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**NATIONAL SECURITY AGENCY/CENTRAL SECURITY
SERVICE**



**INSPECTOR GENERAL
REPORT OF INVESTIGATION**

25 July 2014

IV-14-0058

False Statements

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(U) OFFICE OF THE INSPECTOR GENERAL

(U) Chartered by the NSA Director and by statute, the Office of the Inspector General conducts audits, investigations, inspections, and special studies. Its mission is to ensure the integrity, efficiency, and effectiveness of NSA operations, provide intelligence oversight, protect against fraud, waste, and mismanagement of resources by the Agency and its affiliates, and ensure that NSA activities comply with the law. The OIG also serves as an ombudsman, assisting NSA/CSS employees, civilian and military.

(U) AUDITS

(U) The audit function provides independent assessments of programs and organizations. Performance audits evaluate the effectiveness and efficiency of entities and programs and their internal controls. Financial audits determine the accuracy of the Agency's financial statements. All audits are conducted in accordance with standards established by the Comptroller General of the United States.

(U) INVESTIGATIONS

(U) The OIG administers a system for receiving complaints (including anonymous tips) about fraud, waste, and mismanagement. Investigations may be undertaken in response to those complaints, at the request of management, as the result of irregularities that surface during inspections and audits, or at the initiative of the Inspector General.

(U) INTELLIGENCE OVERSIGHT

(U) Intelligence oversight is designed to insure that Agency intelligence functions comply with federal law, executive orders, and DoD and NSA policies. The IO mission is grounded in Executive Order 12333, which establishes broad principles under which IC components must accomplish their missions.

(U) FIELD INSPECTIONS

(U) Inspections are organizational reviews that assess the effectiveness and efficiency of Agency components. The Field Inspections Division also partners with Inspectors General of the Service Cryptologic Elements and other IC entities to jointly inspect consolidated cryptologic facilities.

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I. (U) SUMMARY

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(U//~~FOUO~~) On 24 September 2013, the NSA/CSS Office of Inspector General (OIG) received an allegation that [REDACTED] had falsified his timesheets.

(U//~~FOUO~~) An initial review of [REDACTED] timesheets and access control records over a 90 day period revealed that [REDACTED] arrived later than claimed and departed earlier than claimed on numerous occasions. Additionally, [REDACTED] frequently claimed on his timesheets that he earned more than 24 credit hours. NSA/CSS Personnel Management Manual (PMM) Chapter 362A, §2-5 (C), states that full-time employees may earn and accumulate a maximum balance of 24 credit hours. Credit hours earned in excess of 24 will be forfeited. DCPS (the Agency's payroll system) is programmed to prevent employees from exceeding 24 credit hours. DCPS shows that [REDACTED] forfeited any hours he claimed in excess of 24.

(U//~~FOUO~~) [REDACTED] testified that he was working long hours on a high-visibility project which resulted in his exceeding the maximum number of credit hours he was allowed to accrue. As a result, his supervisor, [REDACTED] authorized [REDACTED] to track the excess hours in an "off the books" record. [REDACTED] used those "off the books" credit hours by arriving later or departing earlier than he claimed on his timesheets. As a result, [REDACTED] made false entries on his timesheets.

(U//~~FOUO~~) Although [REDACTED] testified that he authorized [REDACTED] to keep the "off the books" record and make false entries on his timesheet, the evidence shows that [REDACTED] nonetheless knew that his actions were a violation of policy. The preponderance of the evidence supports the conclusion that, between March 2013 and September 2013, [REDACTED] knowingly made or presented false or fraudulent statements on his timesheets in violation of PMM Chapter 360, §2-7 (a); NSA/CSS PMM, Chapter 366, §2-1(K) and §2-2(B). Additionally, we concluded by a preponderance of the evidence, [REDACTED] also violated criminal statute 18 U.S.C. §1001.

(U//~~FOUO~~) A copy of the NSA/CSS OIG report will be forwarded to Employee Relations for information and appropriate action. A summary of the findings will also be forwarded to the Associate Directorate for Security and Counterintelligence (ADS&CI).

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II. (U) BACKGROUND

(U) Introduction

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(U//FOUO) [redacted] entered on duty with NSA on [redacted]. He is a [redacted] on the [redacted] Team Lead, has been [redacted] supervisor since July 2011, when IAD was reorganized. [redacted] Office, is in [redacted] management chain, but does not rate or review [redacted].

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(U) Applicable Authorities

(U) This investigation looked at possible violations of the following authorities. See Appendix A for the full citations.

- (U) 18 U.S.C. §1001
- (U) NSA/CSS PMM, Chapter 360, §2-7 (a)
- (U) NSA/CSS PMM, Chapter 362A, §2-5 (C)
- (U) NSA/CSS PMM, Chapter 366, §2-1(K) and §2-2(B)

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III. (U) FINDINGS

(U//~~FOUO~~) **ALLEGATION:** Did [redacted] knowingly make or present false or fraudulent statements on his timesheets between March 2013 – September 2013, in violation of NSA/CSS Personnel Management Manual (PMM), Chapter 360, §2-7 (a); NSA/CSS PMM, Chapter 366, §2-1(K) and §2-2(B); 18 U.S.C. §1001?

(U//~~FOUO~~) **CONCLUSION:** Substantiated.

(U) Documentary Evidence

(U//~~FOUO~~) Timesheets

(U//~~FOUO~~) The OIG obtained and reviewed [redacted] timesheets from 24 June 2013 through 20 September 2013. [redacted] claimed to earn the following:

- 39 credit hours in the pay period ending 29 June 2013
- 48.5 credit hours in the pay period ending 24 August 2013
- 40.5 credit hours in the pay period ending 7 September 2013
- 25.5 credit hours in the pay period ending 21 September 2013

[redacted] (b) (3) -P.L. 86-36 (b) (6)

(U//~~FOUO~~) In the 52 days we reviewed, [redacted] claimed to work, on average, 11.1 hours per day on days he came to work.

(U//~~FOUO~~) [redacted] was assigned to AWS 4 and AWS 5 over the period. Both are flexible schedules that allow employees to earn credit hours after 80 duty hours/pay period with supervisory approval.

(U//~~FOUO~~) Payroll Records

(U//~~FOUO~~) The OIG obtained and reviewed [redacted] DCPS (payroll) records from 24 June 2013 through 20 September 2013. In accordance with NSA/CSS PMM, Chapter 362A, §2.5.C, [redacted] forfeited hours he earned in excess of 24.

(U//~~FOUO~~) Timesheets, DCPS, and Access Control Record Comparison

(U//~~FOUO~~) The OIG compared [redacted] timesheets and access control records for 24 June 2013 through 20 September 2013. On 24 occasions, [redacted] arrived one or more hours later than he reported on his timesheet and on 12 occasions, [redacted] departed one or more hours earlier than reported on his timesheet.

(U//~~FOUO~~) However, when we reviewed payroll records, the OIG found that [redacted] was not overpaid. This was likely due to the fact that [redacted] forfeited so many credit hours and did not have time to take them "off the books" before he was directed to stop.

(U//~~FOUO~~) "Off the Books" Record Template

(U//~~FOUO~~) On 18 April 2014, [redacted] provided a copy of a template form he used to record his "off the books" credit time (Appendix B). He was unable to locate any of the records that he had filled in by hand.

(U//~~FOUO~~) The template is dated 1 July 2013 and titled, "Personal Credit Hours accounting." [redacted] wrote as his objective, "Keep track of credit hours when you go over 24 hours per pay period that you are unable to burn."

(U) Testimonial Evidence

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(U//~~FOUO~~) [redacted]

(U//~~FOUO~~) [redacted] was interviewed on 13 March 2014, and provided the following sworn testimony.

(U//~~FOUO~~) [redacted] office has been very flexible with work schedules. For the past two years, excepting the last six months (October 2013-March 2014), [redacted] worked 12-14 hour days. He worked from 0700 until he got tired and had to go home. He worked such long hours because he was the only person running his high visibility project. He felt a moral obligation to "get it right."

(U//~~FOUO~~) When [redacted] worked more than 80 hours in a pay period, he earned credit hours. In approximately September 2012, [redacted] noted that he was losing credit hours because he had exceeded the 24 hour maximum. He asked his supervisor, [redacted] what to do and [redacted] replied that they had to do what was necessary to continue the project. Therefore, to solve the problem, he instructed [redacted] to keep track of all of his lost hours in a separate record. He further instructed [redacted] to mark on his timesheet that he was present when he was not to "use" the credit hours he was losing. "In essence, I had credit time off the books." [redacted] explained, "If I came in at 8, then I would put down I came in at 7 and that's how I would use an hour of it. So you are going to see time fraud all over the place." Similarly, [redacted] sometimes left an hour earlier than what he wrote on his timesheet. [redacted] predicted one would see "small discrepancies all over the place" when looking at his timesheets and access control records.

(U//~~FOUO~~) [redacted] was asked why, during one pay period, he claimed to earn 39 credit hours, even though the maximum was 24 and he was keeping this "off the books" record. [redacted] explained that even though he knew that hours in excess of 24 would be cut off by

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payroll, he had to keep an accurate record of the time he had worked. He did not want to lie on his timesheet. However, he did acknowledge that he was putting inaccurate information on his timesheet when it came to the hours he took off.

(U//~~FOUO~~) [redacted] explained that if, hypothetically, he earned 30 credit hours in a pay period (assuming a previous balance of zero), he would put all 30 on his timesheet, then take the six he knew would be truncated (for exceeding the 24 maximum) and record them on his "off the books" record. If he then came in the office at 0800, he would write 0700 on his timesheet and remove an hour from his "off the books" record to put it back "on the books." His goal was to get all of those hours back on the record.

(U//~~FOUO~~) [redacted] knew he could only earn a maximum of 24 credit hours, but he couldn't afford to take a whole day off to "burn" what he had earned. If he did, a meeting would not happen, the project would suffer, and he would get further behind. At "its height," [redacted] had accumulated 180 hours of "off the books" credit time that he did not get paid for.

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(U//~~FOUO~~) [redacted] expressed concern to [redacted] that they were violating a policy by keeping the record. [redacted] reiterated that they had to do what was necessary for the project. At one point, [redacted] inquired about obtaining compensatory time in lieu of credit time, but [redacted] said that leadership would never approve it.

(U//~~FOUO~~) [redacted] and [redacted] never discussed an end date for the "off the books" record keeping. [redacted] assumed he would keep the record until they hired more people to help him with the project. [redacted] never said it was a "one-time thing." In fact, many months after their initial conversation, [redacted] saw [redacted] hand-written record and expressed concern about how many hours [redacted] had accumulated. He did not appear shocked that [redacted] was still keeping the record; rather he was concerned about [redacted] welfare. However, [redacted] never told [redacted] to cease keeping the record.

(U//~~FOUO~~) The "off the books" record of credit time came to light when someone from the [redacted] sent a letter to [redacted] supervisors about his poor performance in class. Because he was struggling in class, [redacted] had spent almost an entire weekend at work studying. Excepting a few gaps when he went home to eat or nap, he was within access control for nearly 48 hours straight. [redacted] saw his timesheet and inquired who had given him permission to claim those hours. [redacted] explained that he was accustomed to earning credit hours and had 180 "off the books." [redacted] told him to stop his "off the books" accounting and informed him that all accumulated hours were lost.

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¹ (U//~~FOUO~~) [redacted] was enrolled in the [redacted] from [redacted]

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(U//FOUO) [redacted] estimated that between 1/3 to 1/2 of the discrepancies between his timesheets and access control records are due to work-related meetings at [redacted] and other locations. The remaining discrepancies are the "off the books stuff." He emphasized that everything he did was sanctioned by his supervisor. Even though his timesheets were not strictly accurate, they were accurate "in the larger scope of things." He kept track of how many hours he worked and never attempted to defraud the government. [redacted] loves his job.

(U//FOUO) [redacted]

(U//FOUO) On 10 January and 14 May 2014, [redacted] Team Lead, [redacted] [redacted] was interviewed and provided the following sworn testimony.

(U//FOUO) [redacted] rated [redacted] performance highly. From a mission standpoint, he got the job done. He recommended [redacted] for promotion for the last two years, though no promotion resulted. [redacted] remained a [redacted] (b) (6)

(U//FOUO) [redacted] development project supported a DoD-wide board, with customers who were very interested in the results. His duties often took him out of FANX for meetings. He had a weekly meeting with contractors, sometimes in contractor spaces. [redacted] also went to [redacted] to meet with customers to gather requirements and plan strategy. These meetings were not regularly scheduled.

(U//FOUO) Due to cut-backs in contractor support, the project was understaffed. [redacted] worked long hours to get the job done. However, his time management skills were not "perfect." [redacted] provided a lot of flexibility to [redacted] as long as he made progress on the assigned tasks, [redacted] was satisfied. [redacted] estimated that [redacted] worked about 9.5 hours a day, though [redacted] would not be surprised to see him work a 10-12 hour day at least once a week. (b) (3) - P.L. 86-36

(U//FOUO) At one point² [redacted] complained to [redacted] about all of the work he had to do. [redacted] asked [redacted] how he would accomplish it all and if he was about to "max-out" his credit time. [redacted] replied that he had already earned 26 or 27 credit hours. [redacted] explained that he was not allowed to earn more than 24 credit hours in a pay period. [redacted] wanted [redacted] to be compensated for the hours he had worked and did not want him to lose credit time. Consequently, [redacted] suggested [redacted] document the extra hours in a separate record and "take a couple of hours here or there... over a period of time." Although they did not discuss the method of accounting or the format of the record, [redacted] expected that at the beginning or end of the day, [redacted] would use a couple of "off the books" credit hours and arrive later or leave earlier than he wrote on his timesheet. [redacted] understood that [redacted] would be writing

²(U//FOUO) Initially, [redacted] thought that the conversation took place in December 2012/January 2013. In a subsequent interview, [redacted] said that perhaps the conversation took place in February 2013.

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down hours on his timesheet that were not true. He further understood that [redacted] would be marking himself as present on his timesheet when he was not actually present.

(U//FOUO) [redacted] intended for it to be a "one-time thing," but he discovered in August 2013³ that [redacted] was continuing to keep a record of excess credit hours and taking them "off the books."⁴ In August, while enrolled in [redacted] [redacted] submitted a timesheet claiming approximately 20 hours labor in a single day, which alarmed [redacted]. At that time, [redacted] showed [redacted] his "off the books" record. When [redacted] saw it, he told [redacted] to cease keeping the record. [redacted] admitted that he never explicitly told [redacted] in their initial conversation that taking the hours "off the books" was meant to only occur only once; he just assumed [redacted] understood. [redacted] is aware that it was a violation of policy to authorize [redacted] to take time "off the books."

(U//FOUO) [redacted] and [redacted] subsequently held a meeting with [redacted] to explain the rules. They explained the limits on credit time and how employees cannot offer services for free. They explained that [redacted] could not be compensated for any hours in excess of the 24 allowable credit hours.

(U//FOUO) In retrospect, [redacted] agreed that he should have sought compensatory time or overtime for [redacted]. He did not do so because it would have been time consuming to request and he was under time constraints himself. Obtaining help for [redacted] was not feasible because contractor funding was unavailable and the other team members lacked the requisite skills and time to assist.

(U//FOUO) [redacted]

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(U//FOUO) On 7 March 2014, [redacted] Deputy Chief, [redacted] [redacted] was interviewed and provided the following sworn testimony.

(U//FOUO) In late September, the instructors leading the [redacted] called [redacted] and informed him that [redacted] had not passed the class. The instructors told him that [redacted] had consistently arrived late and had taken excessive breaks. As a result, [redacted] drafted a Memorandum of Counseling in consultation with an ER counselor. On 30 September 2013, [redacted] verbally counseled [redacted] and documented the counseling with an MFR.⁵ [redacted] was also present.

³ (U//FOUO) Initially, [redacted] testified that he discovered in February 2013 that [redacted] was continuing to keep the "off the books" record. In a subsequent interview, [redacted] testified that he may have been confused, because after the initial discussion about the "off the books" record, they never discussed it again until August 2013.

⁴ (U//FOUO) When it was pointed out to [redacted] that he signed a timecard in June 2013, in which [redacted] claimed to earn 39 credit hours, [redacted] admitted that he did not look closely at it.

⁵ (U//FOUO) [redacted] provided a copy of the MFR which is at Appendix C.

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(U//FOUO) During the counseling session, [redacted] mentioned that he had been banking so many credit hours that he could not use them before he hit the ceiling of 24. So, he “worked out a deal” with [redacted] whereby he could continue to accumulate credit hours in excess of the allowable 24. [redacted] was keeping a record of these excess credit hours in a spreadsheet and then using them at a later date. He said he had been keeping this “off the books” record as far back as March 2013. This immediately “sent up a red flag” for [redacted]. However, he opted not to ask [redacted] any questions about it, or about the credit hours he claimed during training, because he was concerned it could interfere with an OIG investigation.

(U//FOUO) Later, [redacted] “informally counseled” [redacted] about the “off the books” record. [redacted] admitted that he had made this arrangement with [redacted] and apologized. He did not realize he had violated any regulations. He admitted he knew [redacted] was collecting these excess hours and agreed that it had been going on since March. [redacted] told him not to do it again and informed him that any credit hours that [redacted] worked in excess of 24 were lost.

(U//FOUO) Technically, [redacted] could have requested senior leadership grant [redacted] compensatory time or overtime. However, he did not make such a request and [redacted] thought it was unlikely it would have been approved. “The project [redacted] was working on was not one that we would have authorized overtime for.”

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(U) Analysis and Conclusions

(U//FOUO) The NSA/CSS PMM, Chapter 366, §2-1(K) prohibits employees from “knowingly making or presenting a false or fraudulent statement or claim.” NSA/CSS PMM, Chapter 366, §2-2(B) prohibits “deliberate misrepresentations, falsifications, or omission of material facts in any Agency document.” 18 U.S.C. §1001 punishes by fine and/or imprisonment those who “falsify, conceal, or cover up by any trick, scheme, or device a material fact...” The law defines “knowingly” as acting with knowledge of the falsity, acting with reckless disregard of whether the statement is true, or making a conscious effort to avoid learning the truth. The preponderance of the evidence shows that the timesheets submitted by [redacted] were false and [redacted] knew they were false.

(U//FOUO) Between March 2013⁶ and September 2013, [redacted] submitted false and inaccurate timesheets. [redacted] admitted in his testimony that he marked on his timesheet that he was present when he was not and departed an hour earlier or arrived an hour later than what he wrote on his timesheet. An analysis of [redacted] timesheets and access control records confirms the fact that [redacted] arrived later than claimed and departed earlier than

⁶ (U//FOUO) The three witnesses interviewed disagreed about when [redacted] began keeping the “off the books” record. To give the subject the benefit of the doubt, the OIG selected the most recent date offered by a witness, and therefore the shortest duration of the violation.

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claimed on numerous occasions.⁷ By taking these actions, [redacted] also violated NSA/CSS PMM, Chapter 360, §2-7 (a), which requires employees to ensure that all information relevant to their time and attendance is recorded accurately.

(U//FOUO) Although [redacted] supervisor, [redacted], authorized [redacted] to keep the "off the books" record and make false entries on his timesheet, [redacted] knew his actions were a violation of policy. [redacted] stated in his testimony that he knew that credit hours in excess of 24 would be cut off by payroll, demonstrating that he understood the policy. By keeping an "off the books" record, he further showed he knew that the hours were not authorized. Additionally, he claimed that he expressed concern to [redacted] that he was violating policy through his actions. However, he made no effort to learn the truth beyond inquiring with the person who approved the unauthorized activity in the first place. Finally, [redacted] demonstrated that he acted with knowledge of the falsity by consciously selecting which truths and which falsehoods to include in his timesheet. For instance, [redacted] recorded accurately the credit time he accrued but not the credit time that he used.

(U//FOUO) [redacted] maintained that he kept careful track of how many hours he worked and how many he used and never attempted to defraud the government. Because [redacted] forfeited so many credit hours and did not have time to take them "off the books" before he was directed to stop the practice, [redacted] was not overpaid. Nonetheless, the OIG found that he did falsify his timesheets.

(U//FOUO) The preponderance of the evidence supports the conclusion that, from March 2013 through September 2013, [redacted] knowingly made or presented false or fraudulent statements on his timesheets. His actions violated NSA/CSS Personnel Management Manual (PMM), Chapter 360, §2-7 (a); NSA/CSS PMM, Chapter 366, §2-1(K) and §2-2(B). Additionally, we concluded that by a preponderance of the evidence, [redacted] also violated criminal statute 18 U.S.C. §1001.

⁷ (U//FOUO) Although some of the late arrivals and early departures may have been attributable to [redacted] off-campus business meetings, the timesheets corroborate [redacted] testimony.

⁸ (U//FOUO) [redacted] actions were reviewed in a separate investigation.

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IV. (U) RESPONSE TO TENTATIVE CONCLUSION

(U//~~FOUO~~) On 21 July 2014, [redacted] responded to the tentative conclusions reached in the investigation. In his response, [redacted] elaborated on the conditions that resulted in his taking credit time “off the books.” He reiterated that he did not steal from the government despite the fact that the OIG tentative conclusions did not include an allegation of false claims (18 U.S.C. §287). Because [redacted] forfeited so many credit hours and did not have time to take them “off the books” before he was directed to stop the practice, he was not overpaid. Nevertheless, we found that he did make false statements on his timesheets.

(U//~~FOUO~~) A copy of [redacted] response is in Appendix D.

(U//~~FOUO~~) In the same correspondence, [redacted] also forwarded a memorandum signed by himself and [redacted]. The joint memorandum stated that [redacted] directed [redacted] to keep the “off the books” record and enter fraudulent times on his timesheets. Both witnesses had previously provided testimony consistent with the statement.

(U//~~FOUO~~) A copy of the joint memorandum is in Appendix E.

(U//~~FOUO~~) Given that neither of the responses contained new information that would impact the OIG analysis, the tentative conclusion became final.

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[redacted]
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V. (U) CONCLUSION

(U//~~FOUO~~) The preponderance of the evidence supports the conclusion that, between March 2013 – September 2013, [redacted] knowingly made or presented false or fraudulent statements on his timesheets in violation of NSA/CSS Personnel Management Manual (PMM), Chapter 360, §2-7 (a); NSA/CSS PMM, Chapter 366, §2-1(K) and §2-2(B). Additionally, we concluded that by a preponderance of the evidence, [redacted] also violated criminal statute 18 U.S.C. §1001.


[redacted]
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VI. (U) DISTRIBUTION OF RESULTS


(U//~~FOUO~~) A copy or summary of this report of investigation will be provided to:

1. M/ER for information and any appropriate action.
2. OGC, Administrative Law & Ethics, D23, for information, and;
3. Q234, Special Actions, for information and any appropriate action.

Concurred by:


Investigator


Assistant Inspector General
for
Investigations


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APPENDIX A

(U) Applicable Authorities

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(U) NSA/CSS PMM, Chapter 360 — *Time and Attendance***Section 2-7 — (U) Employee Responsibilities:**

- (a) Ensure that all information relevant to their time and attendance is recorded accurately.
- (b) Sign in and out daily on the timesheet.
- (c) Initial for leave taken.

(U) NSA/CSS PMM, Chapter 362A — *Alternative Work Schedules (AWS) Program***Section 2.5 — (U) Credit Hours and Flexible Work Schedules:****2.5.C. Earning Credit Hours**

Full-time employees may earn and accumulate a maximum balance of 24 credit hours. Credit hours earned in excess of 24 will be forfeited. DCPS (the Agency's payroll system) is programmed to prevent employees from exceeding 24 credit hours.

(U) NSA/CSS PMM, Chapter 366—*Personal Conduct***Section 2-1 — (U) Work Environment:**

Employees will not engage in any conduct that creates a hostile work environment and/or interferes with an individual's work performance.

...

K. False Statements – Employees will not knowingly make or present a false or fraudulent statement or claim; enter into an agreement or conspiracy to defraud the Government by obtaining or aiding in the payment or allowance of a false or fraudulent claim; or, knowingly and willfully falsify or conceal a material fact by a trick, scheme, or device.....

Section 2.2 — (U) Personnel and Security Standards:

Employees granted access to classified information and Sensitive Compartmented Information must be stable; trustworthy; reliable; of excellent character, judgment and discretion; and of unquestioned loyalty to the United States. Any conduct, including off-duty conduct that brings into question these character traits may be cause for appropriate security action and in some cases administrative action. The following illustrations are provided as examples and are not inclusive:

...

B. Deliberate misrepresentations, falsifications, or omission of material facts in any Agency document.....

(U) 18 U.S.C. §1001 — *Statements or Entries Generally*

- (a) Except as provided in this section, whoever, in any matter within the jurisdiction of the executive ... of the Government of the United States, knowingly and willfully—
- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
 - (2) makes any materially false, fictitious, or fraudulent statement or representation; or
 - (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry ; shall be fined under this title, imprisoned not more than 5 years or ... both.

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APPENDIX B

(U) “Off the Books” Record Template

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PERSONAL Credit Hours accounting

JULY 2013

OBJECTIVE: (Keep track of credit hours when you go over 24 hours per pay period that you are unable to burn.)

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

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#	Pay Period	Hours	Comments	Used
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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APPENDIX C

(U) 30 September 2013 Memorandum for the Record

to

[Redacted]

(b) (3) - P.L. 86-36
(b) (6)

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MEMORANDUM FOR THE RECORD

30 September 2013

EMPLOYEE: [redacted]

EMPLID: [redacted]

This Memorandum for the Record is being provided to you in order to communicate some of my expectations regarding your conduct while on duty time and/or during professional educational opportunities. The [redacted] Deputy Chief, [redacted] is also in attendance at this session.

- You are expected to follow instructions given to you by your supervisory chain.
- You must exercise courtesy and respect in dealing with fellow workers, your management, and the public. Talking to someone in a discourteous or inappropriate manner, making inappropriate gestures, using unprofessional language and other forms of disrespect are prohibited.
- While in a academic or professional learning environment, you are expected to conduct yourself in a professional manner and follow any instructions presented to you by the instructor cadre.
- You are expected to handle yourself in a professional manner in all interactions with your co-workers and management.

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The above expectations directly follow the following Agency policies:

NSA/CSS Personnel Management Manual (PMM) 30-2, Chapter 366, Section 2-1(L), which states, "Employees will respect Agency rules, regulations and supervisory authority and comply with authoritative instructions from supervisors and/or individuals in leadership positions..."

NSA/CSS PMM Chapter 366.1-3, GENERAL PRINCIPLES FOR ON-THE JOB CONDUCT: "Generally, every employee is expected to...Exercise courtesy and respect in dealings with fellow workers and the public..."

As a result of your recent attendance of the [redacted] course, you displayed behavioral issues that 1) Were noted as having negatively impacted the execution of the curriculum, affected other students, as well as the [redacted] cadre; and 2) Showing up late, and/or being unaccountable during scheduled class times. These actions reflect a lack of professionalism and respect toward the instructors and academic cadre. This behavior is unacceptable, and it will not be tolerated.

If there is anything preventing you from being able to successfully meet these expectations in the future, please let your management know immediately.

A copy of this memorandum will be retained in your management's records. If further administrative action is needed, this documentation can be used as supporting documentation in the subsequent action.

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[Redacted]
Team Chief,
[Redacted]

I HEREBY ACKNOWLEDGE RECEIPT OF THIS MEMORANDUM:

[Redacted]

[Signature]
10/23/2013
Date

[Redacted]

Witness Signature

10/23/2013
Date

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APPENDIX D

(U) **Response to the Tentative Conclusions**



(b) (3) - P.L. 86-36
(b) (6)

UNCLASSIFIED

July 8, 2014

FOR YOUR CONSIDERATION

From: [redacted]

(b) (3) - P.L. 86-36
(b) (6)

To: The Office of the Inspector General (OIG)

Attn: [redacted]

Subject: Response to the OIG's Notification of Tentative Conclusion

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Greetings [redacted] and those reading this document;

Please consider this document as a supplement to the Memorandum for Record attached to this report.

I, [redacted] wanted to explain the circumstances surrounding this event in the hope that [redacted] and I are seen as being highly focused on the mission and customers needs and were placed in an abnormal difficult situation. Neither [redacted] nor I ever desired nor did we steal from the government.

The cause for this situation was due to the reorg of IAD roughly three years ago. When I was asked by my previous Division Chief to join her in the office I am in now. I had just taken over a project that was previously supported by [redacted] government personnel, and a range of contractors depending on the tasks at hand; from [redacted] at one time. Not soon after the reorg my previous Division Chief took a PCS to [redacted] and I was left with an entirely new leadership chain and a project that had already established itself amongst the DoD community and I wasn't going to let it fail on my watch having just taken over as its lead.

Even though I was the single lead of the project, I took on the entire responsibility for the project, hoping my new leadership would realize the value and the pressure of a single person doing the work of [redacted] (on average). I was in constant contact with my direct supervisor, [redacted] both informing him of my efforts, strains, and to gain approval for the actions I was taking. From my understanding he then informed his leadership and up the chain the information flowed.

Roughly six months later, due to the communities desire to continue to use the projects analysis, I received funding from an outside organization and was able to obtain a couple of contractors. With this small team, I not only kept the current project running, but also built the foundation to advance the project to a better product from the maintenance side of things, the analytics, and the value to the customer.

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To accomplish effectively running two projects alone, and then later extremely understaffed I put in long hours for over two years, and loved every minute of it. It was important for me not to fail, not only because the previous lead, a good friend and colleague chose me to take over the original project, but also due to the customers demand for the project. So many of them had (and still do) rely on the analysis from the previous project and seeing the next evolution of it sent out a call around the [REDACTED] DoD community for everyone to see it. This meant high visibility and now it was even more important for me not to fail, because I was not about to let my failure reflect negatively on my organization, and so I put in even more hours.

This went on for roughly two and half years, again I loved every minute of it. I had zero care that I was losing countless hours of credit time due to a policy that wouldn't let me carry over 24 hours per pay period; I couldn't use the credit hours I was allowed to keep anyhow as that would be just more time lost that I would have to make up later, project-wise. From my understanding my direct supervisor [REDACTED] [REDACTED] fully understood the work I was doing and the people I was helping and the impact the project was about to have.

Adding to this mix I am unsure of the exact dates we had new management switch out due to some retirements; Knowing that leadership above my direct supervisor didn't understand the immense effort nor the customers I was helping (who, how many, or at what levels) left me with no other option in my mind but to keep working harder in hopes they would get it at some point; sadly they never did and I nearly worked myself to death.

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[REDACTED] upon learning that I had forfeited so many credit hours had concerns but also knew the project tempo and ever increasing customer visibility at higher levels within the DoD, there was simply no way to stop. The only way to maintain the tempo required to meet these new more senior level customers was to come up with a system that would not require my working for free, and keeping the project going. This is why he came up with the credit hours records keeping, for no other reason than to keep the project going. For reasons beyond my understanding we were offered funding from three external organizations which would have secured contractor support and allowed me time to teach others in my team about the project and share the load, but leadership above my direct supervisor declined their offers.

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At the foundation of the word fraud is theft. At no time did [redacted] nor I plan, desire, or execute any theft from the government or anyone else for that matter. We both simply wanted (and still want) to do the best we can for our organization, the agency and the federal government. Everything we did was towards that goal, and to help our customers. The final count of credit hours will show the great many credit hours in surplus the agency gained from this situation. If theft was our goal, the agencies profit disputes that.

Thank you for taking the time to read this letter and consider it as you make your decisions.

Thank you,

[redacted]

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APPENDIX E

(U)

[Redacted]

and

[Redacted]

Joint Memorandum

July 8, 2014

(b) (3) - P.L. 86-36

MEMORANDUM FOR RECORD

From: [redacted] and [redacted]

(b) (3) - P.L. 86-36
(b) (6)

To: The Office of the Inspector General (OIG)

Attn: [redacted]

Subject: Response to the OIG's Notification of Tentative Conclusion

1. Due to extended hours working on a high visibility project, [redacted] accrued and forfeited large amounts of credit time during this period.
2. Upon discussion with his immediate supervisor, [redacted] was directed to:
 - a. Develop and maintain a word document of credit time that exceeded the agency standard of 24 hours
 - b. Enter fraudulent times on timesheets to recoup credit time
 - c. Under the direction of [redacted] submit the amended timesheets to him for signature
3. The motive was to keep the project on track and meet customer demands.

Very Respectfully

[redacted signature box]

[redacted signature box]