

UNCLASSIFIED//~~FOUO~~

# Closure Memorandum

<b>Case Number:</b> 12-0031-I	<b>Date of Entry:</b> 10 SEP 2015
<b>Primary Investigator:</b> [redacted]	[redacted]

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## Allegation Information

(b)(7)(c)  
IG Act

**Narrative:**  
 (U//~~FOUO~~) On 8 December 2011, [redacted] e-mailed the OIG [redacted] to advise that Boeing had a new cost mischarging case to report. Subject is [redacted] assigned to Boeing [redacted] Subject may be misrepresenting her time in the office working on her job and spends an excessive amount of time on her unclassified computer accessing Facebook.com. It appears the cost mischarging could be as high as 188 hours.

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**Last Investigative Step:**  
 25 June 2015 – review of credit details

**Resolution:**  
 Substantiated

## Case Closure Justification

**Summary**  
 (U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) provided oversight to a Boeing investigation into potential labor mischarging by [redacted] [redacted] is a Boeing employee assigned to support NRO Contracts in California as [redacted] Boeing reviewed [redacted] badge records from 1 June 2011 through 29 September 2011 and monitored her computer usage from 21 September 2011 through 29 September 2011. On 30 September 2011, [redacted] provided a statement to Boeing regarding her computer usage while at work. Boeing determined that she overcharged by approximately 2.5 hours per day and based on her admission would credit the Government the hours from 1 June 2011 to 29 September 2011, the day before her admission for a total of 188 hours.

(U//~~FOUO~~) Boeing attorney [redacted] reported that on 3 November 2011, Boeing credited the effected contracts the labor and fringe for a total amount of [redacted] for the 188 hours that [redacted] falsely charged. According to Boeing, the [redacted] represented only labor and fringe. Boeing charges labor using forward pricing rates by labor category and not an employees' actual rate. Boeing did not provide the fully burdened amount and the amount the [redacted]

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[redacted] actually received. As a result, the NRO OIG could not consider the matter resolved.

(U//~~FOUO~~) On 25 June 2015, Boeing attorney [redacted] determined that on 3 November 2011, contract NRO000-08-C-0131 was credited the fully burdened amount of \$42,377 of which [redacted] received \$8,076 and contract NRO000-99-C-0061 was credited the fully burdened amount of \$3,330 of which [redacted] received \$1,725.

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(U//~~FOUO~~) The COs for both contracts were briefed on the facts of the case and were satisfied with the credits back to the contracts. On 10 November 2011 [redacted] received a letter of reprimand from Boeing. The United States Attorney's Office for the Central District of California declined prosecution due to the contractor's full reimbursement to the government. The NRO OIG considers Boeing's investigative efforts sufficient and the case was settled administratively.

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