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

(U) Semiannual Report
1 July 2009 – 31 December 2009

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

(U) A Message From the Inspector General

(U) During the period from 1 July 2009 through 31 December 2009, the Office of the Director of National Intelligence (ODNI) Office of the Inspector General (OIG) completed a variety of significant audits, inspections, investigations, and reviews. We also facilitated collaboration and integration throughout the Intelligence Community (IC) Inspectors General (IG) community. This report summarizes those accomplishments.

(U) One significant accomplishment during this reporting period was the 2009 IC Management Challenges report. In this report, we identified the most critical challenges facing the Director of National Intelligence (DNI) in his role as leader of the ODNI and the IC. We did so by drawing upon the inspections, audits, and reviews performed by our office as well as the 2009 Management Challenges reports and other reports from the OIGs of most IC elements. Our assessment identified seven management challenges common to other IC elements that fall within the DNI's responsibility under the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) to lead and integrate the IC. As noted in our report, none of these important challenges lend themselves to one-time solutions; rather, they will require sustained focus, efforts, and leadership over time.
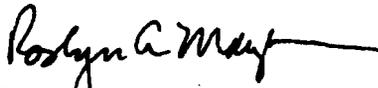
(U//FOUO) We also issued several significant reports this reporting period, including a review of the implementation of the IC Joint Duty program; the fiscal year 2009 Federal Information Security Management Act (FISMA) Review; which identified information security deficiencies in the ODNI and across the IC; an audit of the adequacy and effectiveness of the internal controls over the budgeting, accounting, and expending of National Intelligence Program funds provided to the Department of Homeland Security Office of Intelligence and Analysis; and our findings regarding allegations received from Congress that the National Counterterrorism Center's Railhead Program suffered from poor planning and poor government management that resulted in the potential delivery of insufficient functionality to end users.

(U) Another significant accomplishment during this reporting period was the first annual Intelligence Community Inspectors General Awards Program and Ceremony. We developed this program in concert with other IC OIGs to recognize personnel from IC OIGs who made extraordinary contributions to the mission and objectives of the OIGs and the National Intelligence Strategy. We hosted the first annual IC IG Awards Ceremony in December 2009, at which Principal Deputy Director of National Intelligence David C. Gompert served as the keynote speaker. Six awards were given

at this ceremony: Leadership Award, Lifetime Achievement Award, Award of Honor, Audit Award, Inspections Award, and Investigations Award.

(U) ODNI management continues to take significant steps to address OIG recommendations. As a result of a system developed by the OIG and ODNI management to ensure timely and effective implementation of OIG recommendations, 63% of the OIGs' recommendations made in 2007 – 2009 are closed, 26% are resolved, and 11% remain open. During this reporting period alone, ODNI management has taken action to close 23 recommendations and to resolve 16 additional recommendations. The table appearing on page 22 of the report illustrates the implementation status of OIG recommendations.

(U) In the months ahead, we will continue to focus on emerging areas of concern and to produce high-quality, timely, capacity-building audits, inspections, and other reviews that align with IRTPA, the *National Intelligence Strategy*, and other important mission objectives of the ODNI. In performing our work, we are committed to maintaining the highest standards of professionalism, objectivity, and integrity in our interactions within the ODNI and with other elements of the IC.

Roslyn A. Mazer
Inspector General
27 January 2010

(U) Table of Contents

I. (U) Overview

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

(U) In addition, the OIG makes recommendations to the DNI for improving the performance of IC programs and activities. The last section of this report includes an update on the implementation status of recommendations made in our previous reports.

(U) The OIG also focuses on identifying the critical challenges facing the ODNI and the IC. In November 2009, we reported to the DNI the top IC management challenges based on our review of IC OIG reports and the management and performance challenges from most of the IC agencies. These management challenges are described in section three of this report.

(U) OIG Organization

(U) The OIG consists of the following divisions:

(U) **Audit Division:** Executes program and financial audits and evaluations of ODNI and IC programs, information technology, procurement, internal controls, financial statements, and financial management.

(U) **Inspections Division:** Conducts inspections, reviews, and evaluations to improve IC-wide performance; examines information access, collaboration, intelligence collection and analysis, and compliance with laws and regulations.

(U) **Investigations Division:** Investigates allegations of violations of criminal laws and administrative regulations arising from the conduct of ODNI and IC employees and contractors.

(U) **Management Reviews Division:** Conducts management and programmatic reviews of the ODNI, its centers, and the IC; evaluates management and processes to assist the IC in developing and implementing processes and procedures to improve both effectiveness and efficiency.

(U) **Oversight and Policy Division:** Performs reviews of programs and activities to assess whether oversight and compliance are effective, monitors and analyzes in concert with the ODNI Office of General Counsel (OGC) and the ODNI Office of the Chief Civil Liberties and Privacy Officer (CLPO) the trends and patterns concerning intelligence oversight activities across the IC, and prepares reports on intelligence oversight issues in coordination with OGC for the President's Intelligence Advisory Board's Intelligence Oversight Board (IOB).

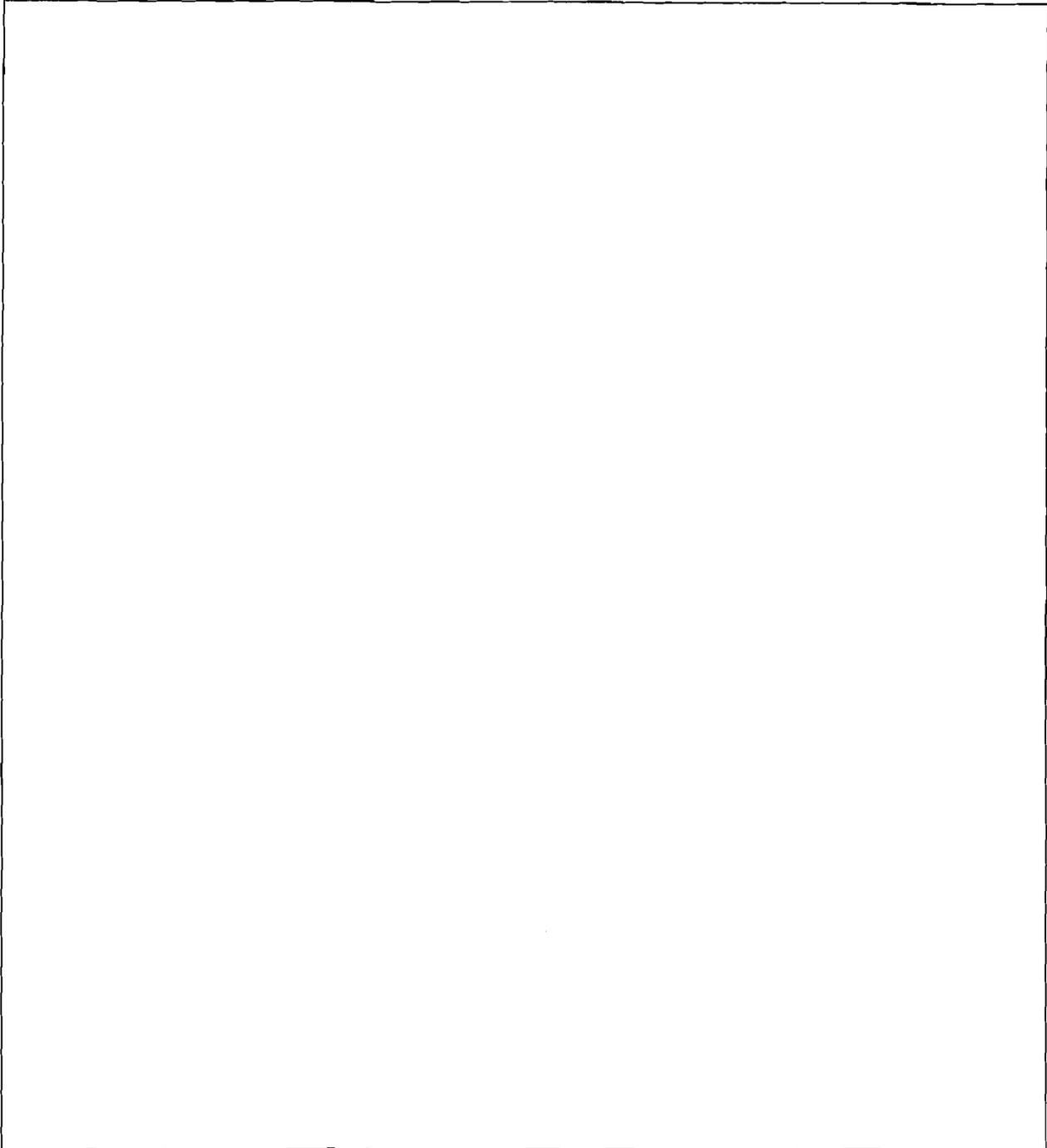(U) An organization chart delineating the OIG's front office and division structure is below.

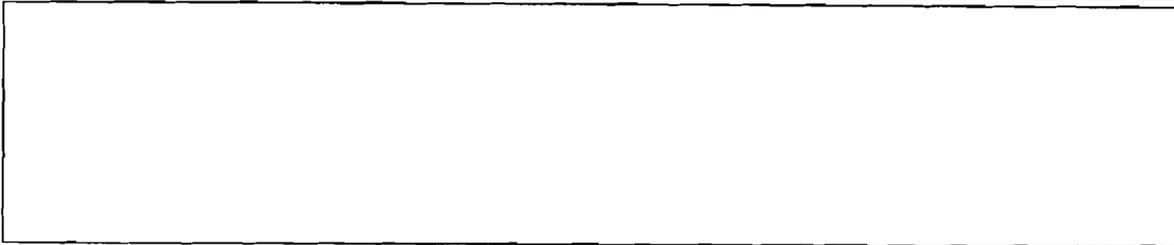**(U) Figure 1. OIG Organization Chart 2009**
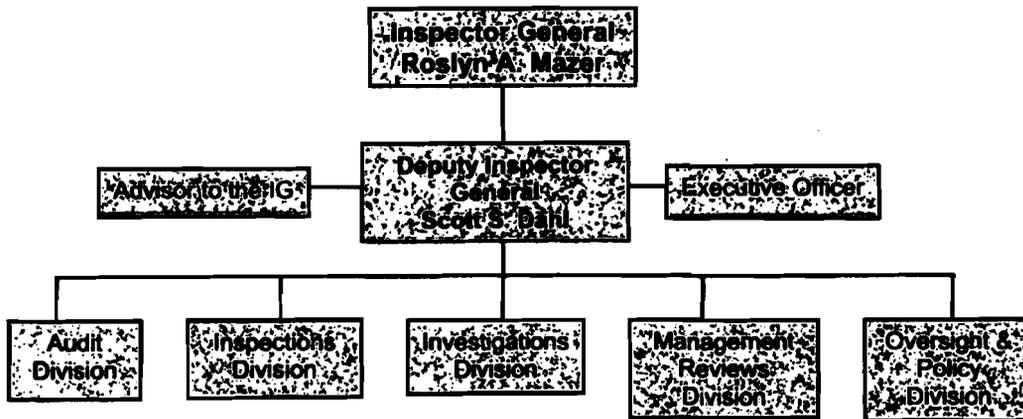
(U) OIG Personnel and Resources
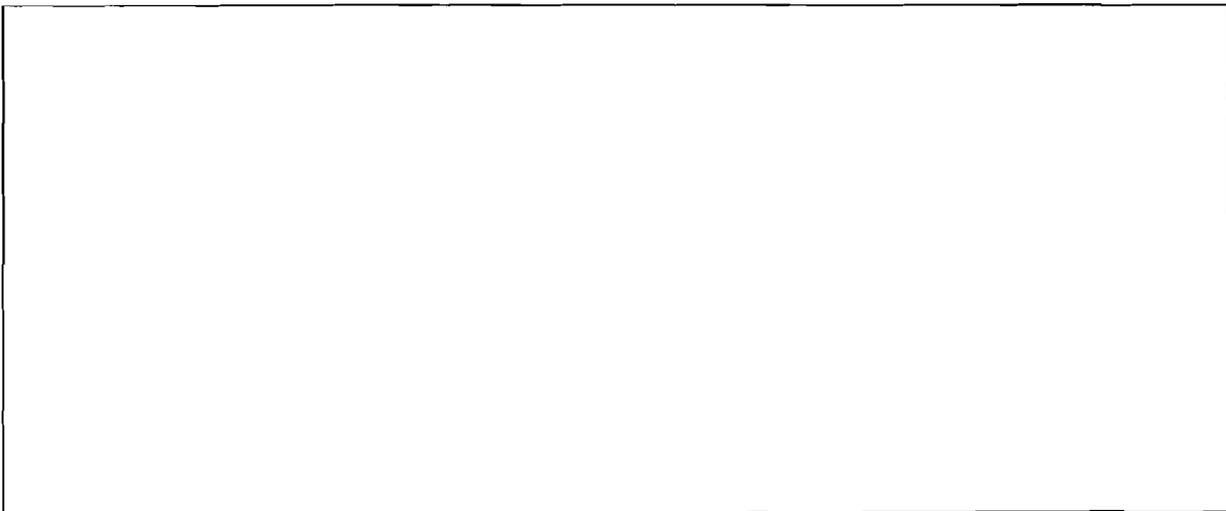
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II. (U) IC Inspectors General Activities

(U) To achieve its oversight objectives, the ODNI OIG facilitates collaboration, information sharing, and strategic planning among the IC Inspectors General. This section highlights some of the ways the OIG coordinates oversight across the IC.

(U) IC Inspectors General Forum

(U) The ODNI IG chairs the IC Inspectors General (IC IG) Forum, a quarterly meeting of all IC IGs or their designees. The ODNI OIG also acts as the Executive Secretariat for the IC IG Forum, performing such functions as hosting the meetings, consulting on topics of interest, facilitating the development of collaborative projects for discussion at the meetings, developing the agenda, distributing documents, and maintaining minutes.

(U) The IC IG Forum promotes collaboration and coordination among the IC IGs to strengthen the collective role and effectiveness of OIGs throughout the IC, enhance the value of OIG activities in support of the *National Intelligence Strategy*, and increase efficiency by promoting information sharing and avoiding duplication of effort among the IC OIGs. In addition, during this reporting period, the Forum sponsored the First Annual IC IG Awards Program and Ceremony (discussed in detail on p. 6).

(U) The DNI addressed the IC IGs at their quarterly meeting in September 2009. He stated that he finds IG reports to be particularly useful and recognized the President's Surveillance Program Review as an excellent example of cooperation between IC OIGs. He also emphasized the role of the IC IGs in ensuring that the community stays focused on the enterprise objectives of the *National Intelligence Strategy* because IGs can step back and take a broader, independent view of how agencies are implementing their goals.

(U) As part of the IC IG Forum activities, the IC-wide Deputy IG Working Group and Assistant Inspectors General (AIG) Working Groups for Audit, Inspections, and Investigations leverage the role of the IC IG Forum by further integrating the IC OIG community, exchanging ideas and work plans, identifying IC systemic issues, reducing

redundancy, sharing best practices, and identifying collaborative projects affecting two or more IC OIGs. The working groups meet quarterly and are chaired by the ODNI OIG representative to the group.

(U) During this reporting period, the Deputy IGs Working Group served as the IC IG Awards Review Board to select award recipients and make recommended revisions to the IC IG Awards Program. The Deputy IG Working Group also developed a draft agenda and speakers for the IC IG Annual Conference in May 2010. The AIG for Investigations Working Group collaborated on new legislation affecting investigations and exchanged best practices regarding proactive efforts to detect waste, fraud, and mismanagement. It also shared the names of working targets to ensure all agencies are aware of any fraudulent schemes or efforts. Within the past 6 months, the AIG for Investigations Working Group developed an OIG IC Peer Review process, encouraged and participated in the Joint Duty Program, collaborated on several joint investigations, shared best practices, and facilitated joint training within the IC.

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The AIG for Audit Working Group also presented briefs on fraud auditing and the use of forensics in auditing and developed an IC IG position on OIGs' responsibilities for financial statement validation and audit work. The AIG for Inspections Working Group identified and initiated planning for a possible FY 2011 joint evaluation of intelligence readiness during national emergencies.

(U) IC Inspectors General First Annual Awards Program and Ceremony

(U) On 1 December 2009, at ODNI Headquarters, the ODNI IG hosted the First Annual IC IG Awards Ceremony. The ceremony recognized personnel from OIGs throughout the IC who made extraordinary contributions in 2008 to the mission and objectives of the OIGs and the *National Intelligence Strategy*. The awards are part of the National Intelligence Professional Awards Program established by the ODNI in 2007.

(U) As one of his first duties as Principal Deputy Director of National Intelligence (PDDNI), the Honorable David C. Gompert served as the keynote speaker. Mr. Gompert emphasized that IGs play an indispensable part in earning and keeping the public's trust in the IC. He noted that as independent, informed, and objective elements embedded within IC organizations, IGs ensure the quality of United States intelligence by identifying problems and proposing improvements to their home elements.

(U) The six categories for the 2008 awards were Leadership Award, Lifetime Achievement Award, Award of Honor, Audit Award, Inspections Award, and Investigations Award. John Helgerson received the Leadership Award in recognition of the outstanding service and leadership he provided as CIA IG from 2002 to 2009, when he retired. Peter Garry, National Reconnaissance Office (NRO), received the Lifetime Achievement Award in recognition of more than 40 years of dedicated service with distinction in internal oversight of both intelligence and defense programs.

(U) Intelligence Oversight Activities

(U) This report marks the first full year that OIG intelligence oversight activities have been governed by Executive Order 13462, which elevated accountability for intelligence oversight reporting to the heads of departments and agencies and incorporated a more timely method for reporting significant and highly sensitive intelligence oversight matters from IC components to the President's IOB. Under the new Executive Order, the ODNI OIG and the ODNI OGC have joint responsibility to analyze IC component intelligence oversight reporting submitted to the DNI and the IOB and engage in outreach efforts in the IC to improve timely and effective reporting. In furtherance of this oversight responsibility, the OIG and OGC recently initiated a review of IC agencies' internal policies governing reporting to the IOB to assess their compliance with guidance issued pursuant to Executive Order 13462.

III. (U) Management Challenges

(U) The Reports Consolidation Act of 2000 requires federal agency IGs to identify and report the serious management and performance challenges facing their agencies. In 2008, the ODNI OIG issued its first IC Management Challenges report, which included challenges identified from its own reporting and synthesized challenges identified in reports published by other IC OIGs.

(U) To identify the challenges for our 2009 report, the ODNI OIG drew upon inspections, audits, and reviews performed by its office. The ODNI OIG also reviewed the 2009 Management Challenges reports and other reports from the OIGs of most IC elements, including the CIA, DHS, Defense Intelligence Agency (DIA), Department of Energy, Department of Justice (DoJ), Department of State, Department of Treasury, NGA, NRO, and National Security Agency (NSA). While each IC element has identified its own management challenges, some of these challenges are common to and interconnected with challenges encountered throughout the IC. Accordingly, this assessment identifies the management challenges common to other IC elements. OIGs have identified significant progress in tackling these difficult challenges, but, as noted in our 2009 IC Management Challenges report, these challenges do not lend themselves to one-time solutions, but will require sustained focus, efforts, and leadership over time.
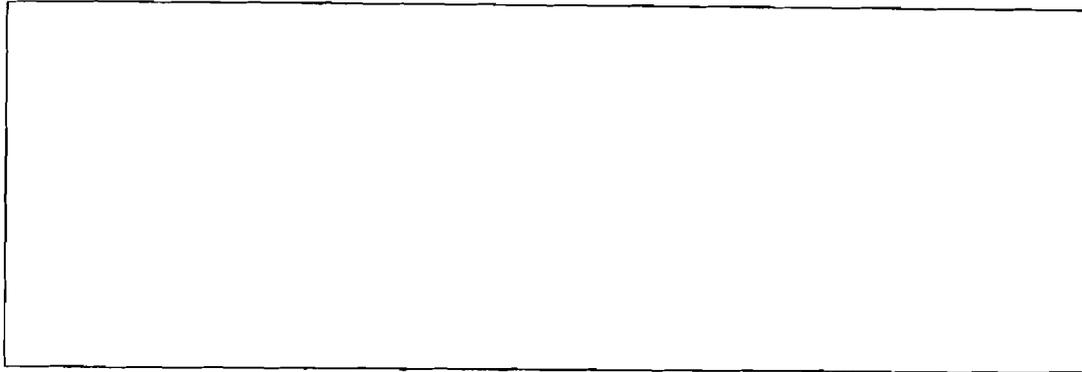
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1. (U) Information Security
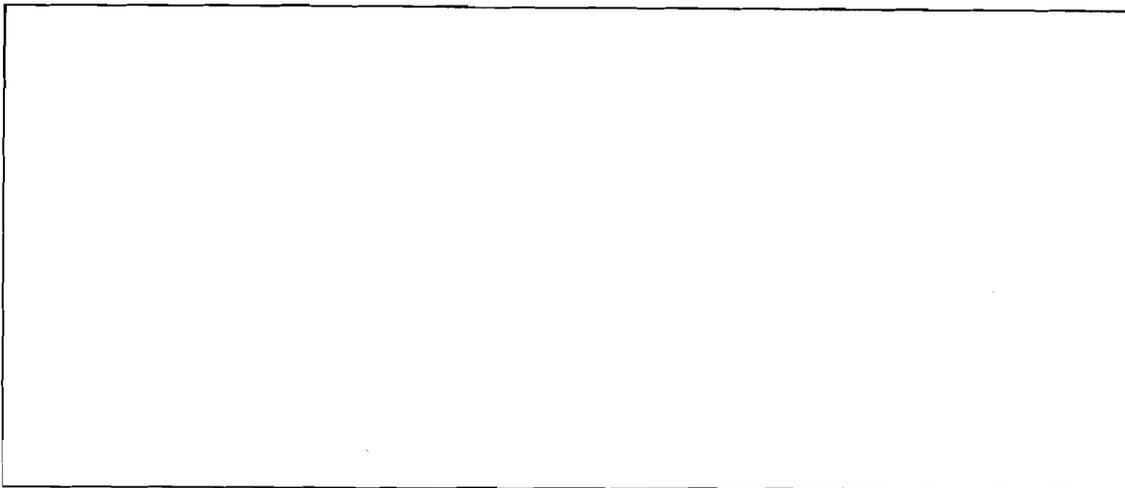
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2. (U) Information Sharing

(U//FOUO) Inadequate information sharing has been a major impediment to optimal IC performance. IC OIGs continue to report challenges in this area, including the need to balance the responsibility to share information, while protecting sources and methods; overcoming barriers to inter-agency collaboration; and establishing and strengthening partnerships with foreign, domestic, public, and private entities to improve access to sources of information and intelligence and ensure appropriate dissemination of IC products and services.

(U) The ODNI has taken steps to address these challenges. In January 2009, the DNI issued IC Directive (ICD) 501: *Discovery and Dissemination or Retrieval of Information within the Intelligence Community*. ICD 501 establishes policies for discovery and for dissemination or retrieval of intelligence and intelligence-related

information collected or analysis produced by the IC. The ODNI issued an Implementation Plan for ICD 501 and implementing guidance.

(U//EOUO) However, the ODNI has not fully implemented all of the ODNI OIG's recommendations relating to sensitive dissemination or fully addressed all of the challenges involved in compartmentation of intelligence information. The ICD 501 Implementation Plan targets 2010 and 2011 to address many of these recommendations.

3. (U) Acquisition, Procurement, and Contract Administration

(U) Another critical management challenges for IC agencies is effectively overseeing acquisitions, procurements, and contracting by establishing and maintaining robust and repeatable oversight strategies, policies, and processes; ensuring efficient and legally compliant procurement of information technology resources; and strengthening the acquisition workforce to provide satisfactory contract administration.

(U//FOUO) The ODNI OIG inspected the ODNI acquisition oversight strategies, policies, and processes. The OIG made recommendations to provide for more effective stewardship of major investments through total acquisition lifecycle knowledge management. ODNI management endorsed the OIG's recommendations, and ODNI staff elements are making significant progress towards implementation of the recommendations. To leverage the findings and methodologies of this report, the ODNI OIG is working with members of the IC IG Forum in coordinating concurrent agency-level reviews of acquisition oversight strategies, policies, processes.

4. (U) Financial Management

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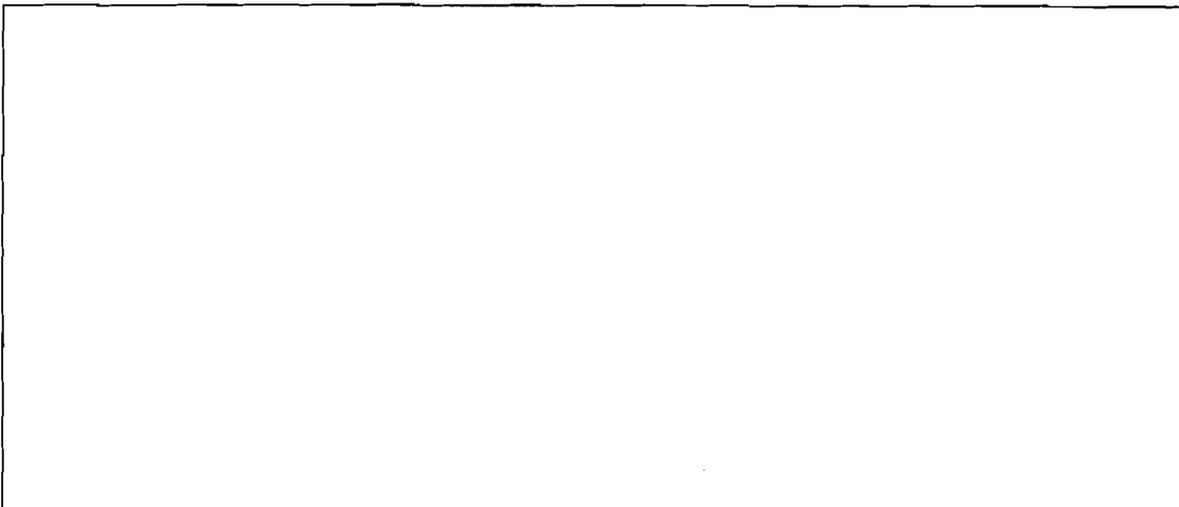
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(U//FOUO) In 2009 the ODNI and DHS OIGs performed a joint audit to examine the adequacy and effectiveness of internal controls over budgeting, accounting, and expending of NIP funds provided to the DHS Office of Intelligence and Analysis (I&A). This was the first ODNI audit of NIP funds expended by another IC element. The audit identified internal control weaknesses within both ODNI and DHS I&A regarding the management of NIP funds allocated to DHS I&A. Both ODNI management and DHS I&A endorsed all of the OIG's recommendations and already have implemented some corrective actions, including the development and promulgation across the IC of mid-year and end-of-year execution review standard operating procedures.

5. (U) Human Capital

(U) The *National Intelligence Strategy* states that the IC must build a diverse and balanced workforce, enhance professional development, cultivate relevant expertise, support an entrepreneurial ethos, deploy integrated and agile teams, and build a culture of leadership excellence.

(U) The 2008 IC Employee Climate Survey released in April 2009 reflected ODNI progress in this area. According to the survey, IC employees rated their agencies more favorably than other federal workers in the areas of overall job satisfaction, the general quality of managers and senior leaders, and the development of top talent. The ODNI has implemented several initiatives to deal with problems identified in the IC Climate Survey, such as the Joint Duty Program to facilitate integration and collaboration across the IC. The ODNI OIG conducted a review of the implementation of the Joint Duty Program and made recommendations to improve implementation of the program, all of which were endorsed by the ODNI Chief Human Capital Officer (CHCO) (discussed further at p. 14).

6. (U) Oversight of Intelligence Activities and Programs

(U) OIG reports continue to identify challenges in ensuring that intelligence activities and programs are being conducted in accordance with laws and policies and in a manner that protects individual civil liberties and privacy. The IC's need to ensure effective oversight of intelligence activities and programs is a critical management challenge.

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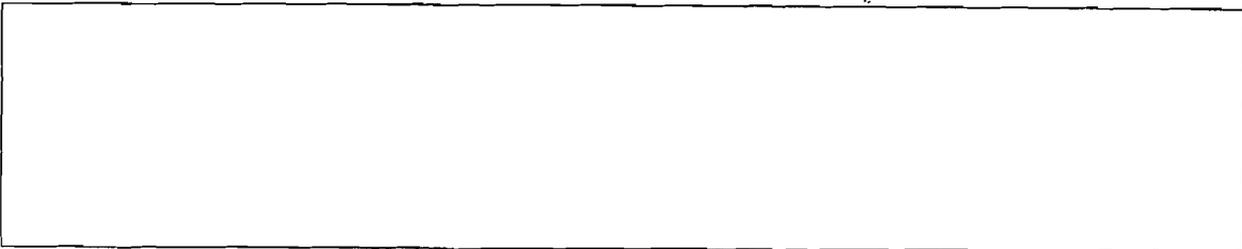
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### 7. (U) Community Management and Integration

(U//FOUO) In 2008, the ODNI OIG identified "Strengthening Leadership and Governance" as one of the DNI's top management challenges. While the ODNI has made substantial progress in issuing policies, improving communication and coordination internally and with the IC, and implementing most of the ODNI OIG recommendations on improving management, the ODNI continues to face challenges in community management and integration that require the DNI's continuing focus, leadership, and attention.

(U//FOUO) One significant improvement this year is ODNI management's new process for facilitating and overseeing implementation of open OIG recommendations. ODNI management now meets periodically with ODNI elements that have been directed to implement OIG recommendations to determine if they have implemented the recommendations to the satisfaction of senior management and the OIG and, if not, to assess plans or alternatives for implementation. As a result of these efforts, ODNI management, under the leadership of the Director of the Intelligence Staff, has closed or resolved approximately 70% of ODNI OIG recommendations that were open at the beginning of calendar year 2009.

(U) IC OIGs' 2009 Management Challenges Table

(U) The table below illustrates how the 2009 IC Management Challenges as reported by IC OIGs align with the *National Intelligence Strategy* (August 2009).
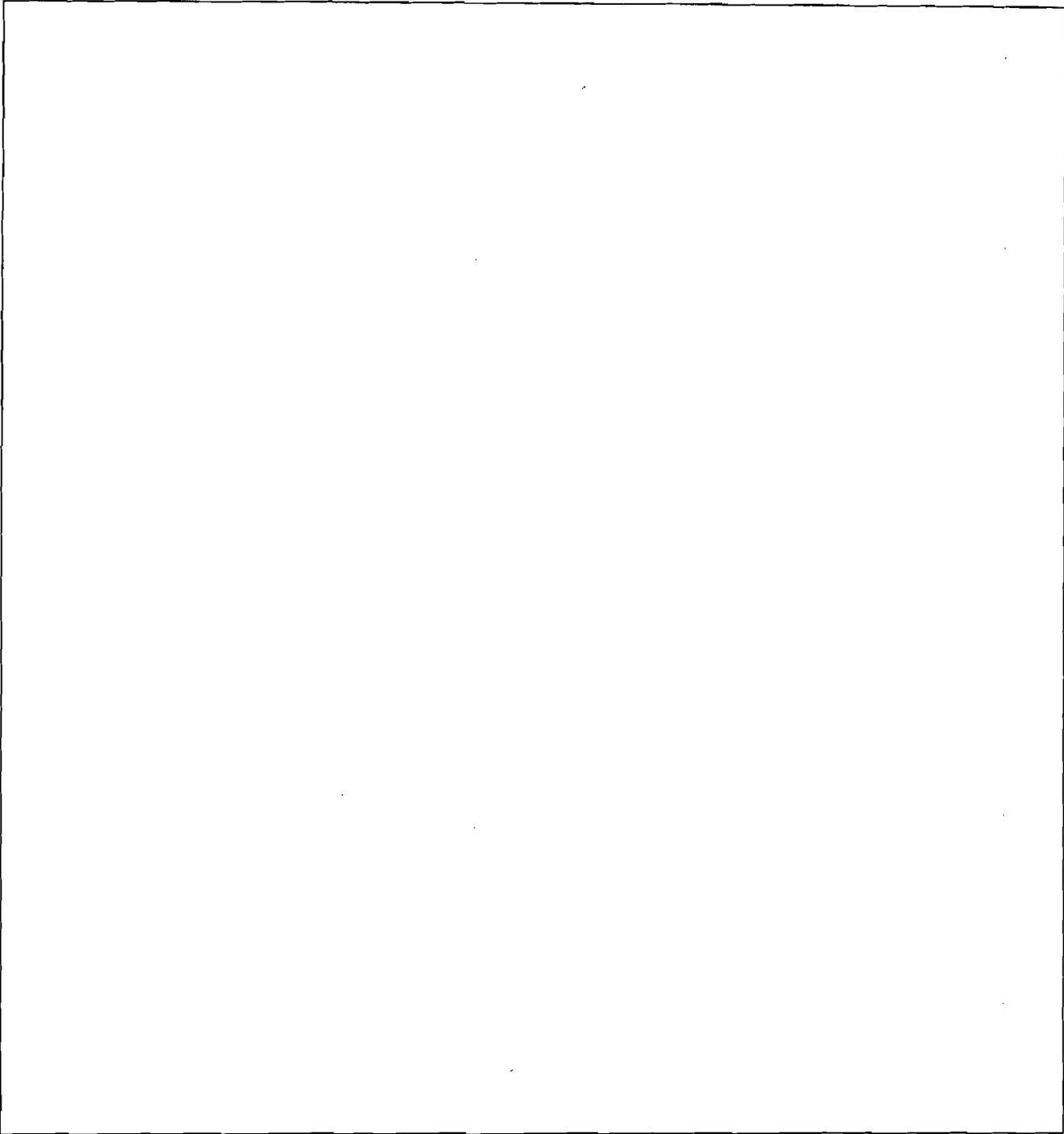
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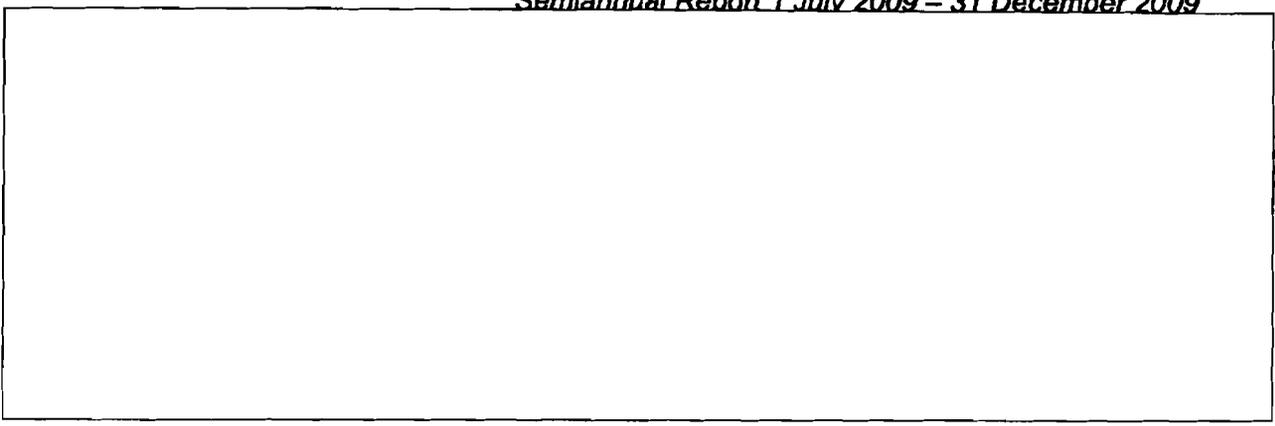
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IV. (U) Completed Projects

(U) Inspections, Reviews, and Audits

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(U) Implementation of all the recommendations cited in the audit report will further improve the adequacy and effectiveness of the internal controls over NIP funds at the DHS I&A.
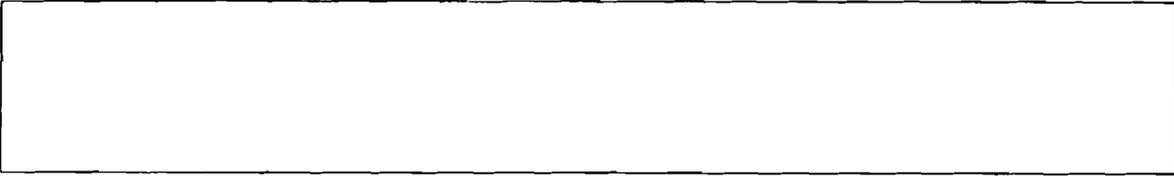
(U) Implementation Status Review of the IC Joint Duty Program

(U) During the OIG's 2008 *IC-Wide Integration and Collaboration Diagnostic and Recommendations*, IC leaders and employees identified problems with the implementation of the Joint Duty Program. Specifically, the OIG found that senior leadership support for the program was limited and that guidance concerning joint duty was unclear. Subsequently, the IC CHCO requested that the OIG conduct an implementation status review to identify factors affecting Joint Duty Program implementation and participation.

(U) The objectives of the OIG review were to analyze factors affecting Joint Duty Program implementation and participation, provide recommendations to improve Joint Duty implementation, and identify best practices that can be replicated to increase Joint Duty participation throughout the IC. Since the Joint Duty Program is relatively new, the OIG did not evaluate the overall effectiveness of the Joint Duty Program or the implementation deficiencies of individual IC elements.

(U) The OIG found that the IC Joint Duty Program is viewed positively in the IC and that significant progress has been made in implementing the program in parts of the IC. In addition, many in the IC see the benefits of Joint Duty assignments to other IC elements. However, the OIG found that the Joint Duty program is encountering start-up challenges, including the following:

- Leadership advocacy for the Joint Duty Program varies across the IC;
- IC senior leaders and employees are confused about the purpose of the Joint Duty Program;
- The ODNI corporate communication strategy has been inadequate to educate the IC workforce about the Joint Duty Program;
- Processes and tools for efficient Joint Duty Program management are inadequate;
- Gaining elements are often unprepared for Joint Duty participants;
- IC elements have not ensured that reintegration into home elements is properly planned and supported; and

- Departmental and Service IC elements face additional hurdles in Joint Duty Program implementation, such as, limited resources, infrastructure incompatibility, and detrimental impact on mission.

(U) The OIG made 20 recommendations to improve Joint Duty Program implementation and increase participation throughout the IC. The OIG recommended that the DNI and senior IC leadership increase Joint Duty Program visibility, support, and accountability. Furthermore, the OIG made 16 recommendations to the IC CHCO to improve implementation and management of the Joint Duty Program. These include:

- Clarifying the purpose of Joint Duty in policy, guidance, and messages to include both leadership development and broader collaboration;
- Establishing a corporate communications policy;
- Automating and streamlining processes and reporting requirements;
- Adopting policies that ensure smooth integration and reintegration for Joint Duty participants accepting assignments; and
- Identifying and incorporating appropriate incentives for Joint Duty participants.

The DNI and the IC CHCO accepted and endorsed all of the OIG recommendations.

(U) The OIG also identified initiatives in several IC elements that could mature into best practices over time. Some prominent initiatives identified are the NGA Human Capital Management Board, the Navy Intelligence Joint Duty Strategy, the DIA Career Roadmap for Intelligence Professionals, and the DHS I&A Learning Roadmaps for Intelligence Professionals.

(U) Congressional Request for Information on NCTC's Railhead Program

(U//FOUO) The House Committee on Science & Technology, Subcommittee for Oversight and Investigations asked the ODNI OIG investigate allegations regarding the information technology program at the National Counterterrorism Center (NCTC) known as the Railhead Program. Specifically, the committee alleged the Railhead Program suffered from poor planning and poor government management, with the net result being the potential delivery of insufficient functionality to end users. Per agreement with the House Permanent Select Committee on Intelligence (HPSCI) staff, the IG's response was provided to the HPSCI.

(U) On 24 March 2009, the OIG provided an interim response to the HPSCI that addressed the allegations of misconduct. On 7 August 2009, the OIG issued its final response, which addressed the remaining allegations and evaluated NCTC's management of the program.

(U//FOUO) Specifically, the OIG evaluated the degree to which alleged shortcomings in the areas of program planning, program management and oversight, and functionality of Railhead deliverables had been mitigated by NCTC management. The OIG found the Railhead Program had experienced weak program oversight, suboptimal management of users' expectations, insufficient communication between the program staff and other elements of NCTC, an inadequate requirements definition process, and poor scope discipline. However, the OIG also found that the NCTC Director proactively took steps to revise the structure and staffing of the Railhead Program prior to the letter received from the House Committee on Science & Technology, Subcommittee for Oversight and Investigations. The OIG found that as part of the restructure, the NCTC Mission Systems Office put a modified program plan in-place to address all of the identified issues and is actively mitigating program risks as it executes its revised acquisition strategy.

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(U) FY 2009 Federal Information Security Management Act (FISMA) Review

(U) FISMA was enacted to provide a comprehensive framework for ensuring the effectiveness of information security controls over information resources. Federal agencies and their heads are responsible for providing security protection measures commensurate with the risk exposure of the agencies' assets from misuse, harm, or destruction. FISMA requires an annual independent evaluation of the federal agencies' information security programs and practices to determine their effectiveness.

(U) This purpose of this review was to determine the adequacy of the ODNI's information security program for its internal operations as well as the information security strategy for the IC systems. The 2009 review also followed up on steps taken to address recommendations made in the OIG's FY 2008 FISMA report.

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(U) The OIG made eight recommendations to address deficiencies noted in the FY 2009 FISMA report and a ninth recommendation to address areas where inadequacies remained from the FY 2008 FISMA report. ODNI management concurred with all of the recommendations.

(U) Review of the Use of the IC Whistleblower Protection Act (ICWPA) in the IC

(U) In July 2009, HPSCI asked the ODNI OIG to provide information on the use of the ICWPA within the IC. In response to this request, the OIG issued a questionnaire to the IC OIGs seeking information on the ICWPA complaints the OIGs had received between 1 January 1999 (the effective date of the ICWPA) and 14 September 2009.

(U) According to the questionnaire responses, since 1 January 1999, 4 IC OIGs received a total of 10 ICWPA complaints. Of those complaints, the IC OIGs notified Congress of every allegation of a credible "urgent concern," as defined by the statute.

(U) Figure 5. Summary of IC OIG Responses to ODNI OIG ICWPA Questionnaire

AGENCY	NUMBER OF COMPLAINTS	NUMBER OF CREDIBLE "URGENT CONCERNS"	CONGRESS NOTIFIED of CREDIBLE URGENT CONCERNS
CIA	4	1	Yes
DEA	0	0	No
DIA	1	0	No
DOE	0	0	No
DHS	0	0	No
DOS	0	0	No
Treasury	0	0	No
FBI	1	0	No
NGA	0	0	No
NRO	2	1	Yes
NSA	1	1	Yes
ODNI	1	0	Yes (by complainant)
TOTAL	10	3	4

(U) Investigations

(U) The OIG conducted 28 investigations during this reporting period, including allegations involving misuse of position, improper use of government resources, contract irregularities, time and attendance (T&A) abuse, voucher fraud, and inappropriate conduct. Select cases representing the breadth of investigations conducted over this reporting period are highlighted below:

(U) Alleged T&A Fraud by ODNI Contractors

(U) The OIG investigated allegations that one current and two former employees of a government contractor billed the government more than $100,000 for work they did not perform. The investigation and analysis of estimated loss to the government have been conducted, and financial resolution is being pursued. The government contractor has expressed interest in reaching a settlement for any overbilling.

(U) Alleged Time & Attendance (T&A) and Voucher Fraud by an ODNI Employee

(U) The OIG investigated allegations that an ODNI employee engaged in T&A fraud and voucher fraud. The investigation found that the employee had submitted fraudulent vouchers, falsely claimed to work overtime on several days, and provided false statements to OIG investigators. The employee resigned while under OIG investigation.

(U) Alleged Conflict of Interest and Travel Fraud

(U) The OIG investigated a senior official of the ODNI for allegations that the official improperly influenced contractor source selection and inappropriately used government travel for personal benefit. The OIG investigation did not substantiate the allegations.

(U) Use of Subpoena Authority

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

V. (U) Ongoing Projects and Activities

(U) Included among our ongoing projects and activities are an evaluation of the President's Daily Briefing (PDB), a review of the integration of the IC's Departmental and Service Elements, and an audit of internal controls over ODNI's Fund Balance with Treasury.

(U) Inspections, Reviews, and Audits

(U) Evaluation of the PDB: Sources, Resources, Processes, and Outcomes

(U//FOUO) The DNI relies on the PDB to provide the President and his senior advisors with a baseline of intelligence to inform their perspective on world events, potential threats, and the capabilities and intentions of our adversaries. The OIG is

evaluating the sources, resources, and processes used to develop the PDB, as well as the incentives and disincentives for agency participation in generating the PDB. The OIG also will contact PDB principals to assess the overall utility and effectiveness of PDB products and services.

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

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

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

(U) In the ODNI's Financial Statement Auditability Plan Report to the SSCI (15 April 2007), reconciling FBWT was cited as one of three key impediments to auditability of financial statements in the IC.

(U) The OIG is performing an audit of the adequacy and effectiveness of internal controls as they relate to ODNI's FBWT. The purpose of the audit is to ensure that policies and procedures are in place to perform reconciliations of the ODNI FBWT on a periodic and recurring basis in accordance with federal guidelines. The OIG will issue the final report in early 2010.

(U) Evaluation of Issues Related to the FISMA

(U) During the FY 2009 FISMA evaluation, the OIG noted several issues that were germane to information security; however, these issues were not appropriate for inclusion in the annual FISMA report. Accordingly, the OIG is conducting a follow-up audit on those issues, some of which apply across the IC. The ADNI/CIO already has begun taking actions to address some of the findings of this audit, including initiating coordination with the Office of Management and Budget on an FY 2010 means to report FISMA results. In addition, the ADNI/CIO is working closely with other ODNI components to define a "system" for FISMA reporting purposes.

(U) Evaluation of the Administration and Management of ODNI Advisory and Service Contracts Supporting Critical Missions

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

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

(U) The OIG requested through the IC IG Forum that other IC OIGs conduct organizational reviews similar to the inspection of ODNI acquisition oversight that the ODNI OIG completed. The OIG is coordinating with the OIGs of the DoJ, CIA, DIA, NSA, and NGA to review the acquisition practices of their respective agencies. The OIG will integrate the collective findings and recommendations from the IC IGs to provide a comprehensive report of inspection for the DNI.

(U) Counterintelligence Community Review

(U) The HPSCI asked the OIG to assess the IC's ability to coordinate counterintelligence operational and investigative activities. Thus far, the OIG analyzed the status of and trends in interagency collaboration and coordination on counterintelligence matters, interviewed senior officers in nine separate counterintelligence components, and examined their processes and strategies for handling and coordinating counterintelligence matters.

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

19

ODNI Office of the Inspector General
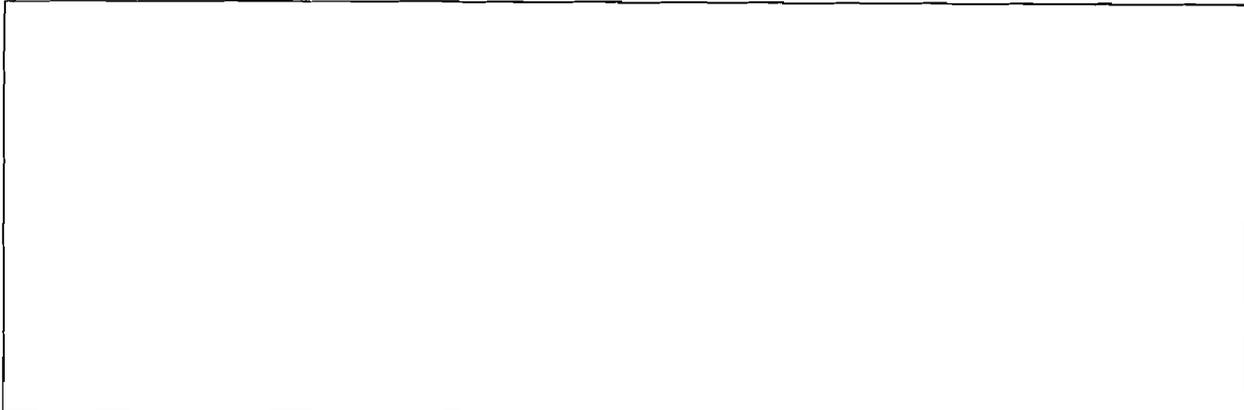
(U) In light of these significant organizational and personnel changes, the OIG will complete its review later this year to allow the newly appointed National Counterintelligence Executive to implement changes within the IC's counterintelligence program.

(U) IC IG Audit Activities

(U) The OIG also participates in the following activities:

- CFO/IG Council – the CFO/IG Council meets quarterly to discuss issues jointly and provide updates related to the IC's movement toward auditability of financial statements. Membership includes representatives from six IC agency CFOs and OIGs. The council is co-chaired by the ODNI CFO and the ODNI IG. The council is now resolving how the IC OIGs will support auditability through audits and continuing oversight.

- Joint Audit Working Group (JAWG) – The JAWG coordinated requirements for FISMA reviews, provided briefings to the IC on the status of the Business Transformation Office and auditability initiatives as well as the use of forensic auditing techniques. In addition, the JAWG established a subgroup to focus on coordinating future cybersecurity audit issues.

- Joint Intelligence Oversight Coordination Group (JIOC Group) – the JIOC Group is the DoD IG's equivalent of the JAWG and is headed by the DoD Deputy IG for Intelligence. This group includes representatives from the military branches, the DoD IC components, and the ODNI OIG. The ODNI OIG is a member and facilitated the expansion of JIOC Group's membership to include the DoD OIG's financial auditors to address IC financial management from both a programmatic and financial statement perspective.

(U) OIG On-Line Complaint Intake System

(U//FOUO) The ODNI OIG manages a complaint intake channel that allows IC personnel to file complaints on topics ranging from ethics violations to "urgent concerns" handled under the ICWPA. During this reporting period, the OIG intake channel received nine complaints. Of those complaints, two alleged the misuse of government funds, two alleged unfair hiring practices, two alleged a conflict of interest, and two alleged harassment and/or reprisals involving contractors. The final complaint alleged the misleading of Congress regarding an intelligence capability. Each of these cases has been investigated by ODNI OIG or referred to the appropriate IC investigative component for follow-up.

VI. (U) Status of Recommendations for Completed Projects

(U) The implementation status of OIG recommendations during this reporting period is noted in the table below, listed by report in the order in which the reports were issued. Recommendations are "closed" if they have been fully implemented (designated in green); "resolved" if the ODNI has taken significant steps to implement them so that the OIG believes they will be fully implemented, but they are not yet entirely closed (designated in yellow); and "open" if they have not been implemented and substantial steps have not yet been taken towards implementation (no color designation). This list does not include reports for which all recommendations were closed before the start of this reporting period.

(U) The OIG and ODNI management have developed a system to ensure timely and effective implementation of OIG recommendations. As a result, a significant number of recommendations have been closed or resolved. Specifically, 63% of the recommendations in the reports listed below are closed, 26% are resolved, and 11% remain open. In the past 6 months, 23 recommendations have been closed, and the ODNI has made substantial progress in resolving 16 other recommendations.

(U) Figure 6. Status of OIG Recommendations Made Between 2007 and 2009

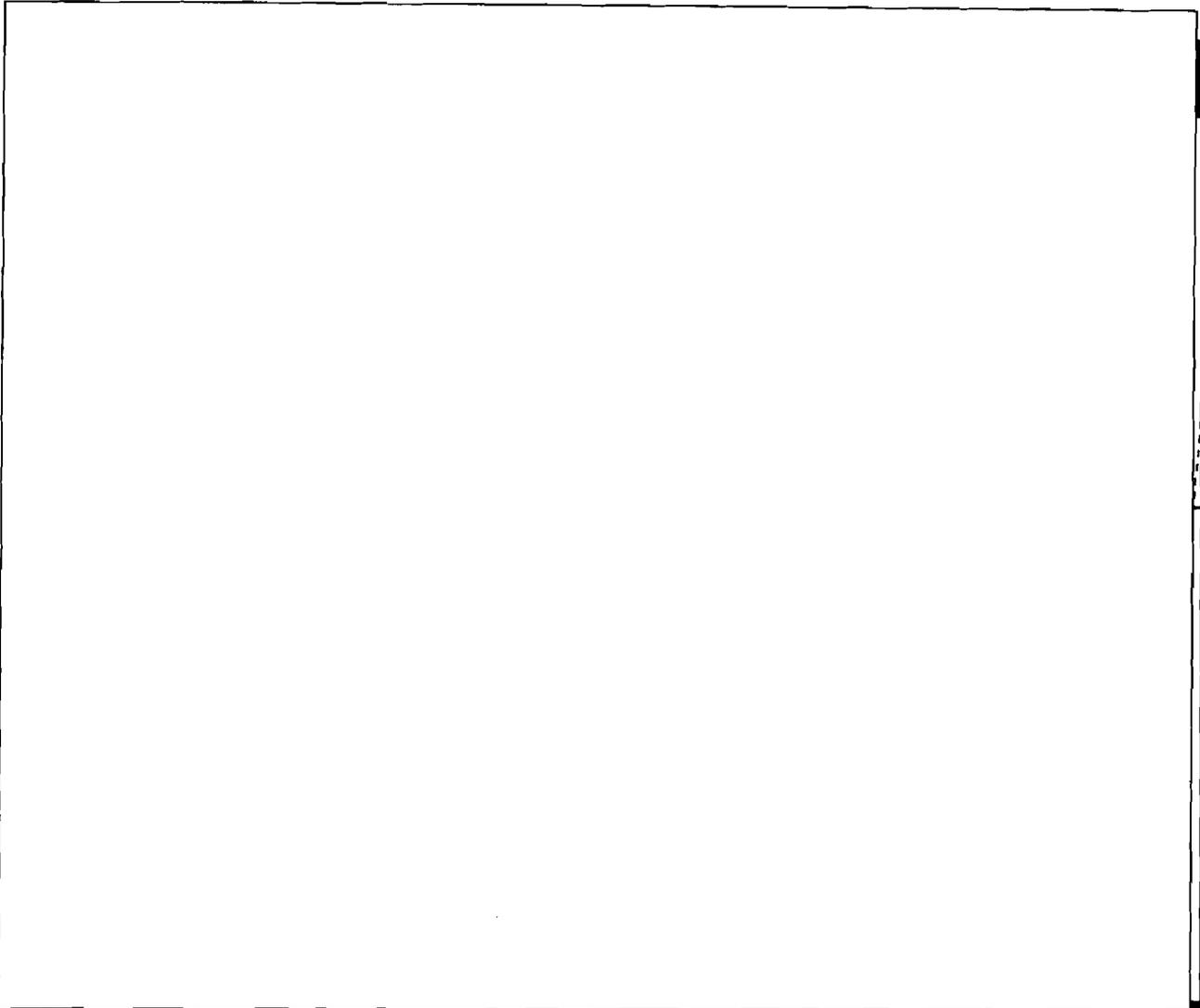| Recommendation	Due Date/ Recipient	Steps Taken Towards Implementation	
(U) REVIEW OF IC-WIDE DISSEMINATION OF SENSITIVE REPORTING (CLOSED 4, RESOLVED 1)			
(U//FOUO)	November 2007	CLOSED	(b)(3)
(U//FOUO)	November 2007	CLOSED	(b)(3)
(U//FOUO)	November 2007	CLOSED	(b)(3)
(U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met.	(Issued: November 2007) DDNI/PPR lead; ADNI/CIO	RESOLVED. The DNI issued ICD 501, ICPG 501.1, and 501.2, but these standards do not fully address the part of the recommendation relating to sensitive intelligence dissemination and Sensitive [Reporting] Review Boards. Specifically the SRBs are not jointly staffed nor are SRB members given unfettered access to all CAPs, severely hindering the execution of their envisioned role. No sooner than 3 years from the date of this report, the OIG plans to conduct a follow-up inspection of IC sensitive dissemination to determine what progress has been made.	
(FOUO)	(Issued: November 2007) PPR/SSC lead;	CLOSED	(b)(3)

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

(U) INTELLIGENCE COMMUNITY-WIDE REVIEW OF THE TERRORIST WATCHLIST NOMINATION PROCESS (CLOSED 8 OPEN 1)		
(U) Promulgate a comprehensive IC-wide policy clearly defining agency / departmental roles and responsibilities with regard to the watchlist nomination process.	(Issued: February 2008) NCTC lead; DDNI/PPR/ Policy	NCTC and PPR have agreed that the best way to address this recommendation is through a DNI memo that covers the holes in current IC policy. The DNI memo will have the effect of formal policy.
(U) Publish interim IC-wide guidance that states the DNI's vision for the IC watchlist mission and requires each agency/department to assign responsibility for watchlist functions, collaborate with NCTC to align responsibilities for IC watchlist	(Issued: February 2008) NCTC/DDNI/PPR/ Policy	CLOSED

23

ODNI Office of the Inspector General

functions, and identify watchlist activities/program funding requirements and/or shortfalls.		
(U) Develop a formal plan (with timelines) for agencies/departments to assume responsibility from CIA for reviewing their own real-time cable traffic for the purpose of terrorist watchlist nominations to NCTC.	(issued: February 2008) NCTC	CLOSED
(U) Develop a standardized format for agency/department nominations to NCTC and formalize the business process for IC watchlist nominations to NCTC.	(issued: February 2008) NCTC	CLOSED
(U) Develop and maintain a central repository for watchlist governing documents for the IC.	(issued: February 2008) NCTC	CLOSED
(U) In coordination with DOJ/FBI, build on the Terrorist Screening Center (TSC) protocols and provide additional guidance to the watchlist community.	(issued: February 2008) NCTC	CLOSED
(U) Update the TSC Memorandum of Understanding (MOU) on the Integration and Use of Screening Information and Addendum B to the MOU to ensure all participating IC agencies/departments are signatories.	(issued: February 2008) NCTC	CLOSED
(U) Consider options for incorporating the resources that fund the IC's support for the watchlisting effort into the NIP budget rather than relying primarily on CT supplemental funding.	(issued: February 2008) NCTC, CFO	CLOSED
(U) Work with Congress to change the provisions of Title 50, United States Code, Section 404n-2 to reflect the establishment of NCTC's Terrorist Identities Datamart Environment (TIDE) as the USG's central and shared knowledge bank of international terrorist information, replacing the Terrorist Identification Classification System (TICS) requirements specified under this section.	(issued: February 2008) NCTC, OGC, OLA	CLOSED
(U) IC WIDE INTEGRATION AND COLLABORATION DIAGNOSTIC AND RECOMMENDATIONS (CLOSED 22, RESOLVED 3, OPEN 4)		
(U) Appoint a senior officer to assist the DNI in ensuring the implementation of and compliance with recommendations contained in OIG reports and relevant recommendations from other reports.	(August 2008)	CLOSED. The Director of the Intelligence Staff has been given this responsibility.
(U) Make the EXCOM and DEXCOM permanent entities.	(August 2008)	CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.
(U) Clearly define and communicate the roles and responsibilities of the DEXCOM to the IC.	(August 2008)	CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009.

(U) Direct IC leaders to instruct their respective elements to coordinate hardware acquisition requirements through the appropriate ODNI organization.	August 2008	CLOSED.
(U) Finalize and communicate an IC systems architecture plan that acknowledges stakeholder input and requirements as appropriate.	August 2008	CLOSED. Joint Architecture Reference Model V 1.0 baselined by Joint Systems Engineering forum 29 April 2009 and briefed to IC2PAC 16 June 2009.
(U) Identify and develop an action plan to address the technological challenges that inhibit collaboration and information sharing - particularly non-compatible IT networks deployed across the IC, and insufficient bandwidth for video teleconferencing.	August 2008	CLOSED. Information Integration Program (I2P) Roadmap Version 2.5 published June 2009 provides integrated plan to align over 38 initiatives to improve information integration across the IC.
(U) Require ODNI organizations to inform IC organizations of the purpose and outcomes of data calls as part of the tasking process.	August 2008	CLOSED. Memo from the DIS to all component heads directed them to provide this information in conjunction with ODNI tasking.
(U) Share the results of this Diagnostic with IC elements.	(issued: August 2008) DIS	CLOSED.
(U) Brief the ICLC on the results of this baseline Diagnostic.	(issued: August 2008) OIG/DIS	CLOSED.
(U) Require all DNI direct reports and Mission Managers to develop and articulate their respective roles and responsibilities.	(issued: August 2008) DIS	CLOSED.
(U) Develop an audio-visual presentation introducing the DNI and the role of the ODNI in the IC to all new IC members.	(issued: August 2008) PAO	RESOLVED. The DNI video currently is being used in all ODNI courses. ODNI is currently in the process of distributing the video to all IC elements for use in orientation sessions.
(U) Coordinate and consolidate hardware and software acquisition requirements	(issued: August 2008) CIO	CLOSED.
(U) Direct the DDNI for Analysis to develop and implement procedures to ensure the accuracy and quality of information in the Analytic Resources Catalog (ARC)	(issued: August 2008) DDNI/A/CHCO	CLOSED.
(U) Ensure that all IC elements are incorporating the requirements of ICD 651 in employee performance appraisals.	(issued: August 2008) ADNI/CHCO	RESOLVED. CHCO has documented that most IC elements have implemented the requirements of ICD 651 in performance appraisals.

(U) Direct the ADNI/CIO, in coordination with the DDNI/C and DDNI/PPR, to ensure through appropriate guidelines, policies, directions, standards and business practices that web-based tools and technology enable and enhance mission effectiveness.	(Issued: August 2008) ADNI/CIO lead; DDNI/A, DDNI/C, DDNI/PPR	
(U) Identify, compile, maintain, and distribute to the IC a list of the expertise of all IC elements.	(Issued: August 2008)	
(U) Create a clear and succinct mission and vision statement for the ODNI. Publish and communicate the ODNI mission and vision to the ODNI and IC elements.	(Issued: August 2008) DIS; PAO	
(U) Publish a definition of collaboration for the IC.	(Issued: August 2008) PAO	CLOSED
(U) Determine which recommendations made in the *Achieving a Robust Collaborative Environment* study should be implemented and appoint a senior officer to implement those recommendations	(Issued: August 2008) DIS	
(U) Establish an "Ask the Director" link on the DNI homepage to solicit questions and comments from the IC workforce.	(Issued: August 2008) PAO	RESOLVED. "Ask the DNI" procedures have been completed and communication/launch plans are being finalized. "Ask the DNI" test pilot will launch in 1-2 months.
(U) Communicate immediately to the IC all appropriate EXCOM agendas and minutes.	(Issued: August 2008) DIS	CLOSED
(U) Incentivize individual and organizational collaboration.	(Issued: August 2008) CHCO	CLOSED
(U) Make Joint Duty assignments reimbursable or institute exchange arrangements in order to address the issue of mission impact.	(Issued: August 2008) CHCO	CLOSED. Some exchange arrangements have been implemented. This recommendation – and other related recommendations – was captured in our Joint Duty Report (Nov 09).
(U) Make Joint Duty opportunities available for more IC professional categories.	(Issued: August 2008) CHCO	CLOSED
(U) Communicate Joint Duty successes and rewards to the IC as a way to encourage participation.	(Issued: August 2008) CHCO	CLOSED
(U) Regularly disseminate leadership messages, including various report findings and IC developments to the IC.	(Issued: August 2008) OPA	CLOSED
(U) Provide the IC with periodic reports on progress being made in addressing the findings outlined in the November 19, 2007 ODNI IG Dissemination Report.	(Issued: August 2008) PPR	CLOSED

(U) Communicate and implement ODNI meta-data tagging standards and processes across the IC included in the 500 Day Plan	(Issued: August 2008) PCR	CLOSED
(U) Direct all IC elements to recognize the Community badge for facility access and begin acquiring devices that recognize Community badges.	(Issued: August 2008) DNI	CLOSED
(U) FY 2008 FEDERAL INFORMATION SECURITY MANAGEMENT ACT REVIEW (CLOSED 6, RESOLVED 2, OPEN 2)		
(U) D/DMS to establish milestones for completion of the information security program.	(Issued: August 2008) MSC	CLOSED
(U) D/DMS to designate a senior agency official responsible for security of ODNI information and information systems whether ODNI owned or operated by another agency or by a contractor on behalf of ODNI.	(Issued: August 2008) MSC	CLOSED. The ODNI appointed a SNIS-level Deputy for IC Technology Governance to manage internal system security matters.
(U) CIO complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems.	(Issued: August 2008) CIO	The ADNI/CIO is in the process of implementing this recommendation.
(U) CIO to establish milestones and complete strategic plans and programs and finalize system inventories.	(Issued: August 2008) CIO	RESOLVED. IC information security strategy completed 6 Feb 09. Milestones to be completed by 1 April 2010. System inventories are finalized.
(U) CIO develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission; 2) High-level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives; and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	(Issued: August 2008) CIO	CLOSED
(U) CIO to establish milestones for completion of the information security strategic plans.	(Issued: August 2008) CIO	The CIO will complete this in July/August 2010.

(U) CIO in coordination with D/DMS to establish a roadmap to identify the inventory of systems that are ODNI responsibility and those that are IC-wide responsibility and establish a timeframe for completion of roadmap.	(issued: August 2008) CIO	RESOLVED. Resolved until the next FISMA review determines that the inventory listing is correct.
(U) D/DMS complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments; 2) policies and procedures based on risk assessments; 3) plans for providing appropriate information security; 4) Periodic testing and evaluation of the information security policies and procedures; 5) A process for developing a plan of action; and 6) Plans and procedures for developing continuity of operations for information systems.	(issued: August 2008) MSC	CLOSED
(U) D/DMS develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision goals, and objectives and how they relate to agency mission; 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives; and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets.	August 2008 MSC	CLOSED
(U) D/DMS to establish milestones for completion of the information security strategic plans.	August 2008 MSC	CLOSED
(U) CRITICAL IC MANAGEMENT CHALLENGES (CLOSED: 11 RESOLVED: 4 OPEN: 1)		
(U) Define the relative internal authorities of the DNI, PDDNI, and other ODNI senior staff.	November 2008	CLOSED
(U) Publish ICD 501 and supporting directives providing IC-level policies that expand and improve information access for the analytic community.	November 2008	CLOSED
(U) Develop and implement an IC plan for standardizing communication systems and streamlining the IC data sharing and storage architecture to reduce redundancy and simplify data access and retrieval.	November 2008	CLOSED
(U) Require collaboration among the national agencies on programs, systems, and acquisitions in accordance with functional management authorities and responsibilities.	November 2008	CLOSED
(U) Develop MOUs for IC elements that are accountable to both ODNI and another government agency to delineate financial-related roles and responsibilities.	November 2008	CLOSED

Semiannual Report 1 July 2009 – 31 December 2009

(U) Engage the DoJ at its highest levels in order to communicate national intelligence interests to the DoJ and to implement appropriate legal and policy changes throughout the IC	(issued: November 2008)	CLOSED
(U) Focus efforts on finalizing the ODNI's guidelines implementing EO 12333	(issued: November 2008)	CLOSED
(U) Finalize and publish critical ICDs, including ICD 101, ICD 303, ICD 306, and ICD 501. "Access to and Dissemination of Intelligence."	(issued: November 2008) DDNI/PPR	CLOSED
(U//FOUO) Develop a formal ODNI process for timely responding to OIG recommendations and for tracking implementation of recommendations that are accepted by management.	(issued: November 2008) DIS	RESOLVED.
(U//FOUO) Appoint a senior ODNI official responsible for improving collaboration and integration between and among 'traditional' intelligence agencies (those focused exclusively on intelligence gathering and analysis, such as CIA, NSA, DIA and NGA and IC entities with dual law enforcement and intelligence missions (such as the FBI and DHS).	(issued: November 2008)	CLOSED. 7/16/09 memo from DIS tasked DDNI/PPR with the responsibility for the info sharing between traditional IC element and DHS/FBI.
(U//FOUO) Revise the auditability strategy with target dates for achieving auditability based on standard financial systems and ICBT initiatives and monitor progress towards auditability.	(issued: November 2008) CIO	RESOLVED. The FIG plans to provide an updated auditability strategy to the SSCI by May 2010. In the interim, the FIG continues to monitor agencies' progress in management controls and key areas (FBWT, IGT, and PP&E).
(U//FOUO) Complete and submit to Congress the remaining financial plans and architectures that were due to the SSCI in 2005.	(issued: November 2008) CIO (BTO)	RESOLVED. BTO delivered the IC Business Enterprise Architecture to the SSCI on 31 December 2009.
(U//FOUO) Expedite the finalization and issuance of common U.S. persons rules, principles, or presumptions.	(issued: November 2008) OGC	RESOLVED. OGC has been working extensively with DoJ NSD to make IC agencies' Attorney General guidelines consistent across the IC. This effort is underway, but is not yet completed.
(U) Publish a definition of collaboration for the IC	(issued: August 2008) PAO	CLOSED. NIS defined "collaboration."

29

ODNI Office of the Inspector General

(U) Lead the effort to define what constitutes a "system" for consistent IC application for both auditability and business transformation.	(issued: November 2008) ADNI/CIO; CFO; coord with PPR	
(U//FOUO) Ensure prompt and complete implementation of the recommendations of the FISA Panel.	(issued: November 2008) DDNI/C	CLOSED. ODNI has established a process for ensuring implementation of the FISA Panel recommendations.
(U) INSPECTION OF IC ACQUISITION OVERSIGHT STRATEGIES, POLICIES, AND PROCESSES (CLOSED: 3, RESOLVED: 6, OPEN: 2)		
(U//FOUO) DDNI/FC immediately ensure that programs funded within the Community Management Account and executed by the ODNI are overseen in accordance with IC acquisition policy.	January 2009	CLOSED. DNI issued Executive Correspondence in January 2009 requiring programs funded in the Community Management Account to abide by IC Acquisition Policy and Oversight.
(U//FOUO) Publish IC policy no later than 120 days after signature, identifying a governance model for the ODNI AO workforce relative to the IC acquisition community, including: A. Revising ICD 1 to account for current distributions of authorities and decision rights. B. Standardizing levels of official interface and protocol between ODNI officials and IC counterparts. C. Clarifying the role of the PDDNI relative to the codified authorities of the DNI's Milestone Decision Authority (MDA) (DDNI/FC), the DDNIs, the ADNIs, and DNI Policy for the IC.	October 2009 DIS; DDNI/PPR; PDDNI Executive Staff	Awaiting PPR completion of ICD 1 revision and DNI Front Office completion of a revised Milestone Decision Authority delegation memorandum for the DDNI/A&T.
(U//FOUO) Document the existing processes that link DDNI/FC acquisition decisions with CFO funding decisions no later than 210 days after signature. Provide the widest possible dissemination of the documented processes to ensure members of the AO staff are aware of all options available to utilize funding authorities as a management instrument.	January 2010 DDNI/AT, ADNI/CFO, ADNI/SRA	RESOLVED. The ADNI/CFO, SAE, and ADNI/SRA have provided the OIG a plan to enable the use of DNI fiscal authorities in response to poor performance and compliance in IC agencies. The ODNI will monitor the use of Apportionment Footnotes in response to performance and compliance issues identified in the 2009 PMP report before making a determination of CLOSED.
(U//FOUO) DDNI/FC enforces accountability for IC agencies to have validated requirements documents as a prerequisite for MDA delegation, and permanently add such language to DDNI/FC performance objectives no later than 360 days after signature. Additionally, when the DDNI/FC delegates MDA for a program without a validated requirements document, formal justification to the DNI shall be identified in an Acquisition Decision Memorandum.	May 2010 DDNI/AT	RESOLVED. (Deadline for implementation has not been reached.) OIG will evaluate progress in 2010 to make a determination of closed.

(U//FOUO) Publish IC policy no later than 210 days after signature, prescribing processes, authorities, and responsibilities for developing formal user requirements for Programming Committee approval and validation. The 2007 ODNI Requirements Study should be the point of reference for developing the new requirements policy.	January 2010 ADNI/SRA DDNI/AT	CLOSED. The DNI issued a Capabilities/Requirements Policy for the IC on 12/4/09.
(U//FOUO) DDNI/FC, the CIO, and the Office of General Counsel to collaborate and codify statutorily compliant areas of oversight jurisdiction no later than 120 days after signature. We also recommend that the DNI and the CIO codify processes for oversight of IT programs under CIO jurisdiction no later than 120 days after signature, and maintain sufficient numbers of experienced IT professionals to execute the processes.	October 2009 CIO	RESOLVED. The ADNI / CIO codified the IC IT Program Assessment Process on 4 NOV 09. However, the OIG is aware of ongoing challenges within the OCIO to hire and retain sufficiently trained personnel to effectively execute their oversight mission, and that CIO execution of Milestone Decision Authority for Railhead is a maturing process.
(U//FOUO) Establish and codify a repeatable process for Major Systems Acquisition (MSA) designation no later than 90 days after signature that accounts for statutory funding thresholds.	September 2009 DDNI/AT	RESOLVED. Procedure approved on 11 Aug 09 by DDNI/AT (Acting). OIG will assess execution of the 2010 MSA designation process and verify its codification before rendering a determination of CLOSED.
(U//FOUO) Establish a plan to provide oversight to programs before Milestone A and after Milestone C to complement current monitoring of Phase B activities no later than 120 days after signature. Additionally, the OIG recommends that the DDNI/FC coordinate with the DDNI/C, the DDNI/A, the CFO, and the CIO to codify a process no later than 120 days after signature, that includes performance data for all operational MSAs in an appendix to the annual IC Program Management Plan (PMP) report.	October 2009 DDNI/AT	SAE and SRA efforts are expanding ODNI oversight into pre-Milestone A activities. The SAE is including high-level achieved performance data for active MSAs in the 2009 PMP Report. The OIG will monitor SAEs reporting efforts, along with efforts of SRA to document required capabilities for IC MSAs, to ensure the reporting becomes sufficiently detailed for the 2010 PMP report before making a determination of CLOSED.
(U//FOUO) DDNI/FC and DDNI/PPR to revise the ACCEA no later than 150 days after signature, with the following objectives: A. Align goals with stated strategy elements: Policy Guidance, Monitoring, and Corrective Action. B. Update ACCEA immediate Actions to address corrective action as a priority. C. Elevate workforce qualification and certification goals	November 2009 DDNI/PPR, OGC	RESOLVED. The new National Intelligence Strategy was signed 18 Aug 09 and included Enterprise Objective 7: Improve Acquisition, negating the need to revise the ACCEA. ICPG 801.3 staffing has recommenced. PPR will check on the timing for 801.3.
(U//FOUO) Establish a process to track and address instances of IC agency noncompliance with IC acquisition policy and process discipline breakdowns no later than 120 days after signature. An option the DNI may wish to consider is to establish ODNI staff liaison positions at the IC agencies to act as the forward-deployed focal points for all actions and information requests transmitted from the ODNI staff to an agency.	October 2009 DDNI/AT	RESOLVED. SAE Staff includes IC agency compliance information in the Annual PMP report. OIG will verify inclusion of such information in the PMP report and ensure a mechanism is in place for the DDNI/A&T to inform the DNI and the IG of ODNI staff noncompliance with IC Acquisition Policies before making a determination of CLOSED.

(U//FOUO) DDNI's develop a feedback mechanism within the ODNI staff and with the IC agencies no later than 90 days after signature. This feedback should inform the IC agencies what is being done with requested information, and it should provide details of value-added contributions by the ODNI staff	September 2009	CLOSED. The DIS Memo to the ODNI staff (E/S 00770) dated 16 Jul 09, reinforced this recommendation.

(U) FY 2008 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH FISMA
(CLOSED: 4 RESOLVED: 7 OPEN: 1)

(U//FOUO) The ADNI/CIO and the Director of MSC, within 180 days of this report, should: a) Develop and maintain an accurate inventory of systems; and b) Determine the ownership of the 7 unidentified systems. Make system additions, deletions, or adjustments to the Intelligence Community's (IC) Registry in a timely manner.	March 2010 ADNI/CIO D/MSC	RESOLVED. Resolved for both ICES and MSC until the 2010 FISMA review.
(U//FOUO) The ADNI/CIO and the Director of MSC should reconcile the ADNI/CIO and MSC inventories with the IC Registry, at a minimum, on a quarterly basis.	2 September 2009 ADNI/CIO D/MSC	RESOLVED. Resolved for both ICES and MSC until the 2010 FISMA review.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 180 days of this report, ADNI/CIO will develop a certification and accreditation strategy including a schedule (plan of action and milestones) for reaccrediting the cited systems and update this information in the IC Registry and the Director of the Mission Support Center will establish current certifications and accreditations for all systems identified under their ownership and update this information in the IC Registry.	March 2010 ADNI/CIO D/MSC	RESOLVED.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 180 days of this report, should: a) Perform security tests on the systems that currently have security tests that are greater than a year old; and b) Perform annual security tests on systems with a protection level greater than protection level 1.	March 2010 ADNI/CIO D/MSC	CLOSED.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 120 days of this report, should: a) Establish a plan for performing contingency plan tests on systems whose contingency plan tests are greater than a year old and establish a designated period for future contingency plan tests; b) Perform contingency plan tests on all systems with an availability rating of high; c) Assign availability ratings to all ODNI systems on the IC Registry.	January 2010 ADNI/CIO	RESOLVED.
The ADNI/CIO and the Director of MSC, within 120 days of this report, should: a) Develop a uniform written plan of action and milestone process for the ODNI; b) Revise their plan of action and milestone lists to include dates when items are placed on the lists, projected milestone dates, and actual completion dates so that progress on the actions can be monitored; c) Review existing plan of action and milestone lists and determine which items	January 2010 ADNI/CIO D/MSC	RESOLVED. Resolved until the 2010 FISMA review.

can be easily remedied so they can be closed.		
(U//FOUO) The ADNI/CIO and the Director of MSC, within 120 days of this report, should jointly develop an ODNI configuration management policy.	January 2010 ADNI/CIO D/MSC	CLOSED.
(U//FOUO) The ADNI/CIO, within 120 days of this report, should: a) Require the Intelligence Community Enterprise Solutions to adopt and implement Federal Desktop Core Configuration standard configurations and document deviations and security control deficiencies on desktops directly controlled by ODNI; b) Require the Intelligence Community Enterprise Solutions to implement Federal Desktop Core Configuration security settings into all Windows XP™ and Vista™ desktops directly controlled by the ODNI.	January 2010 ADNI/CIO	CLOSED.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 90 days of this report, should develop an incident reporting policy.	December 2009 ADNI/CIO D/MSC	RESOLVED.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 60 days of this report, should: a) Designate personnel who have significant responsibilities for information security; b) Develop an ODNI pilot training program and plan strategy to provide the designated personnel with training commensurate with their roles.	November 2009 ADNI/CIO D/MSC	RESOLVED.
(U//FOUO) While accommodating ongoing operations and allowing time for contract modifications, ensure that contracts specify that personnel who have significant responsibilities for information security promptly receive training commensurate with their roles.	(issued September 2009) ADNI/CIO D/MSC	CLOSED.
(U//FOUO) The ADNI/CIO and the Director of MSC, within 60 days of this report, should fully implement all recommendations in the FY 2008 OIG FISMA report.	November 2009 ADNI/CIO D/MSC	

(U) DEPARTMENT OF HOMELAND SECURITY OFFICE OF INTELLIGENCE AND ANALYSIS AUDIT (CLOSED 2)		
The ADNI/CFO, within 90 days of this report, should develop and implement standard operating procedures (SOPs) to comply with ICD 104 requirements. The ADNI/CFO should develop written instructions documenting their applicable internal routines and repetitive activities.	December 2009 by ADNI/CFO	(CLOSED) CFO implemented SOP BF-1 Monitoring the Execution of Funds on OCT 09
The ADNI/CFO, within 30 days of this report, should establish formal guidance to ensure that whenever variances from target execution rates are greater than agreed upon benchmarks, the CFO examines program options and, if necessary, reprograms NIP funds prior to a Congressional rescission of those funds.	October 2009 by ADNI/CFO	(CLOSED) CFO implemented SOP BF-1 Review and Analysis of the Intelligence Program Budget Submissions on OCT 09
(U) THE INTELLIGENCE COMMUNITY CIVILIAN JOINT DUTY PROGRAM IMPLEMENTATION STATUS REPORT (CLOSED 0 RESOLVED 0 OPEN 20)		
1: We recommend that the Director of National Intelligence (DNI) issue a written statement to the Intelligence Community (IC) pronouncing strong support for the goals of the Joint Duty Program, its continued implementation, and requirements as identified in ICPG 601.01.	DNI	
2: We recommend that the DNI direct IC element heads to strongly promote the IC Joint Duty Program in their organizations.	DNI	
3: We recommend that the DNI hold IC element heads accountable for Joint Duty implementation by including Joint Duty rating factors in their annual performance appraisals and Personal Performance Agreements.	DNI	DNI will implement if a particular agency is not complying.
4: We recommend that the DNI direct IC elements heads to establish policies requiring that proposed Joint Duty assignments be reviewed and approved by employees' first-level supervisor and second-level manager.	DNI; DIS; CHCO	
5: We recommend that the ADNI/CHCO clarify the purpose of the Joint Duty Program to include both leadership development and broader collaboration throughout the IC.	ADNI/CHCO	

6: We recommend that the ADNI/CHCO, in coordination with the ODNI Director of Communications, establish and implement a comprehensive Joint Duty Program corporate communication strategy to include: • Periodic communications to the IC, including success stories, personal experiences, or special opportunities. • Templates for brochures, email messages, and articles. • Periodic town hall meetings and brown bag seminars across the IC. • Marketing tools developed by the Joint Duty Community of Practice (COP). • IC CHCO Council meeting minutes prepared and distributed to all IC CHCO Council members and alternates.	ADNI/CHCO, coordinating with Director of Communications	
7: We recommend that the ADNI/CHCO develop and distribute to all IC elements a list of commonly understood terms, with definitions, for use in Joint Duty Program vacancy announcements.	ADNI/CHCO	
8: We recommend that the ADNI/CHCO develop and deploy a software application that automatically moves vacancy announcements posted on the unclassified Joint Duty website to the JWICS Joint Duty website.	ADNI/CHCO	
9: We recommend that the ADNI/CHCO develop an IC-wide, automated, online application for Joint Duty vacancies that ensures routing through the applicant's Joint Duty Program manager and supervisory chain.	ADNI/CHCO	
10: We recommend that the ADNI/CHCO use the phrase "Memorandum of Understanding" in all Joint Duty Program documents to conform to ICD 601 and ICS 601-1.	ADNI/CHCO	
11: We recommend that the ADNI/CHCO finalize and distribute the Joint Duty Memorandum of Understanding (MOU) template for use by IC elements.	ADNI/CHCO	

Recommendation	Action	Comment
12: We recommend that the ADNI/CHCO institute a policy to ensure a smooth transition for Joint Duty participants into the gaining element, to include pre-assignment meetings with the gaining element. Participants should meet with: • Their direct supervisors to discuss the assignment and expectations, which will form the basis for the Memorandum of Understanding. • Human Resources to facilitate administrative aspects of the assignment (such as computer and telephone accounts and facilities access).	ADNI/CHCO	
13: We recommend that the ADNI/CHCO work with the Joint Duty Community of Practice (COP) to develop and promulgate IC reintegration best practices and timelines.	ADNI/CHCO	
14: We recommend that the ADNI/CHCO request that IC CHCO Council members designate a senior Human Resources officer in their IC elements to be responsible for the creation and implementation of a reintegration program, to include the identification of suitable follow-on assignments.	ADNI/CHCO	
15. We recommend that the ADNI/CHCO discontinue the requirement for an IC element to report quarterly promotion data no later than 60 days after the IC Personnel Data Repository (PDR) has reached full operational capability and the IC element has fully complied with standards and data submission requirements for PDR – or by 1 October 2010, whichever occurs sooner.	1 October 2010 ADNI/CHCO	
16: We recommend that the ADNI/CHCO develop and implement a training module to familiarize Joint Duty Program Managers with the planned PDR.	ADNI/CHCO	
17: We recommend that the ADNI/CHCO collect data from each IC element annually to track bonus data, comparing Joint Duty Program participants with their non-participant peers.	ADNI/CHCO	
18: We recommend that the ADNI/CHCO study the feasibility of reimbursement to Joint Duty participants for mileage to assignment locations that exceeds the normal distance driven to and from their home elements. If the ADNI/CHCO determines that reimbursement for mileage, or other incentives, will enhance participation in the Joint Duty Program, the ADNI/CHCO, in conjunction with the OGC, will explore administrative and regulatory options for implementing such incentives, or, if necessary, will explore a possible legislative remedy to allow for mileage reimbursement.	ADNI/CHCO	Comment from DNI: "Set a threshold so we are relieving real hardship."

19: We recommend that the ADNI/CHCO promote use of the 50 ODNI-funded Joint Duty positions available for the Departmental and Service IC elements through the Deputy Executive Committee, IC CHCO Council, and the Joint Duty COP to enable the Departmental and Service IC elements to backfill for those employees who are approved to take a Joint Duty assignment.	ADNI/CHCO	
20: We recommend that the ADNI/CHCO: • On a semi-annual or annual basis, use the IC CHCO Council to highlight and discuss initiatives used in implementing Joint Duty. • Develop opportunities, including virtual opportunities using the Joint Duty website, to broadcast these and other innovations and initiatives.	ADNI/CHCO	

(U) The table below illustrates the status of recommendations made in ODNI OIG reports between 2007 and 2009.

(U) Figure 7. Status of OIG Recommendations Made Between 2007 and 2009: Totals and Percentages

(U) OIG REPORTS (2007-2009) STATUS OF RECOMMENDATIONS			
Total Recommendations*	Closed (% of Total)	Resolved (% of Total)	Open* (% of Total)
96	60 (63%)	25 (26%)	11 (11%)

*Does not include recommendations from the Nov 2009 Joint Duty Report (20), for which the implementation deadline has not yet passed.

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

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

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

Commercial: (703) 482-4955

or

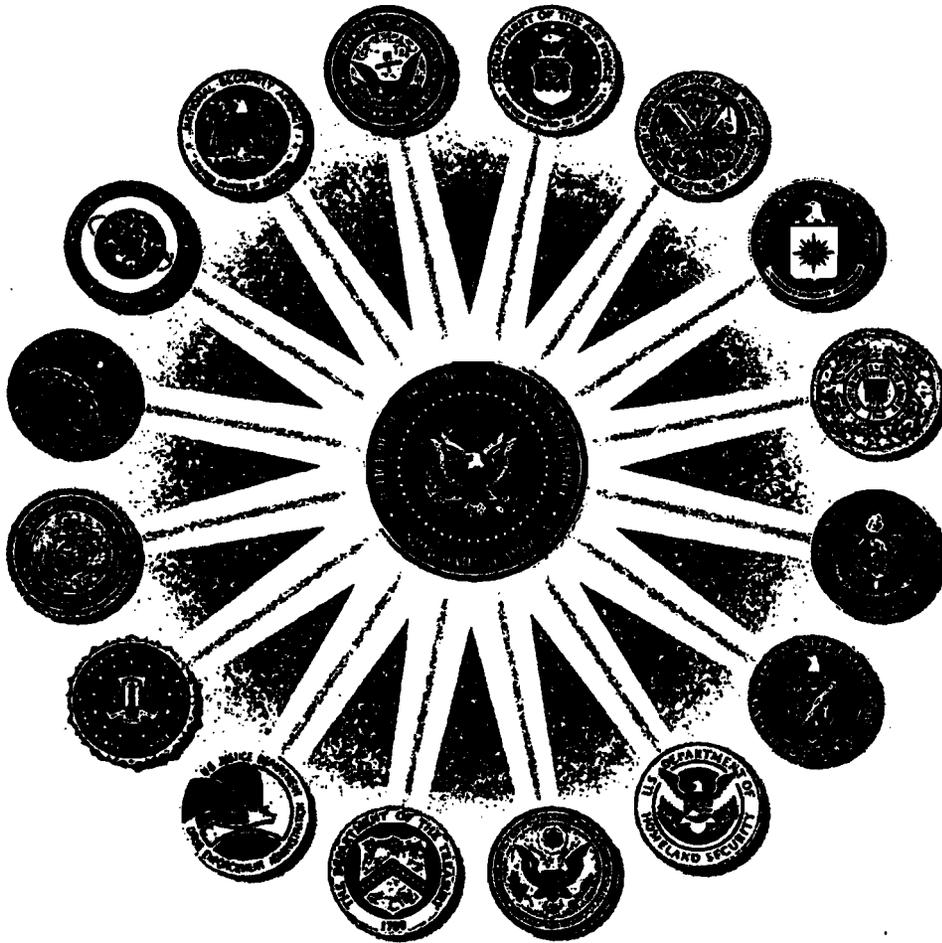(U) Some ODNI OIG reports are also posted on our classified website: