technical evaluations of the proposals on 15 and 17 February 2011. Pertinent contract records identified [redacted] as the technical expert for the source selection. [redacted] evaluations identified [redacted] proposal as the only proposal that satisfied all of the technical requirements. These evaluations contained only [redacted] signature. The OIG’s review of the CO’s memorandum for the record (MFR) justifying the award to [redacted] signed and dated on 17 February 2011, showed that the CO’s decision was based, in part, on [redacted] technical evaluation. The MFR cited a Technical Evaluation completed on 16 February 2011 solely by [redacted] Ultimately [redacted] noted that [redacted] proposal was the only proposal that met all of the technical requirements of the contract.<sup>5</sup> The CO awarded [redacted] contract on 3 March 2011.<sup>6</sup>

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13. (U//~~FOUO~~) The existing CSNR contract’s period of performance, 3 February 2006 to 12 September 2012, encompassed the time when [redacted] developed the technical requirements for the contract awarded to [redacted] Although [redacted] background

<sup>4</sup> (U//~~FOUO~~) The TASC CSNR contract required the contractor to provide a qualified team familiar with overhead reconnaissance and capable of conducting oral and written interviews, including oral histories. In contrast, the OIG identified a 13 January 2011 email wherein the Contracting Officer Technical Representative provided the CO two technical requirements developed by [redacted] These requirements were as follows: (1) two to five years of experience teaching history or conducting historical research, and (2) at a minimum, a Bachelor of Arts (BA) in history. These requirements matched [redacted] experience as she had three years teaching middle school history and held a BA in history.

<sup>5</sup> (U//~~FOUO~~) [redacted] opined that the five industrial contractors’ proposals all failed as they did not meet the technical requirements.

<sup>6</sup> (U//~~FOUO~~) The cognizant CO awarded the contract, as there was no source selection authority due to the low level of the acquisition. The contract value for the first year was [redacted] The award also included four contract option years valued at [redacted] respectively. The base year award and each year thereafter required [redacted] to provide 1,800 hours of effort.

documentation evidenced no experience in the oral historian field,<sup>7</sup> the NRO awarded [redacted] IC contract approximately 18 months prior to the end date of the existing CSNR contract.

14. (U//~~FOUO~~) The Director of the CSNR informed the OIG that prior to the award of the contract, he directed [redacted] to consult with the NRO Office of General Counsel (OGC) due to what appeared to be a potential conflict of interest caused by [redacted] relationship with [redacted]. The Director of the CSNR claimed that [redacted] informed him that he had consulted with the OGC.

15. (U//~~FOUO~~) [redacted] claimed that either he or the Director of the CSNR consulted with an OGC ethics attorney regarding [redacted] involvement in an acquisition involving [redacted] as a potential vendor. He further claimed he was certain that either he or the Director of the CSNR had a conversation with the OGC ethics attorney, and the attorney found no problem with [redacted] being involved in contract activities involving [redacted].

16. (U//~~FOUO~~) The OIG interviewed the former OGC ethics attorney ostensibly consulted by [redacted]. The attorney claimed he did not know of [redacted] and had no recollection of providing any ethics guidance to him. The attorney also stated that if the request for an ethics opinion was in writing, his practice was to respond in writing. However, if the inquiry was an informal question or an inquiry made in casual conversation, he may not document these types of discussions. Upon OIG request, the OGC reviewed its files relative to any guidance to [redacted] on this matter. The OGC responded that it had no records or documentation pertaining to any guidance purportedly provided to [redacted] regarding his involvement in an acquisition involving [redacted].

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(U//~~FOUO~~) [redacted] relationship with [redacted] and use of his public office for her private gain

17. (U//~~FOUO~~) During discussions between [redacted] and the OIG regarding [redacted] reported he had a personal relationship with another individual, [redacted] with whom he had been materially involved in obtaining a position at the NRO. According to [redacted] his friendship with [redacted] began during her [redacted] continues to present [redacted] noted that [redacted] returned to [redacted] at the conclusion of her detail to the CSNR and, upon her retirement, he arranged for her to return as an IC contractor supporting the CSNR. Contract documents cited [redacted] being responsible for conducting research, writing manuscripts, and editing manuscripts for publication by CSNR.

18. (U//~~FOUO~~) [redacted] noted he rented [redacted] beach house in North Carolina in the summer of 2013. Although he could not recall the exact amount [redacted] stated he paid [redacted] a fee for the rental period. [redacted] claimed that in both 2014 and 2015, [redacted] offered him the use of her beach house; however, he declined as he wished to avoid

<sup>7</sup> (U//~~FOUO~~) Rather, [redacted] documentation cited her work experience as being in teaching and office administration.



the appearance of a conflict of interest. The OIG reviewed emails from March 2014 showing that, contrary to his previous assertions to the OIG [redacted] communicated with [redacted] on the potential rental of her beach house in 2014. However, the emails indicated this rental never occurred due to [redacted] conflicting schedule.

19. (U//~~FOUO~~) [redacted] further stated that he did not consult with the OGC regarding his friendship with [redacted] the acceptance of the beach house rental, nor his involvement with the IC contract award to [redacted]

20. (U//~~FOUO~~) [redacted] informed the OIG that [redacted] rented her beach house in North Carolina for approximately one week in June 2013 at the rate of \$100 per day. According to [redacted] this rate was the same rate paid by other friends, relatives, and acquaintances.

21. (U//~~FOUO~~) The OIG obtained 19 emails created between 26 March 2013 and 22 January 2015 wherein [redacted] and [redacted] planned her return to the CSNR as an IC contractor. These emails also evidenced that [redacted] and [redacted] discussed his use of her beach house. For example, in a 4 June 2013 email, [redacted] thanked [redacted] for making her beach house available to him. In the same email, he noted his plan to have her return to the NRO as an IC contractor. In a 31 October 2013 email, [redacted] informed [redacted] that the CSNR's budget would allow her to join the CSNR after her retirement. In a 21 February 2014 email, [redacted] informed [redacted] he had funds set aside for her contract. After [redacted] provided [redacted] her retirement date [redacted] informed her he would work to get her on contract with the CSNR as soon as possible. In a 13 January 2015 email [redacted] provided assurances to [redacted] that the NRO would bring her on board as an IC. In the same email, he informed [redacted] that she could control her own rate of production.

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22. (U//~~FOUO~~) The OIG's review of pertinent contract documentation for [redacted] IC contract indicated that [redacted] participated in its award. The documents showed that on 22 January 2015 [redacted] forwarded [redacted] Statement of Work and sole source justification to the cognizant contracting officer (CO). Other documents showed that [redacted] developed cost estimate information and assisted the CO during the price negotiations for [redacted] contract. Moreover, a 20 April 2015 COTR letter of appointment issued by the CO identified [redacted] as responsible for the receipt and approval of all contract deliverables provided by [redacted]

23. (U//~~FOUO~~) The OIG found contract records that showed the Director of the CSNR approved the award of [redacted] IC contract on 27 April 2015. Notwithstanding, the Director of the NRO Business Plans and Operations Directorate (BPO), the senior official with oversight over the CSNR, informed the OIG that he was never aware of and never approved [redacted] contract. As [redacted] IC contract award date (27 April 2015) was within one year of her federal retirement date (31 July 2014), the Director of BPO was required to provide advanced,

written approval to the CO per NRO's Acquisition Manual.<sup>8</sup> The OIG found no evidence that this approval was ever requested or granted.

***(U//FOUO) Coordination with Central Intelligence Agency's Office of General Counsel, Ethics Law Division***

24. (U//FOUO) The OIG coordinated this matter with the Central Intelligence Agency's Office of General Counsel, Ethics Law Division (ELD), and requested ELD provide a written opinion regarding whether [redacted] actions violated any relevant laws or regulations. On 6 November 2015, ELD provided a written opinion that, based on the facts presented, [redacted] misused his official position and failed to act impartially by steering contracts toward [redacted] and [redacted] with both of whom he had personal relationships. Specifically, ELD held that the Standards of Ethical Conduct for Executive Branch Employees (Standards of Conduct) prohibit a federal employee from using public office for personal private gain or for the private gain of friends, relatives, or persons with whom the employee has an affiliation in a nongovernmental capacity. ELD also referenced the Standards of Conduct requiring employees not to use public office for private gain, 5 C.F.R. § 2635.101(b)(7), and the Standards of Conduct requiring a federal employee to "act impartially and not give preferential treatment to any private organization or individual," 5 C.F.R. §2635.101(b)(8).

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**(U) Section E – Conclusion:**

25. (U//FOUO) [redacted] was materially involved in obtaining an IC contract at the NRO for [redacted] despite having a pre-existing personal relationship with her in a non-government capacity. Similarly [redacted] was materially involved in obtaining a sole-source IC contract at the NRO for [redacted] despite having a pre-existing personal relationship with her. His actions in both instances violated pertinent ethical standards applicable to Executive branch employees.

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[redacted signature box]  
Assistant Inspector General  
for Investigations

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<sup>8</sup> (U//FOUO) NRO's Acquisition Manual [redacted] Personnel Eligibility, requires that the Directorate or Office (D/O) Director approve all requests for IC contracts.

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[redacted]

**(U) Section F – Recommendations:**

26. (U//~~FOUO~~) The OIG recommends that the Director, BPO, in coordination with the Director, Center for the Study of Intelligence, determine if any administrative actions need to be taken regarding [redacted] use of his office for the personal gain of friends and personal affiliates. The OIG requests that the Director, BPO report the results of his determination to the OIG by 12 May 2016.

27. (U//~~FOUO~~) Further, the OIG requests the Director, OC review the contract awards to [redacted] and [redacted] and determine if any administrative actions need to be taken relative to these awards. The OIG requests that the Director, OC report the results of his determination to the OIG by 12 May 2016.

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CONCUR:

[redacted]  
[redacted] Deputy Inspector General

25 March 2016  
Date

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