

NASA OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT
APRIL 1–SEPTEMBER 30, 2010







FROM THE INSPECTOR GENERAL

The past 6 months have been a productive period for the NASA Office of Inspector General (OIG) as we filled several key staff vacancies, initiated a series of important audits, and issued two public investigative reports on high-profile matters.

With respect to our audit oversight work, we are refocusing our efforts to produce more audits that examine the cost, timeliness, and success of NASA projects to provide the Agency and Congress with the information necessary to effectively oversee and manage these projects. We are also diversifying and broadening our audit coverage to ensure that we review all aspects of NASA's mission and support services. For example, during the reporting period we issued reports on NASA's Tracking and Data Relay Satellite System, reduced gravity flights, and information technology security. In addition, we announced new audits that will address issues as diverse as the Mars Science Laboratory, grant management, and the development of safety and human-rating requirements for commercial space flights.

On the investigative front, the OIG issued public reports outlining the results of our investigations into two high-profile matters: concerns surrounding the removal of the Constellation Program manager and allegations of a conflict of interest by the NASA Administrator involving a biofuel research project. OIG staff continues to investigate a wide variety of other matters, including hacking attacks on NASA's computer systems, contract fraud, and counterfeit parts cases.

NASA faces significant challenges in the months and years ahead, in particular the need to clarify the future of its manned and unmanned space flight activities. As Congress and the Agency address these complex issues, the OIG will work hard to provide the Agency, Congress, and the public with the independent oversight needed to ensure that NASA uses its resources wisely to achieve its varied missions in the most economic and efficient manner possible.

This Semiannual Report summarizes the OIG's accomplishments from April 1 to September 30, 2010. We hope that you find it informative.

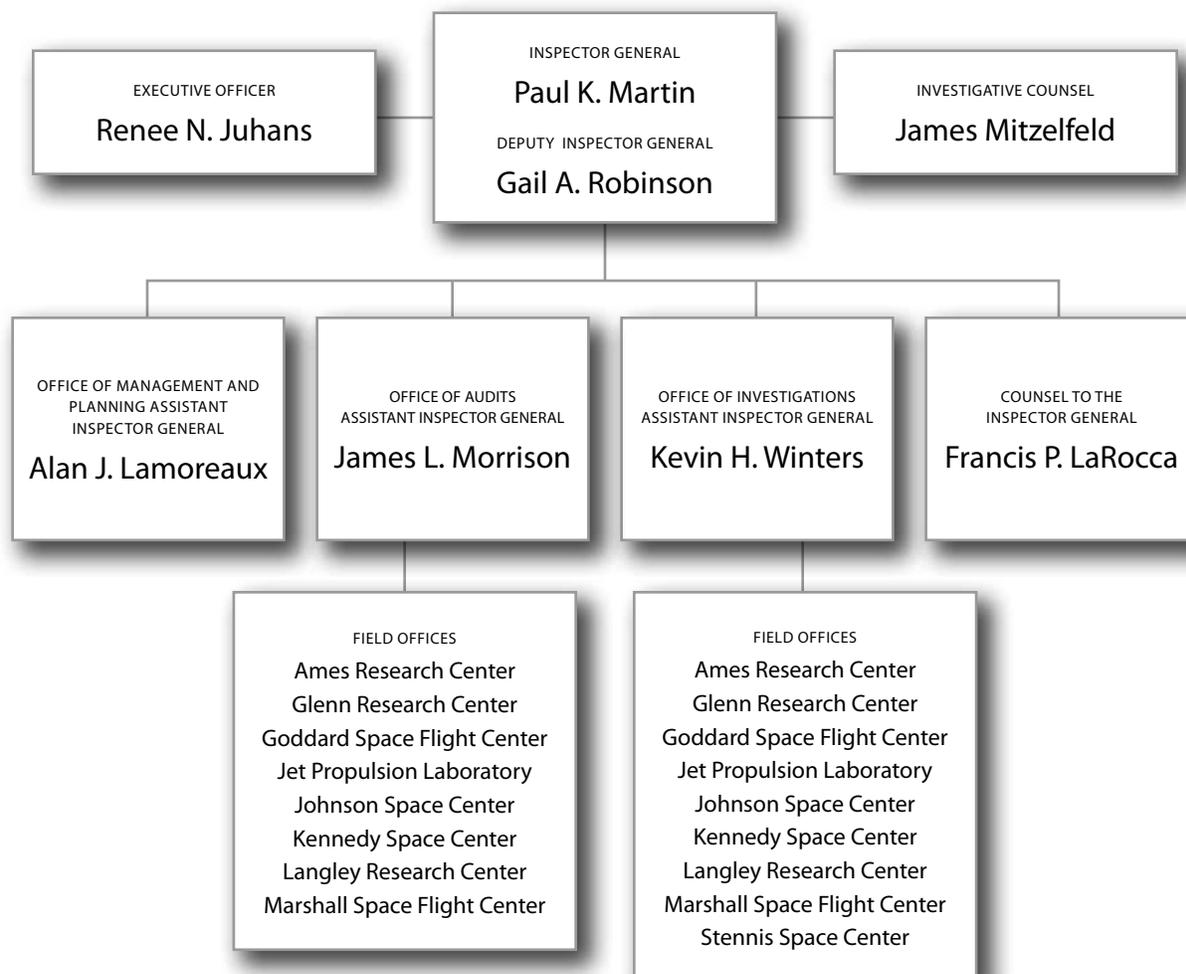
A handwritten signature in black ink that reads "PKM-A". The letters are stylized and connected.

Paul K. Martin
Inspector General
October 29, 2010

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ORGANIZATION



THE NASA OFFICE OF INSPECTOR GENERAL conducts audits, reviews, and investigations of NASA programs and operations to prevent and detect fraud, waste, abuse, and mismanagement and to assist NASA management in promoting economy, efficiency, and effectiveness. The OIG's fiscal year (FY) 2010 budget of \$36.4 million supports the work of 194 employees in their audit, investigative, and administrative activities.

THE INSPECTOR GENERAL (IG) provides policy direction and leadership for the NASA OIG and serves as an independent voice to the Administrator and Congress by identifying opportunities and promoting solutions for improving the Agency's performance. The Deputy Inspector General provides supervision to the Assistant Inspectors General and Counsel to the Inspector General in the development and implementation of the OIG's diverse audit, investigative, legal, and support operations. The Executive Officer serves as the OIG liaison to Congress and other Government entities, conducts OIG outreach both within and outside of NASA, and manages special projects. The Investigative Counsel serves as a senior advisor for OIG investigative activities and special reviews of NASA programs and personnel.

THE OFFICE OF MANAGEMENT AND PLANNING (OMP) provides financial, procurement, human resources, administrative, and information technology (IT) support to OIG staff.

THE OFFICE OF AUDITS (OA) conducts independent and objective audits and reviews of NASA programs, projects, operations, and contractor activities. In addition, OA oversees the work of the independent public accounting firm under contract by the OIG to conduct the annual audit of NASA's financial statements.

THE OFFICE OF INVESTIGATIONS (OI) investigates allegations of cybercrime, fraud, waste, abuse, and misconduct that may affect NASA programs, projects, operations, and resources. OI refers its findings either to the Department of Justice (DOJ) for criminal prosecution and civil litigation or to NASA management for administrative action. Through its investigations, OI develops recommendations for NASA management to reduce NASA's vulnerability to criminal activity.

THE OFFICE OF COUNSEL TO THE INSPECTOR GENERAL provides legal advice and assistance to OIG senior management, auditors, and investigators. The Office serves as OIG counsel in administrative litigation and assists the DOJ when the OIG participates as part of the prosecution team or when the OIG is a witness or defendant.

AUDITS AND INVESTIGATIONS

Special Reviews and Investigations

Alleged Ethics Violation by the NASA Administrator Involving Marathon Oil Corporation

The OIG investigated allegations that NASA Administrator Charles F. Bolden, Jr., inappropriately consulted with Marathon Oil Corporation, a company in which he has a significant financial interest, while he was considering NASA's involvement with an alternative fuel development project.

The project, known as the Offshore Membrane Enclosure for Growing Algae (OMEGA), seeks to produce fuel through controlled offshore reactions of wastewater and algae. Complaints received by the OIG claimed that Bolden engaged in a conflict of interest by consulting with Marathon. The allegations against Bolden became public in June 2010 when an article appeared in *The Orlando Sentinel*.

The OIG investigation found that on April 30, 2010, Bolden spoke by telephone with a senior Marathon official for approximately 10–15 minutes seeking her technical perspective on the viability of algae-based fuels. At the time of his call, Bolden was considering a proposed memorandum of understanding (MOU) between NASA and the Department of the Navy relating to the OMEGA project. Also at that time, Bolden owned between \$500,000 and \$1 million in Marathon stock and had served on Marathon's Board of Directors for the 6 years immediately prior to becoming NASA Administrator.

In sum, we found no evidence that Bolden or Marathon received a present or promised financial benefit as a result of Bolden's call. We also found that the information Bolden received from Marathon did not cause him to withhold funding to the OMEGA project or to direct that the proposed MOU with the Navy be abandoned.

We concluded that Bolden's contact with Marathon regarding OMEGA did not violate Federal laws or regulations pertaining to conflicts of interest. However, we found that the contact was not consistent with the Ethics Pledge he had signed as an Administration appointee and raised concerns about an appearance of a conflict of interest involving the NASA Administrator and a large oil company with which he has financial ties.

When interviewed by the OIG about this matter, Bolden readily acknowledged that he had erred in contacting Marathon. Bolden said he has since recused himself from issues involving OMEGA and has received supplemental ethics training.

In a related matter also discussed in our report, we disagreed with the determination made by NASA attorneys that it was not necessary to report Bolden's contact with Marathon to the OIG.

Alleged Ethics Violation by the NASA Administrator Involving Marathon Oil Corporation (September 20, 2010)

<http://oig.nasa.gov/investigations/OMEGA-Report.pdf>

OIG Review of Constellation Program Manager Reassignment

The OIG reviewed NASA's decision to remove Jeffrey Hanley from his position as manager of the Constellation Program. Our review was initiated by a request from the Chairman and Ranking Member of the Senate Committee on Commerce, Science, and Transportation.

On May 26, 2010, NASA removed Hanley as manager of the Constellation Program and reassigned him to the newly created position of Associate Director of Strategic Capabilities at Johnson Space Center. At the time of Hanley's removal as the Constellation Program's manager, the President's FY 2011 budget request proposed canceling Constellation in favor of a different approach to human space exploration. However, NASA's FY 2010 appropriation had language preventing the Agency from taking steps to terminate the Constellation Program without congressional approval.

The OIG review found that Hanley's reassignment was a management decision made by Douglas Cooke, Associate Administrator for Exploration Systems, with the concurrence of NASA Administrator Bolden and was taken in response to actions by Hanley that led senior NASA leadership to believe he could no longer effectively lead the Constellation Program during a period when the President was seeking to cancel it in the face of significant congressional opposition.

We found no evidence to suggest that Hanley was reassigned in order to delay or thwart execution of activities under the Constellation Program or to preclude Congress's ability to consider alternatives to the Administration's plan for NASA. Our review also found no evidence that Hanley's reassignment was in reprisal for any statements made by him, nor did Hanley claim his transfer was retaliatory.

The OIG provided the results of its review to the Chairman and Ranking Member in a July 13, 2010, letter.

OIG Review of Constellation Program Manager Reassignment

<http://oig.nasa.gov/Hanley.pdf>

Space Operations and Exploration

Space operations and exploration is one of NASA's most highly visible activities. During this reporting period, the OIG issued two audit reports and began work on three others focusing on this important aspect of NASA's mission. In addition, our investigative efforts led to the recovery of a plaque containing a Moon rock that had been missing since the 1970s.

Review of NASA's Tracking and Data Relay Satellite System (TDRSS)

TDRSS provides tracking, data, voice, and video services to the International Space Station, the Space Shuttle, NASA's space and Earth science missions, other Federal agencies, and commercial users such as The Boeing Company and Lockheed Martin Commercial Launch Services.

TDRSS is composed of two segments—ground and space. The ground segment consists of stations in New Mexico, Guam, and Maryland that provide command and control services for the entire TDRSS network. The ground system also provides telecommunication services between low Earth orbiting spacecraft and user control centers, thereby eliminating the need for many of the worldwide ground stations previously used for tracking such spacecraft. The space segment consists of eight Tracking and Data Relay Satellites (TDRS) in geosynchronous orbits around Earth to provide global coverage.

NASA's TDRSS satellites are aging and need to be replaced. NASA launched the first TDRSS satellite, TDRS-1, in 1983, and the newest, TDRS-10, in 2002. NASA predicts that unless replacements are launched for the satellites nearing the end of their useful lives, there could be insufficient tracking capability to support NASA, other Government, and non-Government missions as early as 2011. In December 2007, NASA entered into a \$696 million contract with Boeing Satellite Systems to develop two new satellites, TDRS K and L. In addition, in October 2003, NASA awarded a \$185.2 million core contract, with a maximum value of \$600 million, to Honeywell Technologies Solutions, Inc., for continuous operations and monitoring of the space communications network and for the detection, reporting, isolating, and resolution of anomalies in network systems, interfaces, and services.

This audit examined whether NASA had effectively managed the TDRSS Program to accomplish its technical objectives while meeting established milestones and controlling costs. Prior to initiating the audit, we received an allegation that Boeing had submitted a low bid in order to obtain the TDRS contract and subsequently had increased the satellites' cost through contract modifications. As part of this audit, we assessed the merit of this allegation.

The OIG review found that development of TDRS K and L is on schedule and meeting its planned budget. In addition, project managers have implemented risk and earned value management processes to monitor and mitigate programmatic risks. NASA also effectively administered the TDRSS development and support service contracts.

We found, however, that NASA had not revised the reimbursable rates it charges TDRSS customers since 2006 and that current NASA officials did not know what factors had been used to formulate the 2006 rates. Therefore, NASA does not know, and we could not determine, whether the rates NASA was charging its customers at the time of our audit were appropriate or reasonable. We also found a difference in the way financial managers billed classified and nonclassified TDRSS customers and that the office responsible for collecting fees from nonclassified users did not have an internal control procedure to provide for continuity of operations. Consequently, when the resource analyst responsible for handling nonclassified reimbursable payments was absent from the office for an extended period, customers were not billed in a timely manner, resulting in a loss of funds to NASA. For example, in 2009 NASA wrote off \$385,000 that had not been timely billed to a customer who later became insolvent.

We recommended that NASA update the reimbursable rates it charges TDRSS users, ensure that the factors constituting the reimbursable rate formula are documented and consistently applied, and ensure that corrected rates and other updated policies and processes are reflected in the Code of Federal Regulations (C.F.R.). In addition, to ensure user reimbursements to NASA are accurate and appropriately tracked, we recommended that the office responsible for collecting fees from nonclassified users enhance its internal control procedures to provide for continuity of operations.

NASA concurred with our recommendations and stated that it will update the algorithm used to calculate rates. In addition, the Agency agreed to review the applicable C.F.R. provision to determine whether it is still needed and, if so, that it reflects current TDRSS operating procedures and rates. With regard to our recommendation regarding ensuring continuity of operations, NASA noted that the lack of timely billing we identified was related to an employee's unexpected medical absence and stated that NASA has since added staff and will document the step-by-step process for the handling of reimbursable accounts so that any future unexpected employee absence will not cause a similar disruption. NASA also stated that it will develop a common billing process for both classified and nonclassified projects.

Finally, we did not substantiate the allegation against Boeing. We found that NASA selected Boeing following an open competition in which NASA received two proposals, and the only modification to the contract occurred in June 2010 when NASA changed contract requirements, thereby increasing contract costs.

Review of NASA's Tracking and Data Relay Satellite System (IG-10-023, September 21, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-023.pdf>

Oversight of Astronauts' Health Care

This audit assessed NASA's implementation of recommendations to improve the medical and behavioral health care provided to the Astronaut Corps made in three previous internal and external reviews. The three reviews were initiated in response to the arrest of a NASA astronaut in February 2007 for personal actions that were the subject of criminal charges. The first review, performed by Johnson Space Center between February and June 2007, included recommendations to improve Johnson's behavioral health care services for NASA astronauts. A committee of Federal behavioral health care and aerospace medicine specialists commissioned by the NASA Administrator performed the second review, which focused on Johnson's overall astronaut health care program. The third review, by NASA's Office of Safety and Mission Assurance in July 2007, focused on allegations of alcohol misuse by astronauts.

We assessed whether NASA Headquarters and Johnson Space Center had taken corrective actions that met the intent of the recommendations in the three reviews. We determined that NASA had taken steps to implement 36 of the 39 recommendations. However, NASA had not addressed a recommendation to implement a NASA-wide alcohol testing program because no NASA official had been assigned responsibility. Additionally, NASA had not addressed a recommendation to include astronauts in NASA's Personnel Reliability Program because the program had been suspended. Finally, NASA was unable to take action on the remaining recommendation to fully integrate behavioral health information derived from psychological testing evaluations into the final selection process of astronaut candidates if the information is found to be useful. Although NASA hired nine astronaut candidates in May 2009 using psychological testing evaluations in their selection, NASA officials said they could not yet determine whether the behavioral health information they used was helpful because the candidates have not yet successfully completed the training and evaluation period prior to becoming an astronaut.

NASA's Astronaut Corps: Status of Corrective Actions Related to Health Care Activities (IG-10-016, July 6, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-016.pdf>

NASA Agrees to Improve Policy Related to the Use of the Metric System

As reported in our March 31, 2010, Semiannual Report, we examined the Constellation Program's request for an exception to NASA's policy requiring use of the metric system in Agency programs. We concluded that the request did not clearly meet NASA criteria for granting an exception and that NASA had not considered the long-term impact of exception decisions on future NASA projects. We also found that NASA's written policy directing use of the metric system in Agency programs is deficient in several respects.

NASA management generally concurred with our recommendations and said that on future projects it would require a non-quantitative discussion of the costs and benefits of using the metric system; ensure that projects are evaluated for their ability to implement the metric system; and engage the Department of Defense (DOD), the Federal Aviation

Administration, the Aerospace Safety Advisory Panel, and others in a long-term metric system implementation strategy. However, management did not adequately address our concerns that the policy should be revised to clearly define exception criteria and to fully comply with Federal law and Executive Orders. Therefore, we requested additional comments from the Chief Engineer.

In supplemental comments provided in April 2010, the Chief Engineer said he would ensure that the more detailed requirement language of NASA Policy Directive (NPD) 7120.4D, “NASA Engineering and Program/Project Management Policy,” is included in the next revision of NASA Procedural Requirements (NPR) 7120.5, “NASA Space Flight Program and Project Management Requirements,” to more clearly delineate the steps a program or project needs to take when requesting an exception to using the metric system.

Review of the Constellation Program’s Request to Discontinue Using the Metric System of Measurement (IG-10-011, March 29, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-011.pdf>

Addendum (IG-10-011-a, May 3, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-011-a.pdf>

Moon Rock Plaque Recovered

During this reporting period, OIG investigators recovered a Moon rock plaque (pictured below) that had been missing since the 1970s. The plaque had been intended for delivery by a U.S. diplomat to the people of Cyprus as a gift when hostilities broke out in that country. The plaque had remained in the custody of the diplomat until his death and was recovered from his son.



Ongoing Audit Work

Development and Implementation of NASA's Safety and Human-Rating Requirements for the Commercial Space Industry

The OIG is examining NASA's development of human-rating standards for commercial vehicles and will evaluate how commercial space transportation providers intend to implement NASA's safety and human-rating requirements.

NASA's Acquisition of Commercial Launch Services

This review is evaluating whether NASA's Launch Services Program, through its implementation of NASA Launch Services contracts, acquired expendable launch vehicles within costs and timeframes established by the contracts. The review team also is examining whether NASA's acquisition strategy for post-2010 expendable launch vehicle procurements is cost-effective and the most advantageous to the Government.

Disposition of Space Shuttle Property

The Space Shuttle Program uses 654 facilities valued in excess of \$5 billion and equipment worth more than \$12 billion dispersed across numerous Government and contractor facilities. Upon retirement of the Space Shuttle Program, NASA will need to process approximately 1.2 million line items of excess Shuttle personal property, including the Space Shuttles, processing equipment, spare parts, and IT equipment. This audit is examining whether NASA has implemented effective controls over the disposition of this property.

Acquisition and Project Management

Effective contract and project management are critical to NASA's ability to achieve its overall mission and have been a long-standing challenge for the Agency. In its completed and ongoing audit work, the OIG has focused attention on these areas to help ensure that NASA is paying contractors in accordance with contract terms and is receiving what it paid for. In addition, our investigators continue to uncover fraud and unethical conduct related to NASA contracts.

Review of Microgravity Services

We examined the performance of Zero Gravity Corporation (Zero G), a private company hired by NASA to provide reduced gravity flights for NASA research, engineering, and astronaut training. We found that Zero G has provided inconsistent levels of microgravity flight services and concluded that NASA should revise the contract's performance-based payment structure to motivate Zero G to provide more consistent, high-quality microgravity flights. We also found that NASA had not implemented a risk management plan that adequately identified and mitigated risks associated with the possibility of

Zero G not providing NASA with microgravity flight services in the future. In addition, the review found that NASA's payments to Zero G of approximately \$2 million over a 2-year period were in accordance with the contract terms, with the exception of a \$23,000 overpayment that was due to math errors.

We recommended that NASA negotiate a revised performance-based payment structure to provide greater incentives for Zero G to deliver more consistent, high-quality microgravity flight services; develop a risk management plan for meeting NASA's microgravity flight needs if Zero G is unwilling or unable to do so; and implement additional controls to detect and prevent errors when calculating payments to contractors. NASA generally agreed with the recommendations.

Review of NASA's Microgravity Flight Services (IG-10-015, June 18, 2010)
<http://oig.nasa.gov/audits/reports/FY10/IG-10-015.pdf>

NASA's Payment for Audit Support

NASA paid \$12,019 to United Launch Alliance (ULA) for costs associated with ULA supporting an OIG audit of NASA's export control program. We concluded that NASA should not have approved the payment to ULA because the contract with ULA requires it to support oversight activities at no additional cost. Although this review focused on one contract, the issue of NASA approving a payment for contractor costs associated with support of OIG work may have broader applicability across other NASA contracts. We recommended that NASA recover the amount paid to ULA through direct reimbursement or offset of a future payment and provide contracting officers training to familiarize them with the OIG's oversight function and with contract clauses that require NASA contractors to cooperate with oversight organizations during the performance of their contracts. NASA's Assistant Administrator for Procurement did not concur with our recommendation to recover the money, stating that he believed the support provided to the OIG by ULA was "beyond the intent of the parties."

We believe the costs ULA incurred while cooperating with the OIG audit are part of the cost of doing business as a Government contractor and that NASA erred in making the payment. However, given the modest dollar amount at issue, we do not expect NASA to undertake litigation to recover the amount paid. Accordingly, we closed our recommendation but continue to urge NASA to recognize and reinforce the underlying general principle that contractors have a duty to assist with OIG reviews without receiving additional reimbursement from NASA.

Review of NASA's Payment of Task Order 389 to United Launch Alliance (IG-10-010, June 1, 2010)
<http://oig.nasa.gov/audits/reports/FY10/IG-10-010.pdf>

Review of Open Recommendations with Recovery Act Implications

Our review identified 13 open audit recommendations in program areas under which funds from the American Recovery and Reinvestment Act of 2009 are authorized and found that NASA had taken steps to implement corrective actions for the recommendations that could potentially affect programs and projects receiving Recovery Act funds. Corrective actions in response to 6 of the 13 open recommendations had been fully implemented, and NASA was awaiting verification and closure by the appropriate audit agency. At the time of our report, corrective actions in response to three NASA OIG recommendations were partially complete. However, as of September 30, 2010, the Agency had completed all actions and had submitted documentation for review and closure of the recommendations. For the remaining four recommendations, NASA officials were still determining whether corrective action was needed. We recommended that NASA reach a decision quickly on these recommendations to ensure that the identified weaknesses do not affect the use of Recovery Act funds. NASA's Recovery Act Implementation Executive stated that the Agency concurred with the observations in our report.

Final Memorandum on Review of Open Audit Recommendations Affecting Recovery Act Activities (IG-10-014, May 20, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-014.pdf>

Former NASA Chief of Staff Pleads Guilty to Conspiracy

In September 2010, a former NASA Chief of Staff pleaded guilty to a felony conspiracy charge in the U.S. District Court, Southern District of Mississippi. In 2005, the former Chief of Staff conspired with the NASA Deputy Chief Engineer of Programs to steer approximately \$600,000 in NASA funds to one of the Chief of Staff's clients, Mississippi State University (MSU), which then used those funds to pay for a \$450,000 subcontract with the Chief of Staff's consulting business. The former Chief of Staff and the Deputy Chief Engineer agreed that the Deputy Chief Engineer would work on the subcontract after he left NASA. The former Chief of Staff received over \$287,000 on the subcontract and admitted to inflating hours billed and falsifying invoices to MSU. He further admitted to sending two false quarterly reports to MSU in August of 2005. In furtherance of the conspiracy, he also requested that senior Government officials use their influence to stop the NASA OIG from investigating his activities. The former Chief of Staff also admitted that he created false documents in response to a Federal Grand Jury subpoena. Sentencing is scheduled for November 2010.

Former NASA Deputy Chief Engineer Sentenced

A former NASA Deputy Chief Engineer was sentenced in the U.S. District Court, Southern District of Mississippi, in September 2010 to 3 years of probation, ordered to pay \$87,753 in restitution, and fined \$5,000. The sentencing was the result of the Deputy Chief Engineer's November 2009 guilty plea to violating conflict of interest laws in connection with his use of \$1.5 million in NASA discretionary funds to initiate

several studies that financially benefited himself and others, including the former NASA Chief of Staff discussed previously.

NASA Contractor Agrees to Pay \$3 Million in Civil Settlement

As a result of an OIG investigation, a contractor agreed to pay NASA almost \$3 million to resolve false claims allegations arising out of a fee dispute. The OIG found that, contrary to Federal Acquisition Regulation, the contractor had continued to bill NASA under the terms of a pre-merger subcontract after it had merged with one of its subcontractors. The Defense Contract Audit Agency (DCAA) assisted with our investigation.

Contractor Pays \$2.85 Million Civil Settlement

A contractor that provided preventive maintenance on mission-essential facilities, systems, and equipment used in direct support of Space Shuttle and rocket launches agreed to pay a civil settlement of \$2.85 million to the Government, of which NASA will receive \$2.13 million. A joint investigation by the NASA OIG, the DCAA Investigative Support Division, and the Air Force Office of Special Investigations found that the contractor failed to perform the required preventive maintenance and submitted false and inflated completion rate metrics and inaccurate launch readiness statements to NASA and the Air Force prior to the July 26, 2005, launch of Space Shuttle Discovery. As a result, the contractor received award fees to which it was not entitled under the terms of its contract.

Contractor Pays Civil Settlement of \$12.5 Million

A contractor responsible for screening and testing parts for NASA and DOD agreed to pay \$12.5 million to the Government in a civil settlement as the result of a joint investigation by the NASA OIG and the Defense Criminal Investigative Service. The investigation found that the contractor substantially overcharged the Government for commercially manufactured parts that had been incorporated into its products. The contractor failed to properly screen and test the component parts to ensure they met NASA and DOD requirements and had inappropriately charged NASA the higher rates associated with military-grade parts.

NASA Contractor Settles Dispute

A NASA security services contractor agreed to a \$650,000 settlement related to unallowable costs it had charged as overhead during the performance of NASA, Department of Energy, and DOJ contracts.

Former Contractor Employees Enter Pretrial Diversion Programs

Four former contractor employees who worked in support of the NASA Plum Brook Decommissioning Project entered into pretrial diversion programs after being charged with fraudulently receiving per diem expenses totaling \$347,275. While each of the former contractor employees agreed to pay restitution to NASA as part of their diversion agreements, civil judgments totaling \$178,372 were later levied against two of the employees when they failed to make the agreed-upon restitution.

Contractor Repays Unallowable Overhead Charges

As a result of an OIG investigation, a NASA contractor at Glenn Research Center admitted to charging direct labor costs as overhead on a NASA contract. To date, the contractor has repaid NASA \$782,902 and NASA anticipates receiving additional funds when a pending civil fraud settlement agreement is finalized.

Contractor Refunds Improper Charges and Reduces Current Contract Fee

An OIG investigation determined that a NASA security contractor at Goddard Space Flight Center improperly charged NASA for services it did not provide from 2006 through 2008. The contractor refunded NASA \$155,741 for the improper charges and agreed to a \$20,435 fee reduction for its current contract.

Contractor Pleads Guilty to False Statements

A NASA contractor responsible for providing laptop computers to Agency personnel pleaded guilty in the U.S. District Court, Central District of California, to two counts of false statements for falsely certifying to the Government that its computers had been manufactured in the United States and met specific military standards. The joint investigation that led to this plea was conducted by the NASA OIG, the General Services Administration OIG, the Naval Criminal Investigative Service, the Army Criminal Investigative Command, the Air Force Office of Special Investigations, and the Department of Energy OIG.

Two Businesses and Owners Debarred

Owners of two insurance companies and their businesses were barred from receiving Government contracts after providing a fraudulent surety bond for a construction project at Kennedy Space Center. The owners were debarred for 10 years and the businesses for 3 years.

Ongoing Audit Work

NASA's Management of Its Small Business Innovation Research Grant Program

The OIG initiated this audit in light of recent OIG investigations that identified fraud, waste, and abuse in NASA's Small Business Innovation Research (SBIR) Program and raised questions about the overall effectiveness of the Program's internal controls. The audit is examining the Program's internal controls and whether NASA effectively managed the SBIR Program.

NASA's Development of the James Webb Space Telescope Program

The OIG is assessing NASA's management of the James Webb Space Telescope Program. We are examining whether the Program is meeting its technological objectives while maintaining the established schedule and cost baseline and whether the Program's contingency funding has been adequate. We will also review the Program's administration of contract award fees and use of supplementary funding provided by the Recovery Act.

Earth Science Program's Efforts to Meet the Intent of the National Research Council's 2007 Decadal Survey

NASA relies on the science community to identify and prioritize leading scientific questions and the observations required to answer them. One principal means by which NASA's Science Mission Directorate engages the science community is through the National Research Council. The Council's first decadal survey for Earth science, *Earth Science and Applications from Space: National Imperatives for the Next Decade and Beyond*, completed in January 2007, identified 15 possible space missions for NASA. The first four "Tier 1" missions were identified in the survey for launch from 2010 to 2013 but are now scheduled for launch from 2014 to 2018. Our audit will examine the technological readiness and the adequacy of developmental efforts for the Tier 1 Earth science missions supporting the decadal survey.

NASA's Mars Science Laboratory Project

NASA's next major Mars mission is the Mars Science Laboratory (MSL). MSL was approved to proceed into the development phase in August 2006 and originally scheduled for launch in the fall of 2009. However, technical problems significantly increased costs and delayed the launch to December 2011. NASA's FY 2011 budget request showed that the MSL mission has a life-cycle cost of \$2.35 billion, of which \$1.68 billion is for development costs. This is a 56 percent increase in life-cycle cost and 86 percent increase in development costs from the FY 2007 budget request. Our audit will examine NASA's management of the MSL Project.

National Polar-Orbiting Operational Environmental Satellite System Preparatory Project

The National Polar-Orbiting Operational Environmental Satellite System (NPOESS) Preparatory Project is a joint mission between NASA and the NPOESS Integrated Program Office. The satellite will measure ozone, atmospheric and sea surface temperatures, land and ocean biological productivity, and cloud and aerosol properties. The Project has two goals: to provide a continuation of global weather observations following the Earth Observing System missions Terra and Aqua and to provide a risk-reduction demonstration and validation of critical sensors, algorithms, and ground data processing. Our audit will examine whether NASA is effectively managing the NPOESS Preparatory Project to accomplish its technological objectives while meeting established milestones and controlling costs.

Financial Management

Financial management remains a significant challenge for NASA. During this semiannual reporting period, the OIG continued to assess the Agency's efforts to improve its financial management and made recommendations to assist NASA in addressing identified weaknesses.

Recovery Act Procurement Actions at Johnson, Goddard, Langley, and Ames

We examined 28 Recovery Act-funded procurement actions (contracts, cooperative agreements, and contract modifications) to determine NASA's compliance with Office of Management and Budget (OMB) and NASA guidance. We determined that all 28 actions complied with the OMB guidance. However, three of the procurement actions did not fully comply with NASA guidance governing the use of Recovery Act funds. Specifically, we found that the contract modification files for two actions did not contain all of the supporting documentation to demonstrate that negotiations had taken place between NASA and the respective contractors for the Recovery Act work. In the third procurement action, we found that Ames Research Center procurement staff did not require a contractor to submit an updated schedule of Recovery Act task milestones when it submitted a revised proposal for the award of a cooperative agreement. We recommended that NASA (1) document Recovery Act contract negotiations in writing and include the documentation in the contract file; (2) remind contracting officers of the importance of ensuring that contract negotiations are properly documented; and (3) require grant officers to obtain a schedule of milestones or other documentation to ensure that awardees can be measured against the accountability aspects of the Recovery Act. The Agency concurred with the recommendations and is taking corrective action.

Audit of NASA's Recovery Act Procurement Actions at Johnson Space Center, Goddard Space Flight Center, Langley Research Center, and Ames Research Center (IG-10-017, July 27, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-017.pdf>

Ongoing Audit Work

Audit of NASA's Fiscal Year 2010 Financial Statements

The OIG is overseeing NASA's FY 2010 consolidated financial statement audit performed annually by an independent public accounting firm under contract by the OIG.

Review of Activities Transferred to the NASA Shared Services Center

In 2006, NASA established the NASA Shared Services Center (NSSC) in an effort to consolidate multiple business services and functional areas spread across various NASA Centers into a single location. NASA's goals for the NSSC included providing services at a lower cost while maintaining quality. NASA also expected that the consolidation would allow staff at the Centers to be reassigned to critical mission-related activities. The OIG is reviewing whether human resources, financial management, procurement, and IT activities were transferred to the NSSC timely and whether these transfers allowed staff at the Centers to be redirected to other mission-related activities.

Information Technology

NASA's IT systems are critical to NASA achieving its mission. During this semiannual reporting period, we issued a series of reports that offered suggestions to improve Agency IT security and management controls.

FISMA Review of NASA's IT Security Program

We found that NASA's IT security program had not fully implemented key requirements of the Federal Information Security Management Act (FISMA) needed to adequately secure Agency information systems and data. Of the 29 NASA systems we reviewed, only 7 (24 percent) met FISMA requirements for annual security controls testing and 15 (52 percent) met FISMA requirements for annual contingency plan testing. Of the external systems we reviewed, only 2 of 5 (40 percent) were certified and accredited.

These deficiencies occurred because NASA did not have an independent verification and validation function for its IT security program to ensure its effectiveness. We also found that NASA's Office of the Chief Information Officer (OCIO) had not effectively managed corrective action plans used to prioritize mitigation of IT security weaknesses. This occurred because OCIO did not have a formal policy for managing the plans and did not follow recognized best practices when it purchased an information system intended to facilitate Agency-wide management of IT corrective action plans.

We found that the information system was significantly underutilized (it contained corrective actions plans for only 2 percent of the 29 systems we reviewed) and, therefore, was not an effective tool for managing corrective action plans. After spending more than \$3 million on the system since October 2005, implementation of the software failed. The Agency is currently spending additional funds to acquire a replacement system.

To strengthen NASA's IT security program and ensure that OCIO can effectively manage and correct IT security weaknesses, we recommended that the NASA Chief Information Officer (CIO) (1) establish an independent verification and validation function to ensure that all FISMA and Agency IT security requirements are met; (2) develop a written policy for managing IT security corrective action plans; and (3) adopt industry system acquisition best practices, including documenting detailed requirements prior to system selection, and conduct user acceptance testing before system implementation.

The CIO concurred with our recommendations and stated that NASA will (1) update policy to require independent assessments of IT system security controls to strengthen the verification and validation function by September 30, 2011; (2) develop a policy for managing IT security corrective action plans by May 16, 2011; and (3) develop a policy requiring detailed system requirements be documented prior to system selection by May 16, 2011, and better enforce existing policy requiring user acceptance testing prior to system implementation. We considered the CIO's proposed actions to be responsive to our recommendations. Therefore, the recommendations are resolved and will be closed upon verification that management has completed the corrective actions.

Review of NASA's Management and Oversight of Its Information Technology Security Program (IG-10-024, September 16, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-024.pdf>

Transition to Internet Protocol Version 6 (IPv6)

Internet protocol (IP) is a communications protocol, or set of standard rules, used to transmit data over the Internet. The most widely used protocol supporting the Internet today is IP Version 4 (IPv4), which provides about 4.3 billion IP addresses for use worldwide. Over the last 6 years, the demand for IP addresses has been steadily accelerating due to the expansion of Internet usage and the increasing use of Internet-capable devices such as mobile phones, car navigation systems, home appliances, and industrial equipment. In May 2009, the Architecture and Infrastructure Committee of the Federal Chief Information Officers Council reported that the IPv4 pool of addresses would be exhausted by 2011 or 2012. In anticipation of this, in late 1990 the Internet Engineering Task Force selected IPv6 as the successor to IPv4. IPv6 allows for an exponentially larger pool of addresses and is seen as the only practical and readily available long-term solution to the impending exhaustion of IPv4 addresses. However, without adaptations communications between devices using IPv4 and IPv6 are not compatible. Moreover, successful transition to the new system is complex and requires detailed planning.

In 2005, OMB began issuing guidance to Federal agencies relating to the transition to IPv6. We initiated this audit to evaluate the status of NASA's efforts to address the impending transition from IPv4 to the successor protocol, IPv6.

We found that although NASA had taken preliminary steps to meet OMB requirements for IPv6 transition and integration, no NASA employee was currently assigned to lead NASA's transition efforts and the Agency did not have an updated, complete IPv6 transition plan as required by OMB. This occurred, in part, because the Agency has ample IPv4 addresses to meet its current and future requirements and because the individual who was leading the IPv6 transition effort left NASA in November 2006 and no one had been assigned to replace him. As a result, the Agency did not have adequate assurance that it has considered all necessary transition elements or that the security and interoperability of its systems will not be affected as other Government agencies and entities transition to IPv6. We concluded that even if NASA can continue meeting its own communication needs using IPv4 addresses, it should ensure that its systems are prepared as other Internet users transition to IPv6.

We recommended that the NASA CIO appoint an official to lead and reinvigorate its IPv6 transition planning efforts and ensure that NASA implements key OMB planning requirements. The CIO concurred with this recommendation, stating that her office will appoint an IPv6 lead and that NASA will develop a compliant IPv6 transition plan by March 31, 2011. We considered the CIO's proposed actions to be responsive to our recommendations. Therefore, the recommendations are resolved and will be closed upon verification that management has completed the corrective actions.

Status of NASA's Transition to Internet Protocol Version 6 (IPv6)
(IG-10-022, September 9, 2010)
<http://oig.nasa.gov/audits/reports/FY10/IG-10-022.pdf>

NASA's Monitoring of IT Security Controls

Continuous monitoring of security controls is an essential element of any organization's IT security program. We reviewed processes at four Centers and determined that although NASA requires Agency-wide use of benchmarks for operating system configuration settings for securing Agency computer servers, the four Centers did not have effective processes in place to ensure their computer servers remained securely configured over time. We found that the Agency lacked complete and up-to-date inventories that would increase the effectiveness of an IT security program by providing a means to verify that 100 percent of the computers in the Agency's network are subject to configuration, vulnerability, and patch monitoring.

In order to strengthen the Agency's IT security program, we recommended that NASA's CIO require the Centers to (1) continuously monitor computer server operating system configuration settings and (2) implement a process to verify that vulnerability monitoring includes 100 percent of applicable network devices. The CIO concurred with our recommendation to monitor system configuration settings, but the proposed corrective actions applied to only one server and would not be fully implemented until August 1, 2011. In addition, the CIO partially concurred with our recommendation concerning the monitoring of network devices, stating that it is impossible to ensure 100 percent of applicable devices connected to NASA's networks are monitored for vulnerabilities.

Although we agree that NASA's vulnerability management program may never attain 100 percent coverage of all applicable network devices, we believe the CIO could implement processes to measure the vulnerability scanning coverage of its computer networks and, over time, increase that coverage. We did not consider the CIO's proposed actions adequate to meet the intent of our recommendations, and therefore we requested additional comments.

Audit of NASA's Efforts to Continuously Monitor Critical Information Technology Security Controls (IG-10-019, September 14, 2010)

<http://oig.nasa.gov/audits/reports/FY10/IG-10-019.pdf>

Review of Security Controls on NASA's Mission-Critical Computer Networks

We evaluated the processes for monitoring selected IT security controls on a NASA computer network. Specifically, we assessed whether processes were in place to implement software patches and to identify and remediate technical vulnerabilities. We found that NASA did not adequately protect the mission-critical network from potential security breaches and did not consistently ensure that key IT security controls were monitored. We recommended that the NASA CIO designate a NASA Directorate or Center to immediately establish an oversight process for the network, to include monitoring of systems connected to the network for the presence of critical patches and technical vulnerabilities, and review the IT security programs for all other mission-critical networks to determine whether each contains an effective oversight process. The CIO concurred with our recommendations and in additional comments on our final report outlined specific actions that would be taken and a timeline for when those actions would occur.

Review of the Information Technology Security of [a NASA Computer Network] (IG-10-013, May 13, 2010)

Addendum issued July 1, 2010

<http://oig.nasa.gov/audits/reports/FY10/IG-10-013-summary.pdf>

Continuous Monitoring of NASA IT Networks

We initiated this audit to evaluate the processes for continuously monitoring selected IT security controls on a NASA computer system after another audit revealed that NASA did not adequately protect the network from potential security breaches and did not consistently ensure that key IT security controls were monitored. We found that the Agency had security controls that included security awareness and training of personnel; contingency planning related to safeguarding data, to include file backups and alternative processing sites in case of a disaster; procedures to protect system and information integrity, such as malicious code protection; and comprehensive access controls. However, we found several significant security control weaknesses that could threaten the confidentiality, integrity, and availability of critical information on the system that we reviewed. As a result of the weaknesses we identified, NASA faced increase risk that an attacker could gain access and carry out malicious acts on the Agency's network without being detected.

Our recommendations, if fully implemented, will help remedy the identified weaknesses in the system that we reviewed and can also help identify similar weaknesses on the numerous other systems managed for NASA by the same contractor. The CIO generally concurred with our recommendations to improve security control practices for NASA systems by taking steps to review security plans annually for completeness and eliminate internal control weaknesses related to vulnerability scans, local administrator accounts, installation of unauthorized software, and hardware and software inventories on servers. We considered management's comments to be responsive to our recommendations.

Audit of Cybersecurity Oversight of [a NASA] System (IG-10-018-Redacted, August 5, 2010)
<http://oig.nasa.gov/audits/reports/FY10/IG-10-018-R.pdf>

Civil Judgment against Web-Hosting Company

The U.S. District Court, Northern District of California, ordered a Web-hosting company to pay the Government a \$1.08 million civil judgment stemming from an ongoing criminal investigation by the NASA OIG in cooperation with the Federal Trade Commission. The OIG investigation revealed that the Web-hosting company had recruited, hosted, and actively participated in the distribution of spam, spyware, child pornography, and other forms of malicious Internet activity affecting NASA, other Government agencies, and individuals. The company's computer servers and other assets have been seized and will be sold by a court-appointed receiver.

Former NASA Contractor Employee Pleads Guilty to Possessing Child Pornography

A former NASA Goddard Space Flight Center contractor employee pleaded guilty to possession of child pornography in the U.S. District Court, District of Maryland. The OIG investigation revealed that from May 2009 through at least January 2010 the employee used a NASA computer in his office to connect to Web sites depicting child pornography and to conduct Internet searches for terms associated with child pornography. The former NASA contractor faces a maximum sentence of 10 years in prison. Sentencing is scheduled for November 2010.

Contractor Employee Resigns and Reimburses NASA for Stolen Laptops

Following an OIG investigation into theft of NASA property, an employee of a NASA contractor at Marshall Space Flight Center resigned in lieu of termination and reimbursed NASA for the cost for two stolen laptops. The employee admitted to the theft of the two laptops and reimbursed NASA \$4,398.

JPL Employee Terminated for Accessing Pornography

A Jet Propulsion Laboratory (JPL) employee was terminated after an OIG investigation found that he had repeatedly used his NASA-owned desktop computer over his 7-year employment to view voluminous amounts of adult pornography.

Ongoing Audit Work

NASA's Compliance with FISMA and Agency Privacy Management Requirements for Fiscal Year 2010

FISMA requires Federal agencies to report annually on the effectiveness of their security programs in protecting agency information. Agency inspectors general are responsible for performing independent evaluations of the information security programs and practices of their agency to determine the effectiveness of such programs and practices. The OIG has initiated an audit examining whether NASA established and maintained security programs to protect Agency information that were consistent with FISMA, National Institute of Standards and Technology, and OMB requirements. For our FY 2010 FISMA audit, we adopted a risk-based approach and are reviewing 40 high- and moderate-impact Agency security systems, including systems from all NASA Centers and the NSSC.

NASA's Network Security Infrastructure: Routers, Firewalls, and Intrusion Detection Systems

NASA relies on a series of routers, firewalls, and intrusion detection systems to protect its IT network. This OIG audit is examining whether NASA devices that control the flow of network traffic between the Internet and NASA systems (boundary routers and firewalls) are effectively configured, adequately secured, and properly defended against Internet-based intrusions.

Other Audit and Investigative Matters

Management of Government Vehicles at JPL

We conducted a review of the General Services Administration (GSA) vehicle Fleet Management Program at JPL at the request of the NASA Management Office (NMO). The request stemmed from a case at JPL in which a NASA employee improperly used a Government vehicle for personal business on a continuing basis for at least 2 years without his supervisor's knowledge. The employee drove the Government vehicle an average of 40,000 miles per year, yet only about 5,000 miles were documented as being for official use. This misuse raised questions about management of the vehicle fleet by the California Institute of Technology (Caltech), which operates JPL for NASA.

We found that Caltech fleet management did not enforce the requirement that all employees submit proper authorization forms for vehicle use; instead, they accepted other control mechanisms, such as work orders and project task numbers, which did not provide assurance that vehicle usage was adequately tracked, accurately accounted for, and appropriately supervised. We also found that Caltech's procedural controls did not include a formal authorization process for temporary use of vehicles and that Caltech did not have adequate procedures to consistently evaluate, justify, and account for the use of vehicles assigned on a long-term or permanent basis. In addition, we found that the mileage usage rates for approximately 78 percent of the Caltech GSA vehicle fleet were less than the minimum rate specified in GSA guidelines, indicating that Caltech had more vehicles than it needed and that NASA was paying for more vehicles than Agency work required.

Further, we found that the NMO could improve its oversight of the JPL Fleet Management Program. For example, none of NASA's fleet vehicle program requirements are incorporated in the prime contract between NASA and Caltech. The lack of contractual requirements limits the NMO's authority to provide adequate program oversight.

To improve the controls over vehicle use at JPL, we recommended that NASA modify the JPL prime contract to include NASA policies relating to fleet management. We also recommended that the NMO conduct annual reviews to ensure that Caltech is effectively managing the Fleet Management Program in accordance with NASA's policies. Management agreed with our recommendations.

Final Memorandum on the Office of Inspector General's Review of the Fleet Management Program at the Jet Propulsion Laboratory (IG-10-021, August 23, 2010)
<http://oig.nasa.gov/audits/reports/FY10/IG-10-021.pdf>

Guilty Plea for Attempt to Illegally Obtain Propulsion Technology

A New Jersey man pleaded guilty to attempting to export an RD-180 rocket propulsion system and technology to the Republic of South Korea without a license. The guilty plea was the result of a joint investigation by the NASA OIG, Immigration and Customs Enforcement, and the Defense Criminal Investigative Service. The individual was previously charged in the U.S. District Court for the Southern District of Florida on five counts of violating the Arms Export Control Act and one count of violating Missile Technology Control Regime guidelines. The charges arose when the individual sought to purchase and illegally export technology related to a rocket motor. Sentencing is scheduled for October 2010.

Government Employee Sentenced for False Claims

Following an OIG investigation, a NASA employee at Glenn Research Center pleaded guilty to one count of making a false claim for submitting falsified travel vouchers that resulted in his receiving \$114,169 in overpayments. The U.S. District Court for the Northern District of California sentenced the employee to 6 months in a halfway house, 6 months of home confinement with electronic monitoring, and 3 years of probation. In addition, the court ordered the employee to pay \$110,503 in restitution and a \$5,000 fine.

Government Employee Sentenced for Theft

As a result of an OIG investigation, the former operations manager of the NASA Exchange at Ames Research Center pleaded guilty to one count of theft. The manager used Exchange checks and credit cards to pay for personal expenses totaling \$103,935. In September 2010, the U.S. District Court for the Northern District of California sentenced the former employee to 3 years of probation and ordered her to pay NASA \$95,058 in restitution.

Two FAA Employees Sentenced for Stealing Government Computers

As a result of a joint investigation by the GSA OIG, NASA OIG, and other law enforcement organizations, two employees of the Federal Aviation Administration (FAA) were sentenced for their roles in a scheme to steal excess Government property. The first employee, who was found guilty of mail fraud, wire fraud, and unlawful monetary transactions, was sentenced to 54 months in prison and was ordered to pay \$67,993 in restitution. The second employee, who pleaded guilty to wire fraud and devising a scheme to defraud, was sentenced to 42 months in prison and ordered to pay \$186,619 in restitution. In addition to stealing excess Government property that included boats and a Cessna airplane, the two former employees fraudulently obtained at least 20 and possibly up to 76 excess Government computers from NASA via GSAXcess.gov by falsely certifying that the equipment was to be used for official FAA business when, in fact, they sold the equipment in San Bernardino County, California, for personal gain.

Historic Training Glove Recovered

A NASA OIG investigation led to the recovery of a glove used by Buzz Aldrin to prepare for Apollo 11 (pictured below). The investigation found that an employee of the visitor's information center at Kennedy Space Center was inappropriately given the glove by a former supervisor and never returned it to the Center. Aldrin served as the lunar module pilot for Apollo 11—the first manned lunar landing mission. Aldrin followed Neil Armstrong onto the Moon on July 20, 1969, spending 2 hours and 15 minutes on the lunar surface.



Former Human Resources Specialist Sentenced for Ethics Violations

A former NASA human resources specialist and co-op program coordinator was sentenced to 1 year of probation that included 30 days of home confinement and fined \$5,000 after pleading guilty to a conflict of interest charge of committing acts affecting a personal financial interest. This OIG investigation determined that the former employee used her official position to secure and advance her husband's employment at Langley Research Center.

Former NASA Employee Pleads Guilty to Making False Statements

A former NASA employee pleaded guilty to making false statements by entering false information into the computer system for the Marshall Space Flight Center visitor's center in order to improperly grant access to private investigators from the employee's family's business. The persons wrongly granted access were conducting surveillance operations that had nothing to do with NASA business and would not have been granted access to the Center without the falsifications made by the employee. The former NASA employee is scheduled to be sentenced in the U.S. District Court, Northern District of Alabama, in November 2010.

Former Contractor Employee Pleads Guilty to Theft

A former NASA contractor employee pleaded guilty for thefts he committed at Johnson Space Center. The employee admitted to stealing an Omega watch used by astronauts, a Sally Ride NASA flight suit, and various space vehicle parts. The former contractor is scheduled to be sentenced in the U.S. District Court, Southern District of Texas, in November 2010.

Former Contractor Employee Enters Pretrial Diversion Program

A former contractor employee with administrative support duties at Johnson Space Center entered a pretrial diversion program with the State of Texas after being charged with theft for improperly purchasing office supplies, camera equipment, and other electronic equipment using a contractor-provided procurement credit card.

Former Contractor Employee Convicted of Theft

A former NASA contractor employee pleaded guilty to one count of theft of property from Marshall Space Flight Center for stealing tools and toolboxes. Sentencing in the U.S. District Court, Northern District of Alabama, is scheduled for January 2011.

Ongoing Audit Work

NASA's Deferred Maintenance Projects

The OIG is evaluating NASA's efforts to effectively select and fund maintenance projects to reduce NASA's deferred maintenance backlog. NASA is the ninth largest Federal Government property holder, controlling a network of facilities such as buildings, launch pads, test stands, communication towers, roads, other structures, and collateral equipment to house and support Agency research, development, and flight activities. In FY 2009, NASA reported that it spent approximately \$283.4 million to maintain and repair NASA facilities, while its FY 2009 deferred maintenance was estimated to be approximately \$2.55 billion. The OIG is examining whether NASA Centers appropriately communicated funding priorities and needs in the budget process and accurately captured costs associated with maintenance and repair activities in a consistent manner. Further, the OIG is determining whether NASA complied with Federal and Agency requirements, including a congressional directive to develop a plan to reduce its maintenance backlog.

Administration and Management of NASA's Grant Program

NASA awards grants to facilitate research and development projects (research grants); to fund scholarships, fellowships, or stipends to students, teachers, or other faculty (training grants); to fund educational research performed by educational institutions or other non-profit organizations (educational grants); and to provide for the acquisition, construction, use, maintenance, and disposition of facilities (facilities grants). In FY 2009, NASA awarded a total of \$606.6 million in research, training, educational, and facilities grants. The OIG is reviewing whether the approximately \$3.05 billion in NASA grant funds from October 2007 through March 2010 are being used as intended and in compliance with laws and regulations. Specifically, our audit will determine how NASA is administering grants and whether grant recipients are accomplishing the stated goals and objectives of the grants. Further, the OIG will determine whether costs claimed under the grants are allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and grant terms and conditions.

NASA's Tuition Reimbursement Program

The OIG is examining NASA's Tuition Reimbursement Program to determine how many employees, both civil servants and contractors, are receiving NASA-sponsored tuition reimbursement and whether degrees attained through this program are received through accredited universities and are linked to the Agency mission. Further, the OIG will examine whether employees are fulfilling service agreements after receiving this tuition assistance.

NASA's Management of Real Property Assets

NASA manages more than 360,000 acres of real property and owns more than 100,000 of those acres. It has approximately 5,400 buildings and other structures totaling more than 44 million square feet of diverse real property assets, including commercial office buildings, warehouses, testing laboratories, wind tunnels, launch pads, roads, and utilities located throughout the world. In total, this real property is valued at more than \$23 billion. NASA's January 2008 "Real Property Asset Management Plan" indicates that approximately 10 to 50 percent of NASA's warehouses and 30 to 60 percent of its laboratories were underused. Our audit will determine whether NASA is efficiently managing its real property assets and maintaining an appropriate number of facilities and infrastructure required by NASA programs.

LEGAL ISSUES

Whistleblowing

During this reporting period, we submitted a Report of Findings to the Administrator on a complaint of whistleblower retaliation. An employee of a NASA contractor alleged that he had been terminated from employment for making a disclosure of fraud in connection with the performance of a NASA contract. However, we found that he was terminated for work-related negligence that resulted in damage to an aircraft, not for whistleblowing disclosures.

Office of Government Ethics (OGE) National Ethics Conference

OIG Legal staff presented a session at the OGE National Ethics Conference in May 2010. Legal staff discussed criminal conflict of interest cases at NASA and the interplay between criminal investigations and disciplinary proceedings for administrative misconduct.

Inspector General Academy

OIG Legal staff presented a session on administrative remedies, OIG subpoenas, and advice of rights at the Inspector General Academy refresher training during this reporting period.

REGULATORY REVIEW

During this reporting period, the OIG reviewed and commented on 27 NASA directives and regulations, including 2 that subsequently were withdrawn. The following issues were of particular interest to the OIG.

Property, Plant, and Equipment and Operating Materials and Supplies

NPR 9250.1B provides the financial management requirements for the identification, valuation, recognition, and reporting of capitalized property, plant, and equipment and operating materials and supplies. The Office of the Chief Financial Officer agreed to our suggested changes on reporting heritage assets required by Statement of Federal Financial Accounting Standards (SFFAS) No. 29.

NASA Exchange and Morale Support Activities

NPD 9050.6J is the latest revision of the policy directive that explains the purpose and operating parameters of NASA's employee exchanges. We suggested that NASA include the requirement that the entire balance of an exchange's demand and time deposits must be federally insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable. In addition, in cases where an exchange's deposits exceed insured limits, the exchange should be required to arrange for the financial institution to pledge eligible collateral to secure the uninsured amount. We also suggested that NASA provide more guidance to the exchanges to "[g]enerate revenues or in-kind assistance through advertising or commercial sponsorships, provided the exchange makes no endorsement." NASA agreed to revise the NPD as we suggested.

OUTREACH ACTIVITIES

During this reporting period, the OIG engaged in a number of outreach activities that involved coordinating with the Agency, other OIGs, and other Federal agencies.

- The Assistant Inspector General for Audits (AIGA), Deputy AIGA, and Audit Operations and Quality Assurance staff held numerous meetings at NASA Headquarters and the various Centers to gather input from stakeholders on issues, concerns, areas of interest, future directions, and other topics that will have a bearing on the development of the Office of Audits (OA) Strategic Plan. These meetings, conducted between April and June 2010, consisted of discussions and brainstorming sessions to help OA's Strategic Planning Team gain a better understanding of the issues and challenges faced by the Agency, develop an accurate audit universe, and address NASA and external stakeholder audit-related issues and concerns.
- In April 2010, OA staff participated in a discussion with a representative of the Federal Accounting Standards Advisory Board (FASAB) Task Force established to expand existing guidance on Deferred Maintenance and Asset Impairment. The discussion included areas of Federal reporting (e.g., Required Supplementary Information) on deferred maintenance, areas for possible enhancement or improvement, and leveraging data currently being collected and reported in order to avoid unnecessary duplication.
- Also in April 2010, OA's Director for Financial Management attended the Single Audit Roundtable at KPMG's offices in Washington, D.C. Representatives from the American Institute of Certified Public Accountants, OMB, other Federal OIGs, other Government and not-for-profit entities, the Federal Audit Clearinghouse, and independent public accountants met to discuss current issues and to share ideas and practices involving single audits.
- In July 2010, an OA Financial Management Directorate project manager began participating as a member of a working group composed of members from other Federal OIGs and the Government Accountability Office (GAO) to update the GAO/PCIE Financial Audit Manual, Volumes I and II (dated July 2008) and Volume III (dated August 2007).*
- The Deputy Assistant Inspector General for Investigations, the Director of OA's Science and Aeronautics Research Directorate, and the OA statistician attended a working group on "Fraud in the Small Business Innovation Research (SBIR)" co-sponsored by the NASA and National Science Foundation OIGs. The September 1 meeting examined progress on preventing and detecting fraud in the SBIR Program.

*The President's Council on Integrity and Efficiency (PCIE) has been renamed the Council of the Inspectors General on Integrity and Efficiency (CIGIE) since the Financial Audit Manual's last update.

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Appendix A. Inspector General Act Reporting Requirements

INSPECTOR GENERAL ACT CITATION	REQUIREMENT DEFINITION	CROSS-REFERENCE PAGE NUMBER(S)
Section 4(a)(2)	Review of Legislation and Regulations	34
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	7–32
Section 5(a)(2)	Recommendations for Corrective Actions	7–32
Section 5(a)(3)	Prior Significant Audit Recommendations Yet to Be Implemented	42–43
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	45
Sections 5(a)(5) and 6(b)(2)	Summary of Refusals to Provide Information	None
Section 5(a)(6)	OIG Audit Products Issued—Includes Total Dollar Values of Questioned Costs, Unsupported Costs, and Recommendations that Funds Be Put to Better Use	40–41
Section 5(a)(7)	Summary of Significant Audits and Investigations	7–32
Section 5(a)(8)	Total Number of Reports and Total Dollar Value for Audits with Questioned Costs	43
Section 5(a)(9)	Total Number of Reports and Total Dollar Value for Audits with Recommendations that Funds Be Put to Better Use	None
Section 5(a)(10)	Summary of Prior Audit Products for which No Management Decision Has Been Made	None
Section 5(a)(11)	Description and Explanation of Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with which the Inspector General Disagreed	None
Section 5(a)(13)	Reporting in Accordance with Section 5(b) of the Federal Financial Management Improvement Act of 1996 Remediation Plan	None

Appendix B. Statistical Information

During the period April 1 through September 30, 2010, the Office of Audits issued 17 products, including two addendums and three initial reviews.

Table 1: Audit Products and Impact

REPORT NO./ DATE ISSUED	TITLE	IMPACT
Audit Area: Space Operations and Exploration		
IG-10-011-a 5/3/10	Addendum to the Review of the Constellation Program's Request to Discontinue Using the Metric System of Measurement	Long- and short-term costs and benefits will be evaluated prior to granting exceptions to policy, and NASA will engage other Federal agencies to further metric system implementation.
IG-10-016 7/16/10	NASA's Astronaut Corps: Status of Corrective Actions Related to Health Care Activities	Improved oversight of medical and behavioral health conditions and treatments received from non-NASA sources by astronauts since their last annual NASA examination.
IG-10-023 9/21/10	Review of NASA's Tracking and Data Relay Satellite System	Improvements in internal controls related to TDRSS usage rates and billing could garner income for NASA.
Audit Area: Acquisition and Project Management		
IG-10-010 6/1/10	Review of NASA's Payment of Task Order 389 to United Launch Alliance	Identified costs NASA should not pay to contractors to support OIG audits.
IG-10-014 5/20/10	Final Memorandum on Review of Open Audit Recommendations Affecting Recovery Act Activities	Assurance that NASA had taken appropriate action regarding weaknesses or deficiencies disclosed by prior audits and investigations in program areas under which Recovery Act funds are authorized.
IG-10-015 6/18/10	Review of NASA's Microgravity Flight Services	NASA is taking action to improve the services provided by Zero G. NASA also recovered overpayments on the Zero G contract and is taking actions to improve its payment process.
Audit Area: Financial Management		
IG-10-017 7/27/10	Audit of NASA's Recovery Act Procurement Actions at Johnson Space Center, Goddard Space Flight Center, Langley Research Center, and Ames Research Center	Improved execution of Recovery Act procurement actions, to be in full compliance with the Agency's Recovery Act guidance.
Audit Area: Information Technology		
IG-10-013 5/13/10	Review of the Information Technology Security of [a NASA Computer Network]	Decreased risk to this mission-critical network through improved oversight process, including oversight of patch updates and vulnerability scanning.
IG-10-013-a 7/1/10	Addendum	

Table 1: Audit Products and Impact (continued)

REPORT NO./ DATE ISSUED	TITLE	IMPACT
Audit Area: Information Technology (continued)		
IG-10-018-R 8/5/10	Audit of Cybersecurity Oversight of [a NASA] System (Redacted)	Assurance that NASA will provide better protection for this network, and others, by establishing an adequate oversight process that will include monitoring for current patches and the presence of technical vulnerabilities.
IG-10-019 9/14/10	Audit of NASA's Efforts to Continuously Monitor Critical Information Technology Security Controls	Improvements in internal controls for IT security through increased monitoring.
IG-10-022 9/9/10	Status of NASA's Transition to Internet Protocol Version 6 (IPv6)	Assurance that NASA's systems will be capable of supporting devices using IPv6 addresses.
IG-10-024 9/16/10	Review of NASA's Management and Oversight of Its Information Technology Security Program	Improvements in internal controls for IT security through use of an independent verification and validation function to ensure the effectiveness of IT security.
Audit Area: Other		
IG-10-021 8/23/10	Final Memorandum on the Office of Inspector General's Review of the Fleet Management Program at the Jet Propulsion Laboratory	Identified opportunities for NASA and Caltech to improve internal controls to prevent vehicle misuse and improve cost-effectiveness.
Audit Area: Initial Review		
ML-10-006 7/1/10	Initial Review of the MFR, P.C. Audit of the Johnson Space Center Exchange Financial Statements for the Fiscal Year Ended September 30, 2009	Ensure compliance with generally accepted government auditing standards.
ML-10-007 7/29/10	Initial Review of the Harper, Rains, Knight & Company Audit of the Stennis Space Center Exchange Financial Statements for the Fiscal Year Ended September 30, 2009	Ensure compliance with generally accepted government auditing standards.
ML-10-008 9/10/10	Initial Review of C.G. Uhlenberg LLP Audit Report on the NASA Ames Exchange for the Fiscal Year Ended September 30, 2009	Ensure compliance with generally accepted government auditing standards.

Table 2: Prior Significant Audit Recommendations Yet to Be Implemented

REPORT NO./ DATE ISSUED	TITLE	DATE RESOLVED	NUMBER OF RECOMMENDATIONS		LATEST TARGET CLOSURE DATE
			OPEN	CLOSED	
NEW SINCE LAST REPORTING PERIOD					
Audit Area: Space Operations and Exploration					
IG-10-011 3/29/10	Review of the Constellation Program's Request to Discontinue Using the Metric System of Measurement	5/3/2010	3	0	12/31/2010
IG-10-011-a 5/3/10	Addendum				
IG-10-012 3/25/10	Review of NASA's Progress on Retiring the Space Shuttle Program	3/25/2010	1	0	4/1/2011
Audit Area: Financial Management					
IG-10-002 11/13/09	Audit of the National Aeronautics and Space Administration's Fiscal Year 2009 Financial Statements	11/13/2009	8	0	11/30/2010
IG-10-003 11/10/09	Ernst & Young LLP Final Report, "Information Technology Management Letter Comments"	11/10/2009	7	0	11/30/2010
REPORTED IN PREVIOUS SEMIANNUAL REPORTS					
Audit Area: Safety (Managing Risk)					
IG-08-025 9/19/08	[A NASA] Center's Security Program Needed Improvement	9/19/2008	4	4	7/1/2011
Audit Area: Acquisition and Project Management					
IG-09-022-R 9/25/09	NASA Should Reconsider the Award Evaluation Process and Contract Type for the Operation of the Jet Propulsion Laboratory (Redacted)	9/25/2009	7	1	12/31/2012
IG-09-018 7/14/09	Improvements Needed in NASA's Oversight and Monitoring of Small Business Contractor Transfers of Export-Controlled Technologies	7/14/2009	3	1	1/30/2011
IG-09-017 7/27/09	Opportunities to Improve the Management of the Space Flight Awareness Honoree Launch Conference Event	7/27/2009	1	0	1/28/2011
IG-07-029 9/18/07	Audit of NASA Education and Training Grants	9/18/2007	1	4	10/31/2010
Audit Area: Financial Management					
IG-08-005 12/11/07	NASA's Accounting for Capitalized Real Property Designated as Inactive	12/11/2007	4	0	3/31/2011
IG-08-004 12/11/07	NASA's Accounting for Real Property Leased to Other Entities	12/11/2007	4	0	3/31/2011

Table 2: Prior Significant Audit Recommendations Yet to Be Implemented (continued)

REPORT NO./ DATE ISSUED	TITLE	DATE RESOLVED	NUMBER OF RECOMMENDATIONS		LATEST TARGET CLOSURE DATE
			OPEN	CLOSED	
Audit Area: Information Technology					
IG-09-015 4/27/09	NASA's Processes for Providing Personal Identity Verification (PIV) Cards Were Not Completely Effective in Meeting Federal Requirements	4/27/2009	3	3	12/31/2010
IG-08-015-a 6/4/09	Addendum				
IG-07-014 6/19/07	Controls over the Detection, Response, and Reporting of Network Security Incidents Needed Improvement at Four NASA Centers Reviewed	6/19/2007	4	4	2/28/2011
IG-06-007 3/17/06	NASA's Implementation of Patch Management Software Is Incomplete	3/17/2006	1	1	11/15/2010
IG-05-016 5/12/05	NASA's Information Technology Vulnerability Assessment Program	5/12/2005	1	3	3/31/2011
Audit Area: Other					
IG-09-003 11/13/08	Final Memorandum on the Review of NASA Stolen Property at Goddard Space Flight Center and Marshall Space Flight Center	11/13/2008	1	4	9/30/2011

Table 3: Financial Accomplishments Regarding OIG Recommendations

	NUMBER OF AUDIT REPORTS	TOTAL QUESTIONED COSTS
No management decision made by beginning of period	0	0
Issued during period	2	\$35,078
Needing management decision during period	0	0
Management decision made during period		
Amounts agreed to by management	2	\$35,078
Amounts not agreed to by management	0	0
No management decision at end of period		
Less than 6 months old	0	0
More than 6 months old	0	0

Table 4: Status of A-133* Findings and Questioned Costs Related to NASA Awards

Total audits reviewed	32	
Audits with recommendations	4	
Recommendations with questioned costs		
	NUMBER OF RECOMMENDATIONS	COSTS FOR REVIEW
Beginning balance	160	\$8,334,122
Recommendations added during the reporting period	6	\$319,517
Recommendations dispositioned (costs disallowed/questioned costs recovered/sustained)	(48)	(\$6,888,150)
Ending balance	118	\$1,765,489

* OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," requires Federal award recipients to obtain audits of their Federal awards.

Table 5: Legal Activities and Reviews

Freedom of Information Act (FOIA) matters	11
Appeals	0
Inspector General subpoenas issued	61
Regulations reviewed, including two withdrawn	27

Table 6: Investigations Activities**a. Complaint Intake Disposition**

SOURCE OF COMPLAINT	ZERO FILES ¹	ADMINISTRATIVE INVESTIGATIONS ²	MANAGEMENT REFERRALS ³	PRELIMINARY INVESTIGATIONS ⁴	TOTAL
Hotline	50	6	7	18	81
All others	52	13	9	59	133
Total	102	19	16	77	214

¹ Zero files are complaints for which no action is required or that are referred to NASA management for information only or to another agency.

² Administrative investigations include non-criminal matters initiated by OI as well as hotline complaints referred to OA.

³ Management referrals are complaints referred to NASA management for which a response is requested.

⁴ Preliminary investigations are complaints where additional information must be obtained prior to initiating a full criminal or civil investigation.

b. Full Investigations Opened this Reporting Period

Full criminal/civil investigations*	16
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* Full investigations evolve from preliminary investigations that result in a reasonable belief that a violation of law has taken place.

Table 6: Investigations Activities (continued)**c. Cases Pending at End of Reporting Period**

Preliminary investigations	99
Full criminal/civil investigations	119
Administrative investigations	31
Total	249

d. Qui Tam¹ Investigations

Opened this reporting period	2
Pending at end of reporting period ²	13

¹A qui tam is a civil complaint filed by an individual on behalf of the U.S. Government under the civil False Claims Act.

²The number of qui tam investigations is a subset of the total number of investigations opened and pending.

e. Judicial Actions

Cases referred for prosecution	47
Indictments/criminal informations	6
Convictions/plea bargains	11
Sentencing/pretrial diversions	5
Civil settlements/judgments	7

f. Administrative Actions

Recommendations to NASA management for disciplinary action		20
Involving a NASA employee	4	
Involving a contractor firm	3	
Involving a contract employee	13	
Administrative/disciplinary actions taken		17
Against a NASA employee	5	
Against a contractor firm	0	
Against a contract employee	12	
Recommendations to NASA management on program improvements		8
Matters of procedure	7	
Safety issues or concerns	1	
Referrals to NASA management for review and response		7
Referrals to NASA management—information only		10
Referrals to the Office of Audits		2
Referrals to Security or other agencies		13
Suspensions or debarments from Government contracting		4
Involving individuals	2	
Involving contractor firms	2	

g. Investigative Receivables and Recoveries

Judicial	\$21,269,906	
Administrative*	\$6,182,529	
Total	\$27,452,435	
Total to NASA		\$11,717,003

* Includes amounts for cost savings to NASA as a result of investigations.

Defense Contract Audit Agency Audits of NASA Contractors

The Defense Contract Audit Agency (DCAA) provides audit services to NASA on a reimbursable basis. DCAA provided the following information during this period on reports involving NASA contract activities.

DCAA Audit Reports Issued

During this period, DCAA issued 143 audit reports on contractors who do business with NASA. Corrective actions taken in response to DCAA audit report recommendations usually result from negotiations between the contractors and the appropriate Government contracting officer (e.g., the Defense Contract Management Agency and NASA). The cognizant agency responsible for administering the contract negotiates recoveries with the contractor after deciding whether to accept or reject the questioned costs and recommendations for funds to be put to better use. The following table shows the amounts of questioned costs and funds to be put to better use included in DCAA reports issued during this semiannual reporting period and the amounts that were agreed to during the reporting period.

Table 7: DCAA Audit Reports with Questioned Costs and Recommendations that Funds Be Put to Better Use, and Amounts Agreed To^{1,2}

	AMOUNTS IN ISSUED REPORTS	AMOUNTS AGREED TO
Questioned costs	\$24,620,000	\$2,633,000
Funds to be put to better use	\$111,422,000	\$507,249,000

¹ This data is provided to the NASA OIG by DCAA and may include forward pricing proposals, operations, incurred costs, cost accounting standards, and defective pricing audits. Because of limited time between availability of management information system data and legislative reporting requirements, there is minimal opportunity for DCAA to verify the accuracy of reported data. Accordingly, submitted data is subject to change based on subsequent DCAA authentication.

² The data presented does not include statistics on audits that resulted in contracts not awarded or in which the contractor was not successful.

Appendix C. Peer Reviews

The Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law on July 21, 2010, requires OIGs to include in their semiannual reports any peer review results they provided or received during the relevant reporting period. Peer reviews are required every 3 years. In compliance with the Act, we provide the following information.

Review of Office of Audits' Quality Control by the Department of the Treasury

During this semiannual reporting period, the Department of the Treasury OIG conducted a review of OA's system of quality control. A system of quality control encompasses the organizational structure and the policies adopted and procedures established to provide an audit organization with reasonable assurance of conforming to standards described in GAO's *Government Auditing Standards*, July 2007 Revision (GAO-07-731G). In performing the review, the Treasury OIG tested OA's compliance with its quality control policies and procedures. The review included 14 of 26 audit reports issued from October 1, 2008, through September 30, 2009.

The opinion expressed by the Treasury OIG was that "the system of quality control for the audit organization of NASA OIG in effect for the year ended September 30, 2009, has been suitably designed and complied with to provide NASA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects."

The NASA OIG peer review rating received from Treasury OIG was "pass." Federal audit organizations can receive a rating of "pass," "pass with deficiencies," or "fail." A "pass" rating is issued when the review team finds that the audit agency conforms with applicable professional standards in all material respects.

NASA OIG has no outstanding recommendations related to this peer review.

U.S. Department of the Treasury Office of Inspector General's External Quality Control Review of the NASA Office of Inspector General's Office of Audits (OIG-CA-10-010, June 30, 2010)

http://oig.nasa.gov/audits/reports/FY10/System_Review.pdf

Peer Review of State Department OIG

During this semiannual period, NASA OIG conducted a peer review of the Department of State and Broadcasting Board of Governors Office of Inspector General. The final report had not yet been issued by the close of the reporting period.

Appendix D. Glossary and Acronyms

Glossary

Administrative Investigation. An administrative investigation is an inquiry into allegations of misconduct, wrongdoing, or administrative matters, the results of which could lead to disciplinary action.

Disallowed Cost (the IG Act of 1978 definition). A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.

Investigative Recoveries. Investigative recoveries are the total dollar value of (1) recoveries during the course of an investigation (before any criminal or civil prosecution); (2) court (criminal or civil) ordered fines, penalties, and restitutions; and (3) out-of-court settlements, including administrative actions resulting in non-court settlements.

Investigative Referrals. Investigative referrals are cases that require additional investigative work, civil or criminal prosecution, or disciplinary action. Those cases are referred by the OIG to investigative and prosecutive agencies at the Federal, state, or local level or to agencies for management or administrative action. An individual case may be referred for disposition to one or more of these categories.

Judicial Actions. Investigative cases referred for prosecution that are no longer under the jurisdiction of the OIG, except for cases on which further administrative investigation may be necessary. This category comprises cases investigated by the OIG and cases jointly investigated by the OIG and other law enforcement agencies. Prosecuting agencies will make decisions to decline prosecution; to refer for civil action; or to seek out-of-court settlements, indictments, or convictions. Indictments and convictions represent the number of individuals or organizations indicted or convicted (including pleas and civil judgments).

Latest Target Closure Date. Management's current estimate of the date it will complete the agreed-upon corrective action(s) necessary to close the audit recommendation(s).

Management Decision (the IG Act of 1978 definition). The evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions that management concludes are necessary.

Questioned Cost (the IG Act of 1978 definition). A cost that is questioned by the OIG because of (1) alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Recommendation Resolved. A recommendation is considered resolved when (1) management agrees to take the recommended corrective action, (2) the corrective action to be taken is resolved through agreement between management and the OIG, or (3) the Audit Follow-up Official determines whether the recommended corrective action should be taken.

Recommendation that Funds Be Put to Better Use (the IG Act of 1978 definition).

A recommendation by the OIG that funds could be more efficiently used if management took actions to implement and complete the recommendation, including (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee; (5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (6) any other savings that are specifically identified. (Note: Dollar amounts identified in this category may not always allow for direct budgetary actions but generally allow the Agency to use the amounts more effectively in the accomplishment of program objectives.)

Qui Tam. Latin for “who as well.” A lawsuit brought by a whistleblower on behalf of the Government under the civil False Claims Act, where a share of recoveries can be awarded to the whistleblower.

Unsupported Cost (the IG Act of 1978 definition). An unsupported cost is a cost that is questioned by the OIG because the OIG found that, at the time of the audit, the cost was not supported by adequate documentation.

Acronyms

AIGA	Assistant Inspector General for Audits
CIO	Chief Information Officer
DCAA	Defense Contract Audit Agency
DOD	Department of Defense
DOJ	Department of Justice
FAA	Federal Aviation Administration
FASAB	Federal Accounting Standards Advisory Board
FISMA	Federal Information Security Management Act
FOIA	Freedom of Information Act
FY	Fiscal Year
GAO	Government Accountability Office
GSA	General Services Administration
IG	Inspector General
IP	Internet Protocol
IPv4	Internet Protocol Version 4
IPv6	Internet Protocol Version 6
IT	Information Technology
JPL	Jet Propulsion Laboratory
MOU	Memorandum of Understanding
MSL	Mars Science Laboratory
MSU	Mississippi State University
NASA	National Aeronautics and Space Administration
NMO	NASA Management Office
NPOESS	National Polar-Orbiting Operational Environmental Satellite System
NPD	NASA Policy Directive
NPR	NASA Procedural Requirements
NSSC	NASA Shared Services Center

OA	Office of Audits
OCIO	Office of the Chief Information Officer
OGE	Office of Government Ethics
OI	Office of Investigations
OIG	Office of Inspector General
OMB	Office of Management and Budget
OMEGA	Offshore Membrane Enclosure for Growing Algae
OMP	Office of Management and Planning
PIV	Personal Identity Verification
SBIR	Small Business Innovation Research
SFFAS	Statement of Federal Financial Accounting Standards
TDRS	Tracking and Data Relay Satellite
TDRSS	Tracking and Data Relay Satellite System
ULA	United Launch Alliance

Appendix E. NASA OIG Offices of Audits and Investigations



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Tel: 650-604-3682 Investigations

Glenn Research Center

NASA Office of Inspector General
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Glenn Research Center
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Goddard Space Flight Center

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Johnson Space Center

NASA Office of Inspector General
Lyndon B. Johnson Space Center
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Houston, TX 77058-3696

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Mail Stop W-JS
Building 1, Room 161
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Office of Investigations
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Kennedy Space Center

NASA Office of Inspector General
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Langley Research Center

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