

(U) SEMIANNUAL REPORT TO THE CONGRESS*For the Period October 1, 2004 Through March 31, 2005***(U//FOUO) Timecard Accountability in Tailored Access Operations; NSA/CSS IG; ST-04-0022A; 20 October 2004**

Summary. (U//FOUO) This special study investigated an anonymous Hotline complaint regarding two timesheet issues that warranted immediate attention by Tailored Access Operations (TAO) management. We found that TAO's [REDACTED] lacked controls to ensure that hours entered into the payroll system matched the hours certified by supervisors. We also noted inconsistent application of pay entitlements for Access Operations personnel who improperly claimed regular duty time as well as overtime and/or compensatory time for time spent traveling outside their normal work schedule.

Management Action. (U) TAO agreed to publish timekeeper verification procedures and to obtain an opinion from Human Resources/Compensation Policy on travel time compensation, premium pay entitlements, and scheduling duty hours for personnel required to travel for TAO mission exigencies. TAO also assured the NSA/CSS Office of the Inspector General that this opinion would be applied consistently across the organization.

Overall Report Classification. (U) CONFIDENTIAL//X1

Category. (U) Human Capital

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

(U) Yakima Research Station; NSA/CSS IG; NSG IG; JT-04-0014; 3 December 2004

Summary. (U) A joint team of inspectors from the Naval Security Group and NSA conducted a joint inspection of the Yakima Research Station (YRS). Our findings focused on the lack of compliance with regulations and policies. We also noted the lack of guidance and support from NSA Headquarters (HQ), especially involving mission focus and resources. As to mission focus, we found that YRS is strategically adrift and requires a mission review; NSA needs to validate the site's mission and make better use of its talented workforce. Regarding resources, dramatic changes in the site's technical and analytic resources in recent years were not accompanied by a cost-benefit analysis of the requirements.

Management Action. (U) Management at YRS and HQ are taking corrective action on all of the findings.

Overall Report Classification. (U) TOP SECRET//COMINT/REL TO USA, AUS, CAN, GBR, and NZL//X1

Category. (U) Joint Warfighting and Readiness

Approved for Release by NSA on 07-01-2019,
FOIA Case # 79825 (litigation)

Derived From: NSA/CSSM 123-2

Dated: 24 February 1998

Declassify On: Source Marked ~~X1~~

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Dated: 20070108

Declassify On: 20320108

Release: 2019-06

NSA:08818

(U) **Contractor Space**; NSA/CSS IG; AU-04-0001; 13 January 2005

Summary. (U//~~FOUO~~) The lack of space has reached crisis proportions at NSA. The current occupancy rate of 97.4 percent is projected to reach 101.4 percent by the end of FY2005. A major factor is the need to house contractors, who now exceed the civilian workforce. Our audit found that current policy and planning vehicles are incapable of producing the long-term comprehensive plan needed to manage the crisis and to track the contractor presence at NSA. We also found that recent initiatives by the Associate Director of Installations and Logistics (ADIL) and the Senior Acquisition Executive (SAE) to relieve the Agency's space shortage by removing contractors were lacking key elements such as: 1) a formal policy and process for producing a comprehensive long-term facilities plan aligned with the NSA/CSS strategic plan; 2) short-term plans to relocate people on existing contracts do not specify how removal costs (estimated at over [redacted] from FY2005-08) will be funded, nor do they give criteria for selecting which contractors to move; and 3) NSA needs an explicit, enforceable policy on allowing contractors to work in Agency spaces.

Management Action. (U//~~FOUO~~) The ADIL and SAE nonconcurred on the grounds that some actions were already in progress before the audit. Our report recognizes these initiatives, but they are not completed. Moreover, ADIL and SAE have not agreed to set criteria for deciding which contractors on existing contracts to remove; in the opinion of General Counsel, this leaves the Agency vulnerable to charges of favoritism. Consequently, we referred this report to DIRNSA and he directed ADIL and SAE to take management action.

Overall Report Classification. (U) UNCLASSIFIED//FOR OFFICIAL USE ONLY

Category. (U) Infrastructure and Environment

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

(U//~~FOUO~~) [redacted] NSA/CSS IG;

Summary. (S) Our inspection of the [redacted] found some duplication of effort resulting from mission overlap within [redacted] itself and with other organizations in the Analysis and Production Directorate (SID/S2). We found that: [redacted] and across S2 leads to duplication of effort [redacted] it is critical to formalize all aspects of information sharing in Memorandums of Understanding with parent agencies that have interees in [redacted] relationships with [redacted] elements need attention- customers need to know exactly what to provide in a Request for Information and to be kept apprised of the status of their requests; and leadership at the S2, SID, and Agency levels is not adequately engaged in the [redacted] support mission which has created an adverse effect on [redacted] morale and staffing.

Management Action. (U) Issues related to information sharing and customer relationships are now being addressed. [redacted] new management is planning an aggressive approach to tackle these issues and to improve [redacted]

Overall Report Classification. (U) TOP SECRET//COMINT//REL TO USA, AUS, CAN, GBR, and NZL//MR

(b) (1)
(b) (3) -P.L. 86-36

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

(b) (1)
(b) (3) -P.L. 86-36

Category. (U) Joint Warfighting and Readiness

~~(S)~~ **Special Study of Tailored Access Operations**; NSA/CSS IG; ST-04-0022B;
15 February 2005

Summary. (S) A special study found that the [redacted] 2005 program has experienced schedule slippage that [redacted]

[redacted] In addition, cost overruns on the [redacted] 2005 procurement may exceed [redacted]. Poor communication and coordination within the Tailored Access Operations (TAO) organization, which manages [redacted] and related efforts, have impeded the success of the [redacted] initiative. Specifically, the special study found that: 1) the [redacted] Program Manager (PM) lacked the authority needed for effective oversight of the [redacted] 2005 program; 2) the [redacted] 2005 PM did not effectively engage other TAO Offices, especially the [redacted] Program Management Office, in defining [redacted] 2005 requirements; and 3) Program progress was not always accurately assessed and reported to Agency leaders.

Management Action. (U) The TAO Group Chief has assumed the role of [redacted] PM and realigned the [redacted] PM organization directly under her. She plans to formalize the [redacted] Team structure to enhance communication, clearly define requirements, and foster teamwork within TAO and with the contractor.

Overall Report Classification. (U) TOP SECRET//COMINT//ORCON, NOFORN//MR

Category. (U) Acquisition Processes and Contract Management

(U) [redacted]
NSA/CSS IG; [redacted]

Summary. (S) A Joint Inspectors General team concluded that implementation of the [redacted] while progressing, got off to a poor start and is currently impeded by leadership disagreements and procedural differences between the parent Agencies. The Directors of the Agencies must ensure that senior leaders at [redacted] are fully committed to implementing the [redacted] Specific findings of this joint review include the following: 1) the four missions that have already transitioned to the [redacted] are beginning to produce the desired synergies; 2) while the four implementing documents of spring 2004 suffice in the short term, they do not provide sufficiently detailed, long-term direction needed to fully implement the [redacted] concept and ensure productive and efficient operations; 3) senior leaders have not resolved the leadership disagreements at the site, which stem from widely diverging views on [redacted] implementation; and 4) officials need to resolve implementation and procedural differences regarding foreign partner information sharing, funding, and the management of human resources.

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

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

~~CONFIDENTIAL//REL TO USA, AUS, CAN, GBR, NZL//MR~~

Management Action. (U) Management concurred with the recommendations directed to their respective offices. A number of efforts are underway to implement the recommendations, and several actions have been completed.

Overall Report Classification. (U) SECRET//COMINT//TALENT KEYHOLE//NOFORN//25X1

Category. (U) Joint Warfighting and Readiness

(b) (1)
(b) (3) - P.L. 86-36

(S) [redacted] NSA/CSS IG; INSCOM IG; [redacted]

Summary. (S) A Joint Inspectors General team from INSCOM and NSA/CSS conducted an inspection at [redacted]. The team found problems that have a direct impact on the site's effectiveness. The most significant issues facing the site's

[redacted]

[redacted] The report has been provided for information purposes to appropriate NSA elements. The NSA/CSS OIG will follow up on many of the issues in the report during our 2005 joint IG inspection of [redacted]

Management Action. (U) Management concurred with the recommendations and is taking appropriate corrective action.

Overall Report Classification. (U) SECRET//COMINT//MR

Category. (U) Joint Warfighting and Readiness

(U) **Possible Violation of Federal Law;** NSA/CSS IG; IV-04-0047; 28 October 2004

Summary. (U//FOUO) Pursuant to a 1995 agreement between the Department of Justice (DOJ) and the agencies of the Intelligence Community, the NSA/CSS General Counsel referred allegations of possible criminal conduct by an NSA employee to the DOJ. The results of the OIG inquiry into this matter were also forwarded to DOJ.

Overall Report Classification. (U) TOP SECRET//COMINT//X1

Category. (U) Other (Intelligence Oversight)

(U) **Time and Attendance Investigations;** NSA/CSS IG; IV-04-0056 (16 November 2004); IV-04-0064 (5 November 2004); IV-05-0001 (22 December 2004)

Summary. (U//FOUO) The OIG substantiated three Time and Attendance abuse allegations, wherein employees claimed hours in excess of those they were determined to have actually worked. In the aggregate, these cases will result in the recoupment of almost \$20,000.00 in funds paid to employees for hours falsely claimed. Two of these cases were referred to the DOJ for possible prosecution for violation of 18 U.S.C. § 287 and 18 U.S.C. § 1001.

~~CONFIDENTIAL//REL TO USA, AUS, CAN, GBR, NZL//MR~~

~~CONFIDENTIAL//REL TO USA, AUS, CAN, GBR, NZL//MR~~

Overall Report Classifications. (U) UNCLASSIFIED//FOR OFFICIAL USE ONLY
(all referenced investigations)

Category. (U) Other (Fraud)

(U) **Misuse of Resources;** NSA/CSS IG; IV-04-0054; 8 February 2005

Summary. (U) The OIG substantiated an allegation that an Agency employee was using Agency computer systems to manufacture counterfeit rebate coupons for submission to commercial computer manufacturers for personal gain. Disciplinary action is pending, and the case was forwarded to the NSA/CSS Office of General Counsel for referral to the DOJ.

Overall Report Classification. (U) UNCLASSIFIED//FOR OFFICIAL USE ONLY

Category. (U) Other (Misuse of Resources)

~~CONFIDENTIAL//REL TO USA, AUS, CAN, GBR, NZL//MR~~