

Office of Inspector General  
National Aeronautics and Space Administration

**STRATEGIC PLAN RESULTS REPORT**  
**Fiscal Year 2007**



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Inspector General

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## **EXECUTIVE SUMMARY**

The Inspector General Act of 1978 established Offices of Inspectors General (OIGs) to promote economy, efficiency, and effectiveness and to detect fraud, waste, and abuse in federal programs and operations. The NASA OIG Strategic Plan for Fiscal Year 2005 (Plan) set forth goals and objectives designed to assist and support NASA in achieving its mission, including the goals outlined in the President's Vision for Space Exploration. The Plan also identified the specific data points we would use to track our activities and to ensure the efficient and effective management of our resources. We will continuously reevaluate our strategic direction and associated goals and data points.

The first Results Report (Report) issued under the Plan establishes the baseline from which we will measure our progress. The Table of Fiscal Year (FY) 2007 Strategic Goals, Objectives, and Data Points, beginning on page 3, presents our strategic goals and objectives, as well as their corresponding data points. A summary of our FY 2007 reportable data points may be found beginning on page 5.

## **MISSION**

In accordance with the Inspector General Act, we conduct objective oversight of NASA programs and operations and independently report to the Administrator, Congress, and the public to further the Agency's accomplishment of its mission.

## **ACCOMPLISHING THE MISSION**

NASA OIG is comprised of four Offices—Audits, Investigations, Counsel and Management and Planning—which implement and further the OIG mission as described below:

The Office of Audits (OA) conducts independent and objective audits, reviews, and other examinations to improve the economy, efficiency, and effectiveness and to identify any waste and mismanagement in NASA programs, projects, operations, and contractor activities. In addition, the OA oversees the work of an independent public accountant to annually audit NASA's financial statements.

The Office of Investigations (OI) investigates allegations of crime, cyber-crime, fraud, abuse or misconduct having an impact on NASA programs, operations, and resources. OI refers its findings to either the Department of Justice for prosecution or to NASA management for action. Through its investigations, OI identifies crime indicators and recommends effective measures for NASA management that are designed to reduce NASA's vulnerability to criminal activity.

The Office of Counsel provides advice and assistance on a variety of legal issues and matters relating to OIG review of NASA programs and operations. The legal staff reviews legislation, regulations, Freedom of Information Act requests, and congressional matters that require OIG attention. Additionally, the Office of Counsel provides advice and assistance on legal matters to OIG senior management, auditors, and investigators, and serves as counsel in administrative litigation in which the OIG is a party or has a substantial interest. The staff also assists the Department of Justice in litigation in which the OIG participates as part of the prosecution or civil team, or in which the OIG is a witness or defendant.

The Office of Management and Planning (OMP) provides financial, procurement, human resources, administrative, and information technology (IT) services support to the OIG staff. OMP ensures state-of-the-art IT systems capabilities for the OIG, advises the Inspector General and OIG senior management on budget issues and human resources matters, directs OIG internal management and support operations, and oversees development of and adherence to management policies and procedures.

The NASA OIG consists of approximately 200 auditors, analysts, specialists, investigators, and support staff at NASA Headquarters in Washington, DC, and NASA Centers throughout the United States.

## **GUIDING PRINCIPLES**

We maintain a workforce committed to performance, excellence, and accountability by working together to ensure that:

- our activities result in needed change and are responsive to customer needs;
- our opinions and products are independent, objective, and accurate;
- our workforce is highly competent and seeks opportunities for continual improvement; and
- we act with professionalism, integrity, and transparency.

## Table of FY 2007 Strategic Goals, Objectives, and Data Points

Strategic Goal	Objective	Data Point
<b>Goal 1.</b> Maximize Value to NASA's Programs and Operations	<b>Objective 1.</b> Provide quality products and services that are clear, accurate, timely, relevant, and responsive to NASA decision-makers, Congress, and other stakeholders	Results from Customer Feedback Quality Surveys for all audits focusing on whether: (1) OIG work products were meaningful/important, (2) OIG results were provided in a timely manner, (3) OIG deliverable/services were useful, and (4) OIG staff conducted themselves in a professional manner.
		Results from closed audit recommendations resulting in: programmatic/ policy/regulatory change, questioned costs, and funds put to better use.
		Results from closed investigations resulting in: receivables and recoveries, indictments/informations, successful prosecutions, successful civil actions, personnel actions/disciplinary actions, and suspensions/debarments.
	<b>Objective 2.</b> Target resources to address NASA's most important activities including the program issues identified in the Most Serious Management and Performance Challenges Report, the U.S. Government Accountability Office's High Risk List, and the President's Management Agenda and Vision for Space Exploration	OIG resources used to evaluate/investigate high-impact areas
		Source of OIG work by OIG Office

## Table of FY 2007 Strategic Goals, Objectives, and Data Points

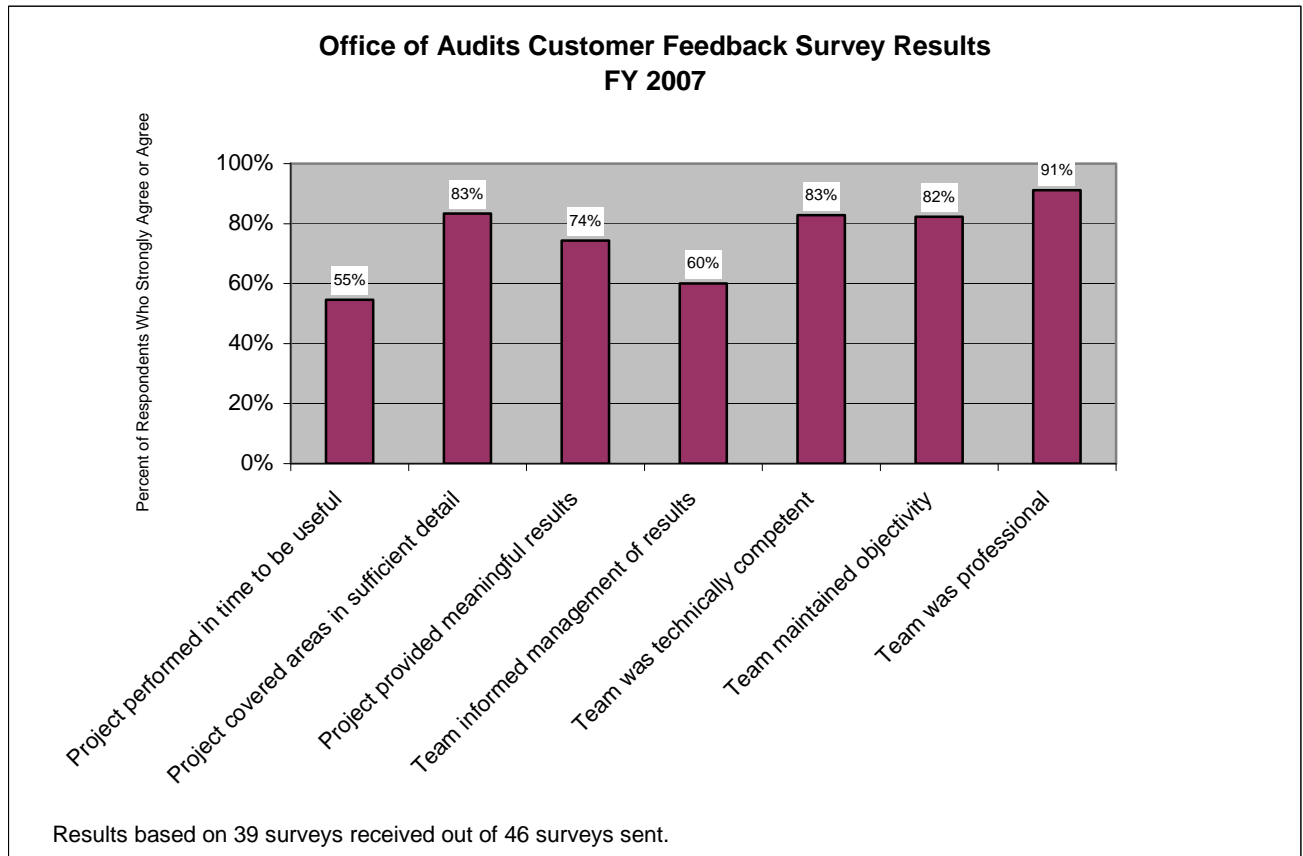
Strategic Goal	Objective	Data Point
<b>Goal 2.</b> Efficiently Provide Independent Products and Services	<b>Objective 1.</b> Adhere to established quality standards as well as statutory, regulatory, and administrative requirements	Results of external and internal program reviews
	<b>Objective 2.</b> Continuously assess OIG work processes and products to identify needed efficiencies	Time to complete audits/investigations
		Costs of audits/investigations
	<b>Objective 3.</b> Improve communication and information sharing within the OIG	Noteworthy joint activities within the OIG
<b>Goal 3.</b> Manage Resources and Services for Optimal Results	<b>Objective 1.</b> Efficiently and effectively employ public assets and resources	Results attained with OIG budget
		Percentage of staff with completed performance appraisals, core competencies worksheets and related discussions, and individual development plans (IDPs)
		Percentage of staff receiving awards and recognition for their contributions
		Percentage of staff failing, meeting/exceeding, and significantly exceeding performance standards
		Staff on board at end of fiscal year versus authorized level
		OIG Employee average grade by fiscal year
		OIG attrition rates
		Periodic employee surveys to evaluate workplace excellence
	<b>Objective 2.</b> Ensure the OIG has appropriate skill mix to meet customer needs and to maximize staff performance	Employee skill mix

FY 2007 Reportable Data Points

# STRATEGIC GOAL 1: MAXIMIZE VALUE TO NASA'S PROGRAMS AND OPERATIONS

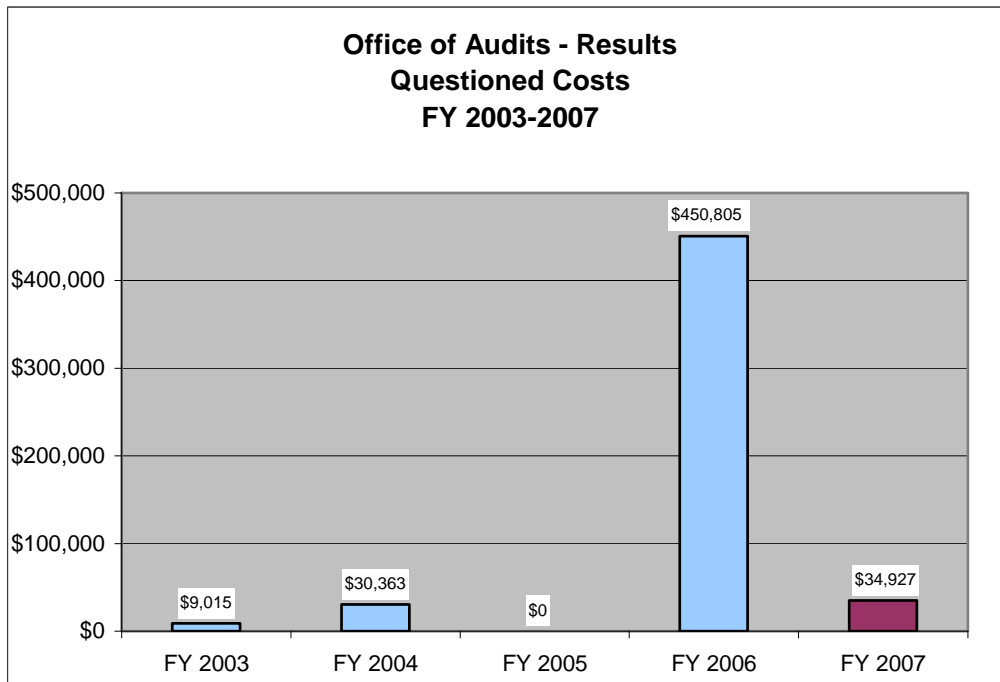
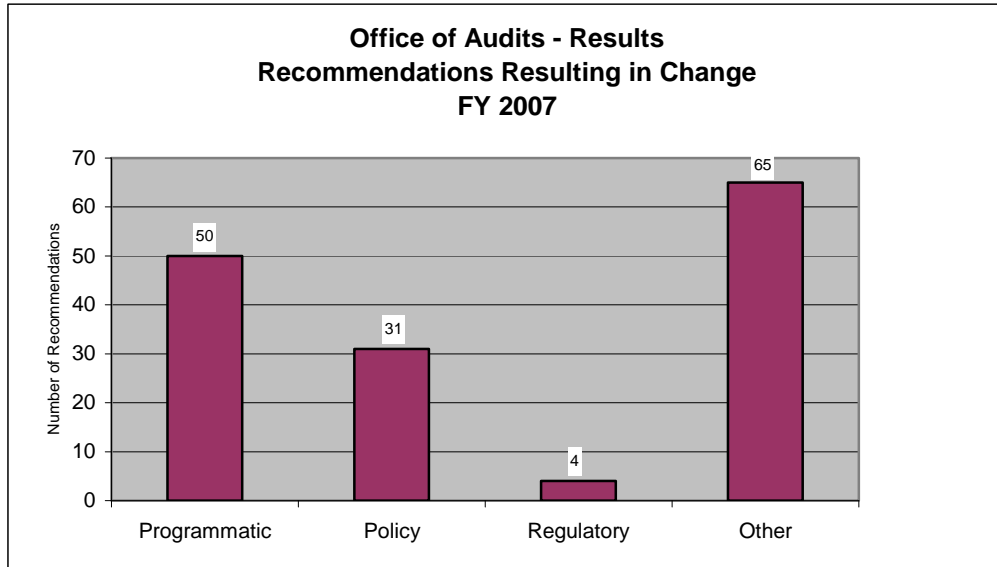
OBJECTIVE 1: Provide quality products and services that are clear, accurate, timely, relevant, and responsive to NASA decision-makers, Congress, and other stakeholders

DATA POINT: Results from Customer Feedback Quality Surveys for all audits

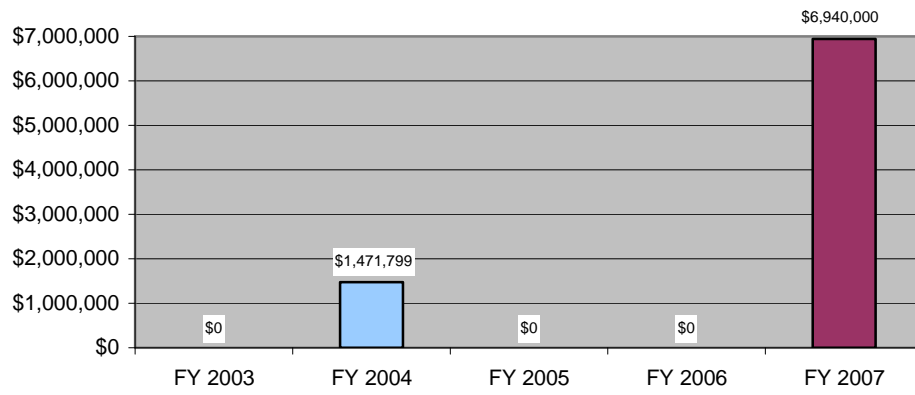




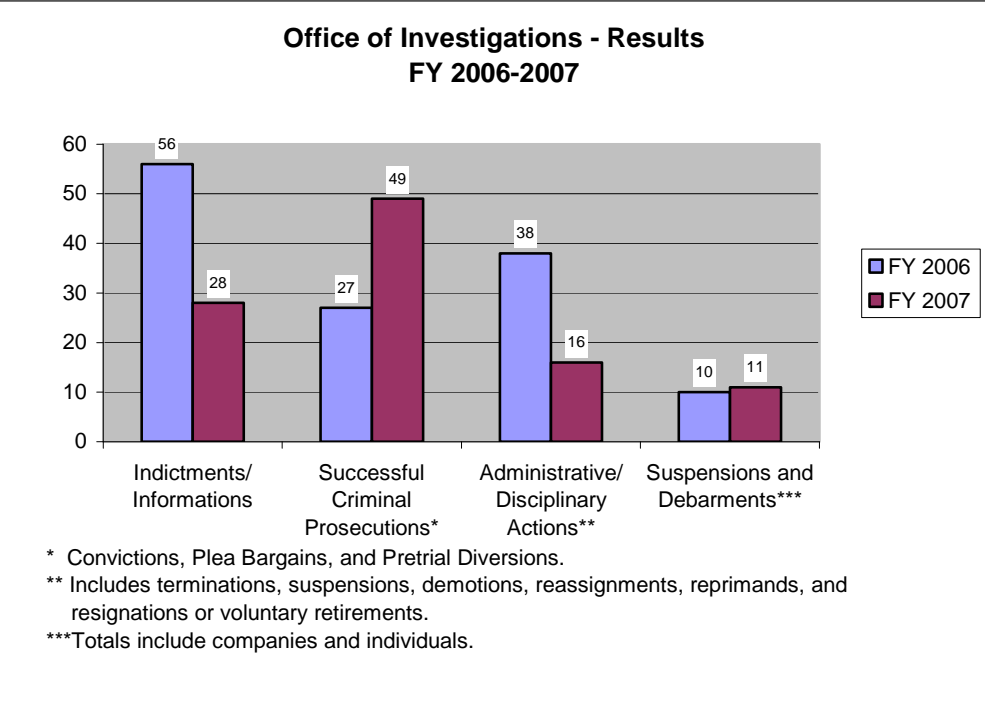
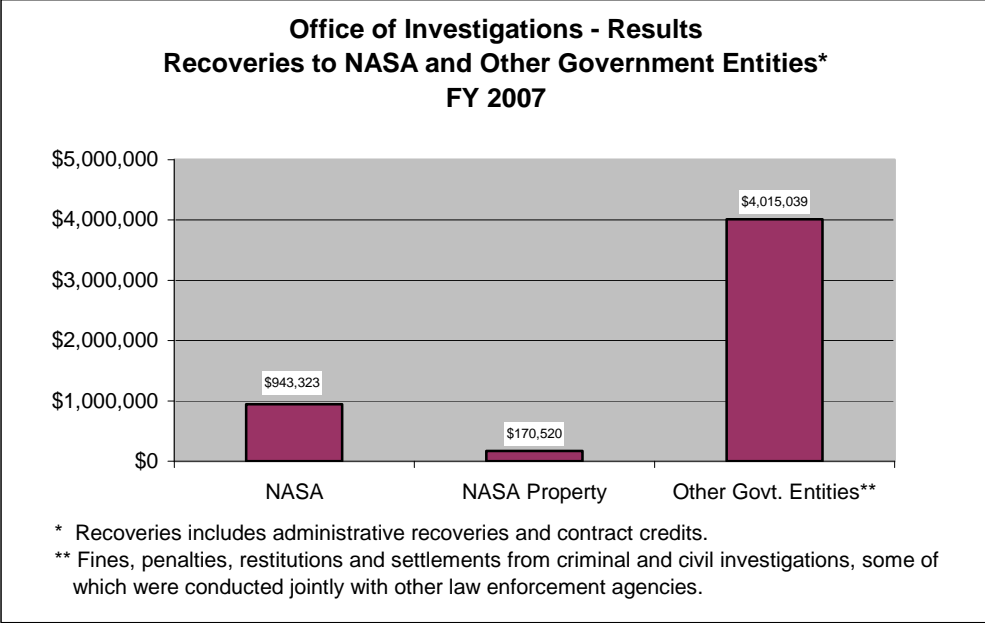
DATA POINT: Results from closed audit recommendations resulting in: programmatic/policy/regulatory change, questioned costs, and funds put to better use



**Office of Audits - Results  
Funds Put to Better Use  
FY 2003-2007**

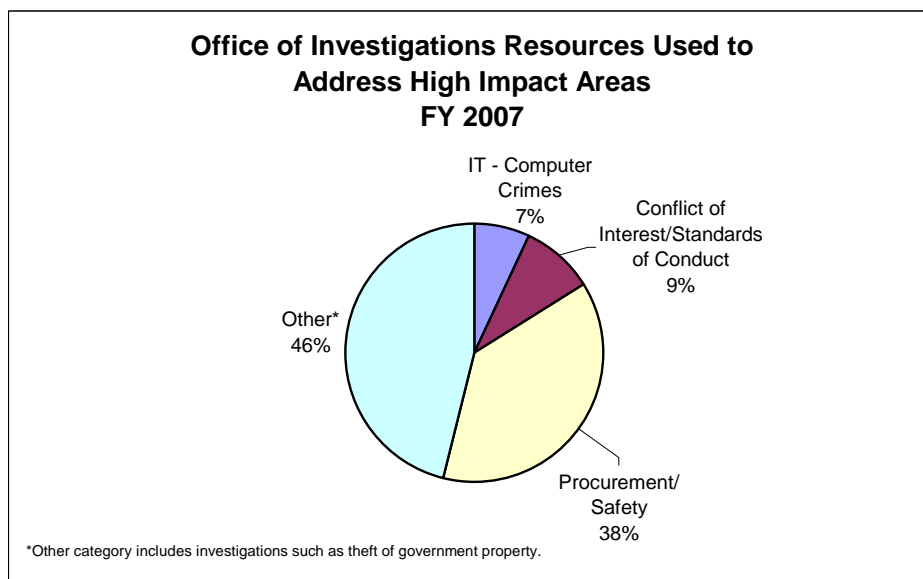
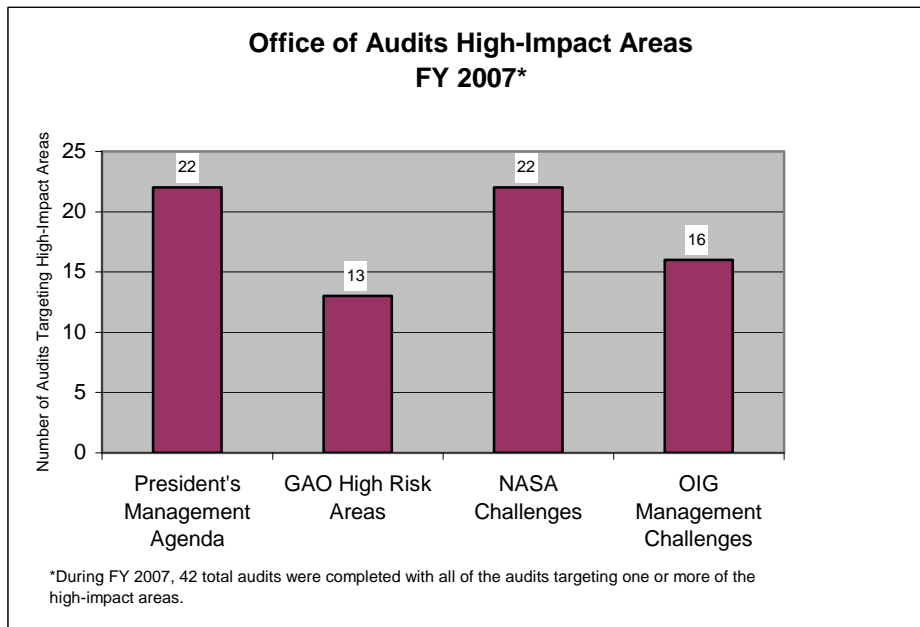


**DATA POINT:** Results from closed investigations resulting in: receivables and recoveries, indictments/informations, successful prosecutions, successful civil actions, personnel actions/ disciplinary actions, and suspensions/debarments

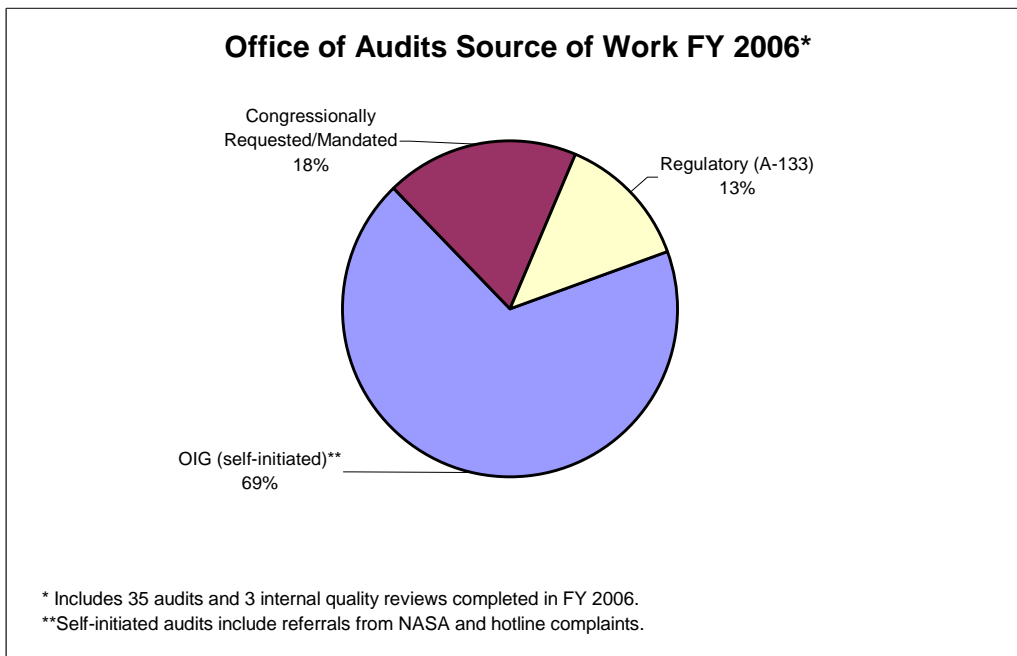
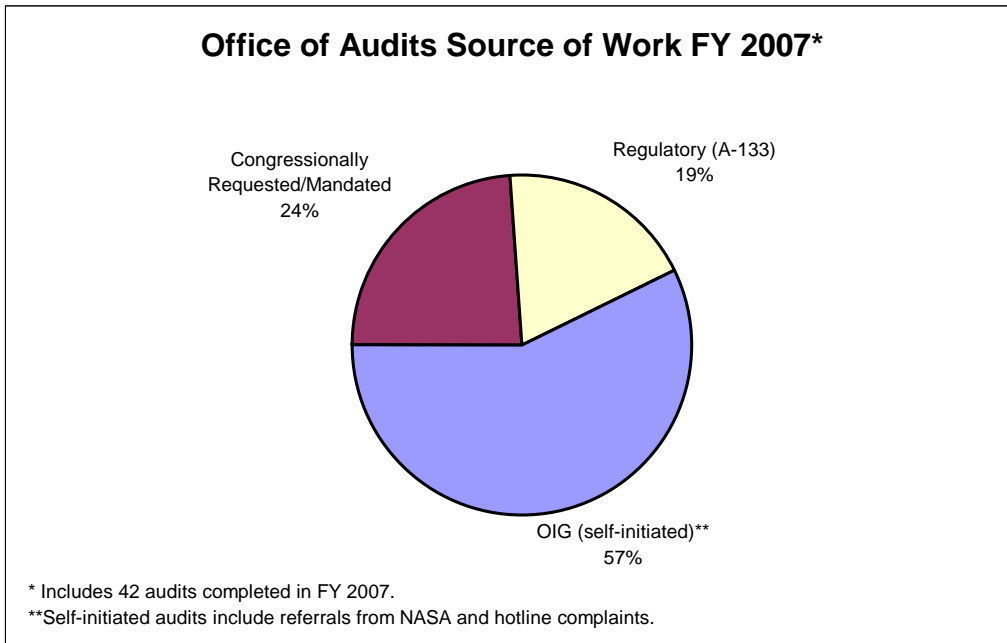


**OBJECTIVE 2:** Target resources to address NASA's most important activities including the program issues identified in the Most Serious Management and Performance Challenges Report, the U.S. Government Accountability Office's High Risk List, and the President's Management Agenda and Vision for Space Exploration

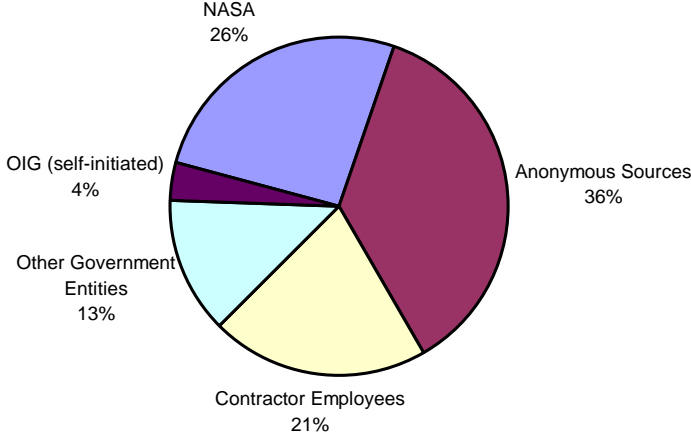
**DATA POINT:** OIG resources used to evaluate/investigate high-impact areas



DATA POINT: Source of OIG work by OIG Office

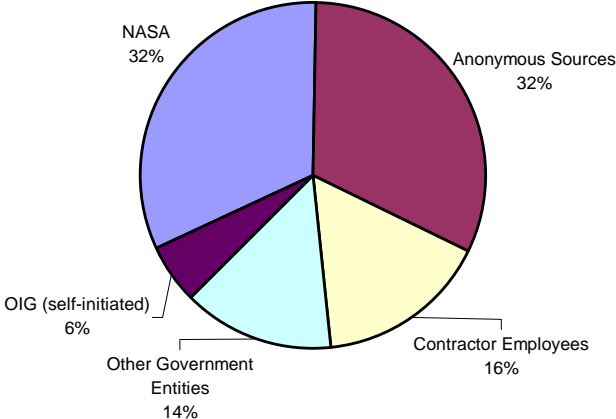


**Office of Investigations Source of Work FY 2007\***



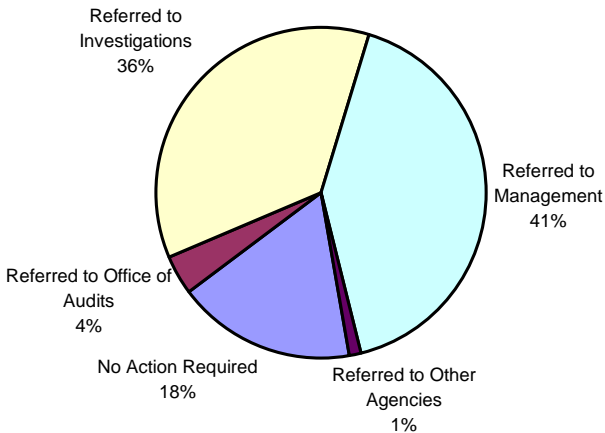
\*Includes 297 cases opened (preliminary, administrative and full investigations) in FY 2007.

**Office of Investigations Source of Work FY 2006\***



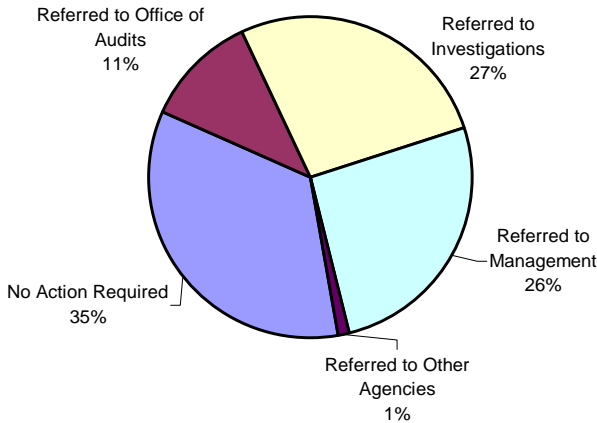
\*Includes 273 cases opened (preliminary, administrative and full investigations) in FY 2006.

**Office of Investigations  
Dispositioning of FY 2007 Hotline Complaints\***



\*160 Hotline complaints received in FY 2007.

**Office of Investigations  
Dispositioning of FY 2006 Hotline Complaints\***



\*203 Hotline complaints received in FY 2006.

## STRATEGIC GOAL 2: EFFICIENTLY PROVIDE INDEPENDENT PRODUCTS AND SERVICES

**OBJECTIVE 1:** Adhere to established quality standards as well as statutory, regulatory, and administrative requirements

**DATA POINT:** Results of external and internal program reviews

### **OFFICE OF AUDITS INTERNAL REVIEWS**

The Office of Audits conducted internal reviews during this period to identify the strengths and areas for improvement within our audit program.

The internal reviews found that the audit teams generally conducted audits in accordance with Generally Accepted Government Auditing Standards (GAGAS). Overall, OIG audit teams collectively possessed the professional proficiency, knowledge, and training necessary for conducting their assigned projects. Audit reports contained relevant information presented in a clear, concise manner. However, the following areas need improvement:

- Audit teams did not always follow internal policies and procedures for ensuring independence, approving audit programs, and completing working papers and quality control checklists.
- Supervisors did not always review and approve working papers and supporting documentation in a timely manner.

These areas continue to receive emphasis in current audit assignments and are evaluated as part of employees' annual performance reviews.

### **OFFICE OF AUDITS EXTERNAL PEER REVIEW**

General Services Administration OIG conducted an external peer review in 2007, and we received an "unmodified" (clean) opinion. However, they reported two findings of non-compliance with our policies and made two recommendations. As a result of the external review, the Assistant Inspector General for Auditing notified all office of audits staff of the peer review conclusions, findings, and recommendations and cited the need to follow specific GAGAS and NASA OIG policies. The Office of Audits also implemented revised employees' annual performance evaluation plans that included performance standards with measurements related to the audit process and procedures.

### **OFFICE OF INVESTIGATIONS EXTERNAL PEER REVIEW**

An external peer review was conducted in 2004 by the Department of Transportation OIG. They reported that our system of safeguards and management procedures is in full compliance with the quality standards established by the PCIE/ECIE and Attorney General Guidelines. In addition, they provided nine recommendations for improving the processes and programs within the Office of Investigations. As a result of the external review, the Office of Investigations implemented the following changes:

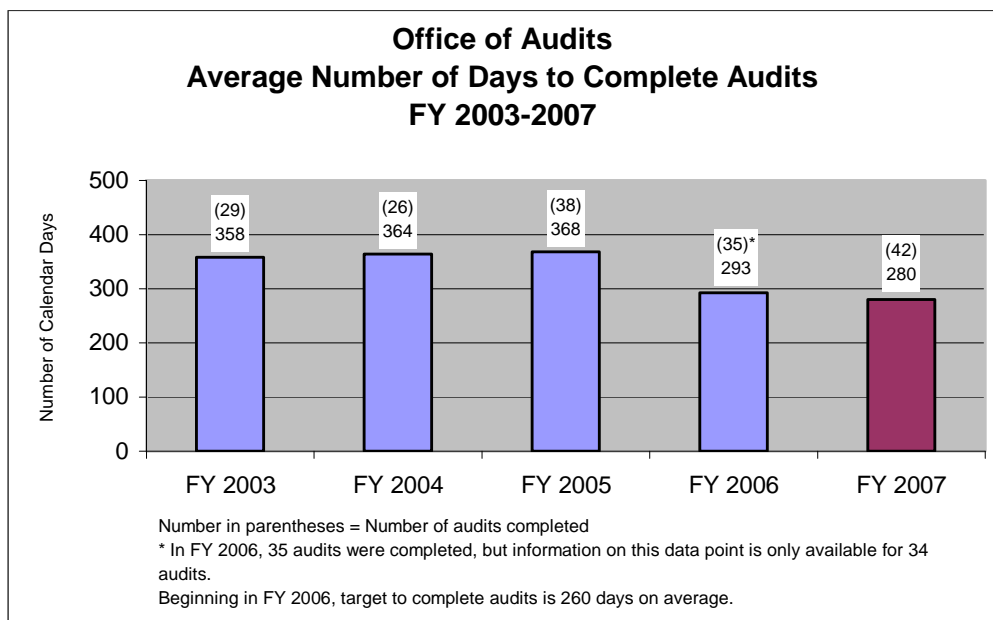
- Increased the number of supervisory positions to ensure that agents are properly supervised, the NASA Online Reporting System is accurate and up to date, and reviews and inspections are completed as required by policy.



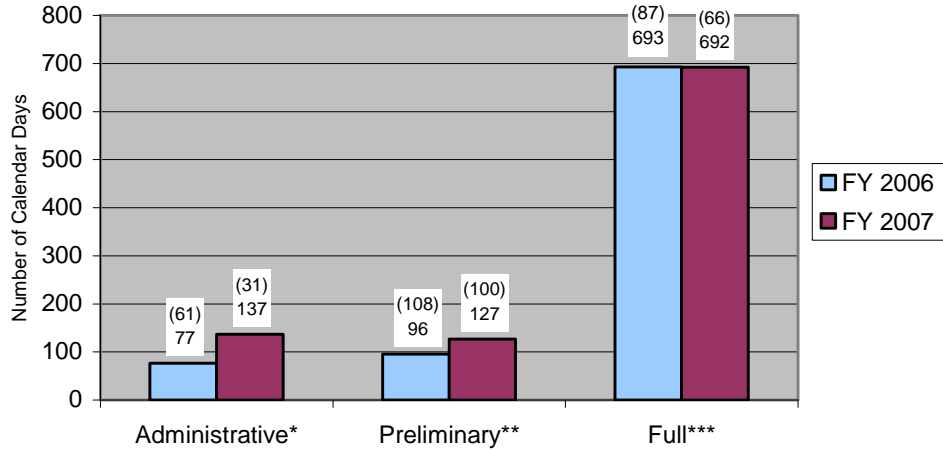
- Revised procedures to ensure Hotline complaints are tracked from initiation to resolution using a single case number and that supervisors track cases referred to NASA management and solicit responses when established milestone dates are not met.
- Modified procedures to ensure that badges and credentials are inventoried and accounted for on a semi-annual basis.
- Established procedures to ensure that all agents are in compliance with the Lautenberg Amendment—a requirement that Special Agents who carry firearms certify they have never been convicted of a misdemeanor crime of domestic violence.

**OBJECTIVE 2: Continuously assess OIG work processes and products to identify needed efficiencies**

**DATA POINT: Time to complete audits/investigations**



**Office of Investigations  
Median Number of Days to Complete Investigations  
FY 2006-2007**



Number in parentheses = Number of investigations closed

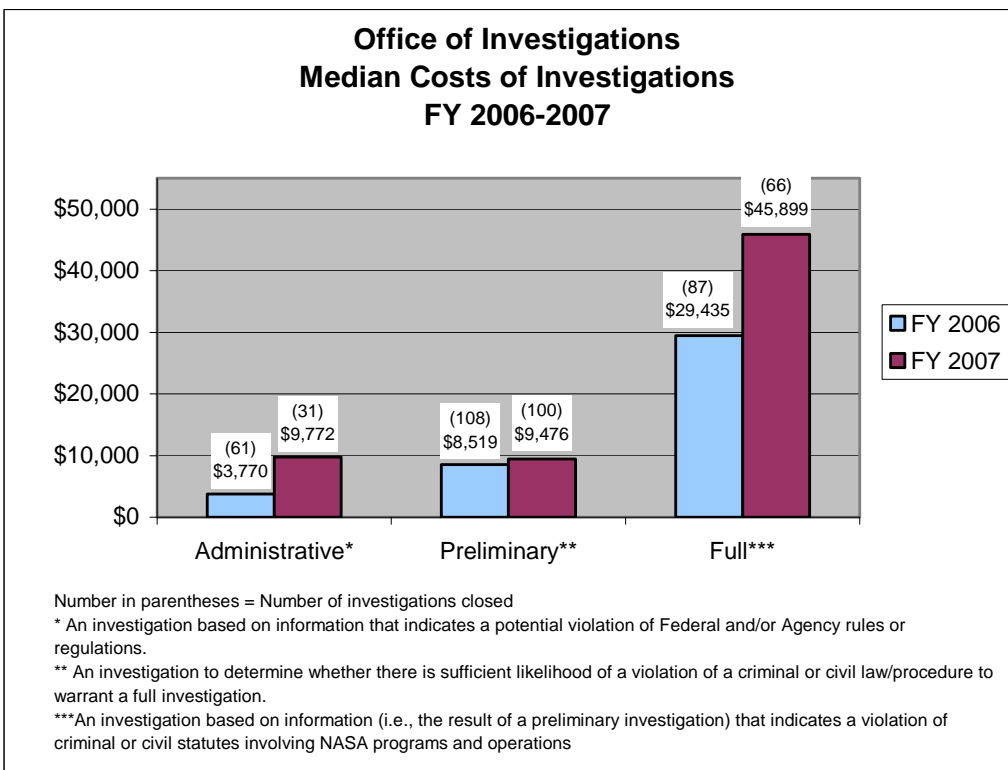
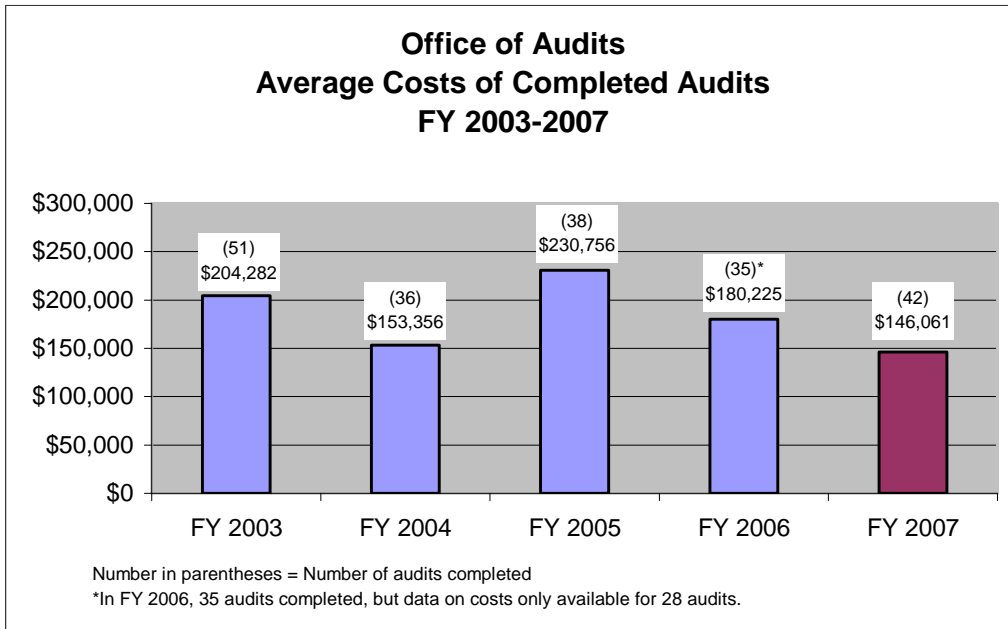
\* An investigation based on information that indicates a potential violation of Federal and/or Agency rules or regulations.

\*\* An investigation to determine whether there is sufficient likelihood of a violation of a criminal or civil law/procedure to warrant a full investigation.

\*\*\* An investigation based on information (i.e., the result of a preliminary investigation) that indicates a violation of criminal or civil statutes involving NASA programs and operations.

Note: Target to complete administrative investigations is 90 days and preliminary investigations is 180 days.

DATA POINT: Costs of audits/investigations



### OBJECTIVE 3: Improve communication and information sharing within the OIG

#### DATA POINT: Noteworthy joint activities within the OIG

The following FY 2006 and 2007 accomplishments reflect the positive impact our collaborative, interdisciplinary efforts have on combating fraud, waste, abuse, and mismanagement at NASA and improving Agency programs and processes:

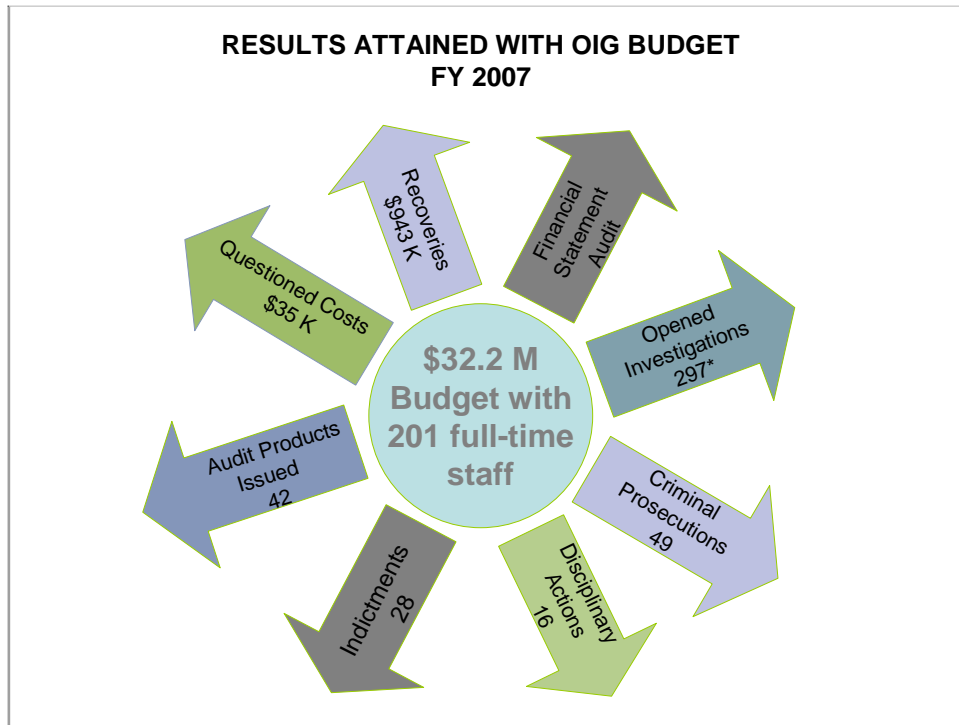
- A NASA OIG review team, comprised of auditors, procurement analysts, and investigators, assisted by multiple Federal agencies, developed criteria to search NASA purchase card transaction data for suspicious vendors, transactions, or suspect patterns of activity. The OIG review team used computer-aided data mining techniques to search more than 260,000 purchase card transactions valued at \$65 million. Of the 1,700 transactions selected, the review team determined that: (1) approximately 50 percent of cardholders did not follow established procedures; (2) 689 transactions totaling \$713,700 were made inappropriately to avoid exceeding the cardholder's single-purchase limit; and (3) 393 transactions totaling \$235,411 were for graphic support services with one vendor without a sole-source justification. One case was referred to the NASA OIG Office of Investigations because the purchases involved may have circumvented and violated requirements for competition in the Competition in Contracting Act of 1984 (41 USC 253). In another case, OIG investigators found that a NASA employee made at least 426 potentially fraudulent purchases totaling over \$157,000. The OIG recommended that NASA improve the program's internal controls to provide greater program management discipline and significantly reduce the occurrence of improper purchase card activity.
- Our multidisciplinary team of investigators, auditors, procurement specialists, and attorneys played a significant role in the fraud investigation that led to a record \$615 million settlement to resolve criminal and civil allegations that Boeing Corporation improperly used competitor's information to procure contracts for launch services worth billions of dollars from the Air Force and NASA. This dedicated team tenaciously uncovered the facts, championed this case, and diligently supported the Department of Justice's efforts to obtain the record settlement. NASA received \$106.7 million from the \$615 million settlement, which will significantly remediate the damages NASA believes are attributable to Boeing's alleged misconduct.
- A significant development in the fight against fraud, waste, and abuse at NASA has been the establishment of an Acquisition Integrity Program (AIP). The AIP is a collaborative effort among the Office of Inspector General, Procurement, Chief Financial Officer, and General Counsel to minimize fraud, maximize remedies that return funds to Agency accounts for use toward mission success, identify irresponsible contractors for suspension or debarment, and improve the effectiveness of the procurement process. Recently, the OIG and the NASA Office of General Counsel have begun providing AIP training to NASA senior management and senior program and project managers. As part of the training, the OIG discusses past fraudulent activities at NASA, as well as successful procurement fraud investigation cases, emphasizing how fraud can imperil NASA's program and project safety, financial resources, and credibility.
- We have established a Senior Staff Referral Review Committee to ensure that all allegations of fraud, waste, abuse, and mismanagement are properly reviewed and coordinated. In the past, it had been a challenge to ensure that the various allegations were coordinated between our investigative and audit offices and that the right staff with the right expertise had been working these matters. The Committee, which is comprised of the Counsel to the Inspector General, the Assistant Inspector General for Investigations, the Assistant Inspector General for Auditing, and the Executive Officer, meets weekly to review all incoming matters and determine the office(s) responsible for addressing the matters. The process ensures that neither the Office of

Investigations (OI) nor the Office of Audits (OA) is tasked with a matter more appropriately handled by another office and that matters requiring an OI/OA team are properly identified and established. The process also ensures that the OIG appropriately opens, assigns and closes all matters.

### STRATEGIC GOAL 3: MANAGE RESOURCES AND SERVICES FOR OPTIMAL RESULTS

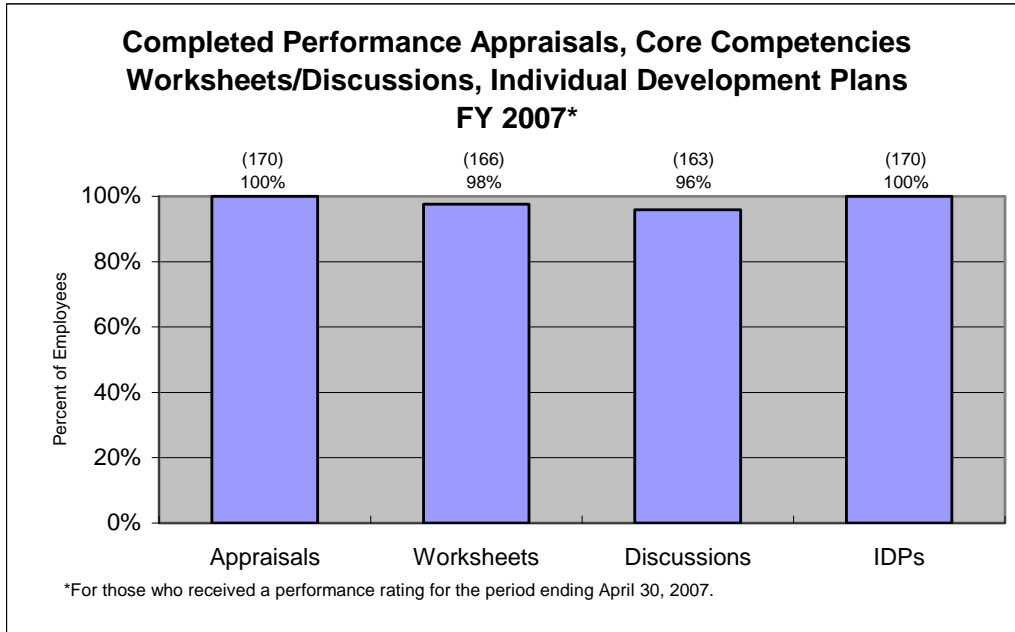
OBJECTIVE 1: Efficiently and effectively employ public assets and resources

DATA POINT: Percentage of staff receiving awards and recognition for their contributions

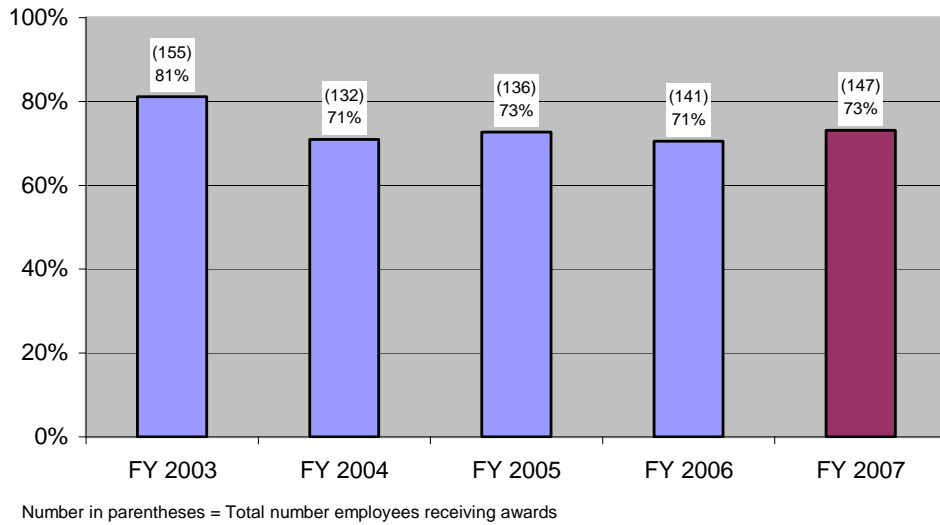


\* Includes all cases opened (preliminary, administrative and full investigations).

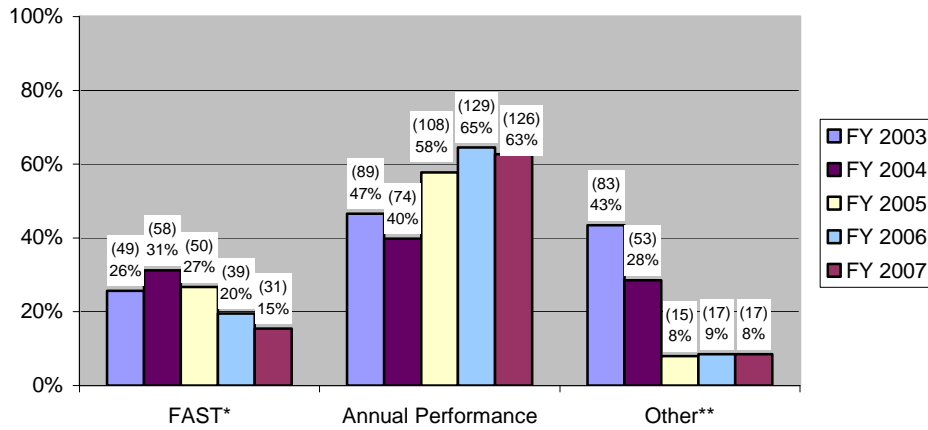
DATA POINT: Percentage of staff with completed performance appraisals, core competencies worksheets and related discussions, and individual development plans (IDPs)



### Percentage of OIG Staff Receiving Awards FY 2003-2007



### Percentage of OIG Employees Receiving Awards by Type FY 2003-2007



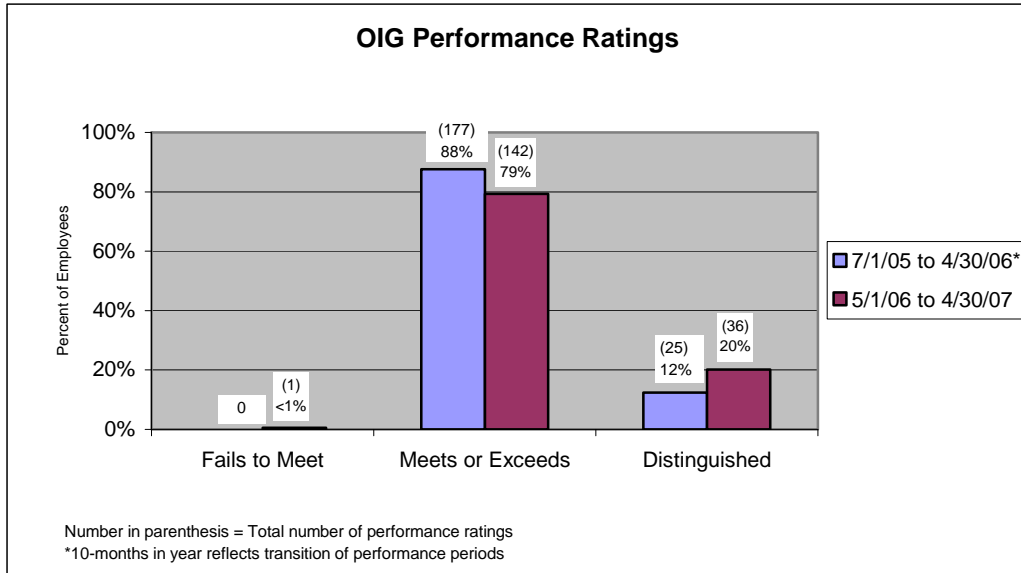
\*FAST = Award for a special task

\*\*Other = Special Act, Quality Step Increase, Time Off awards

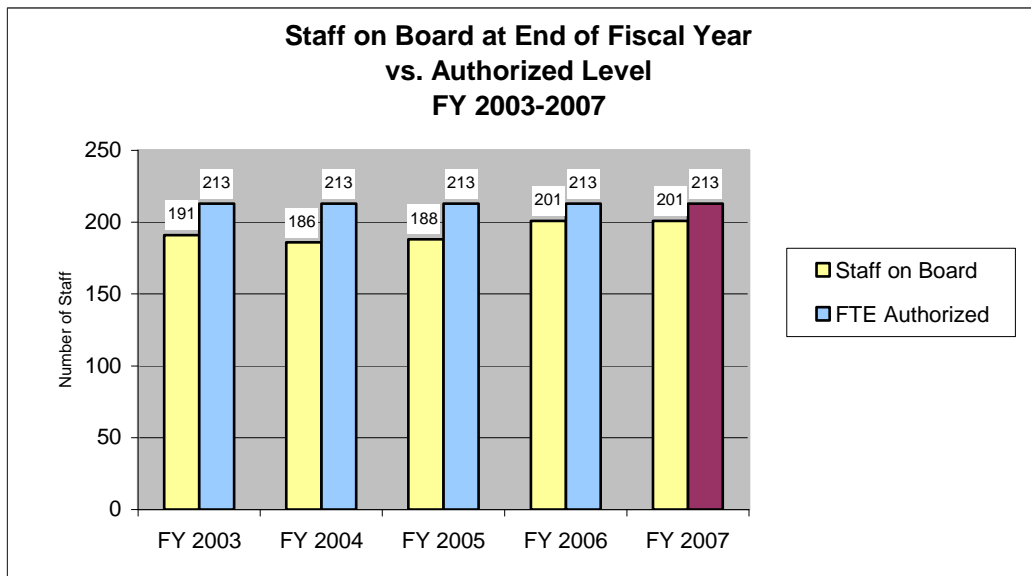
Number in parentheses = Total number of employees receiving awards



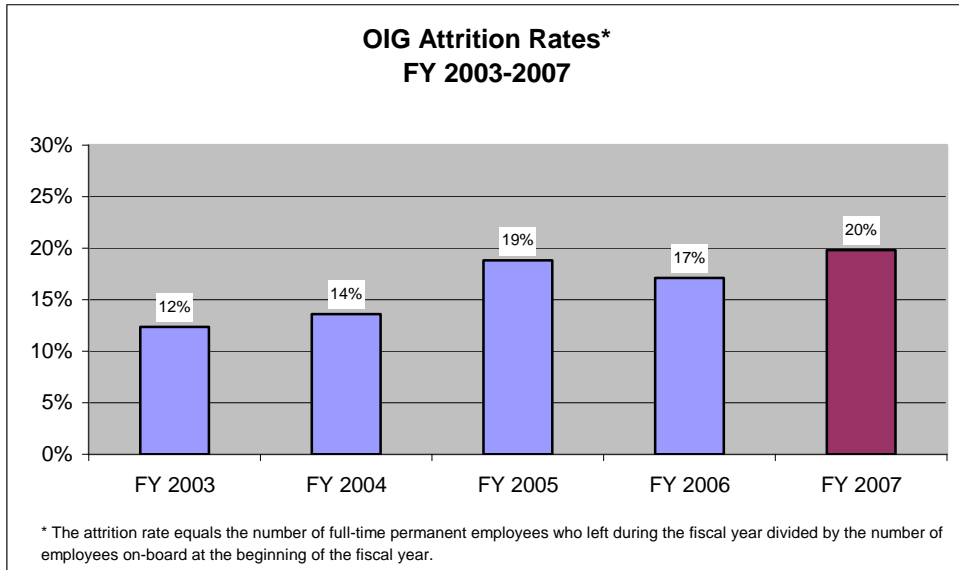
DATA POINT: Percentage of staff failing, meeting/exceeding, and significantly exceeding performance standards



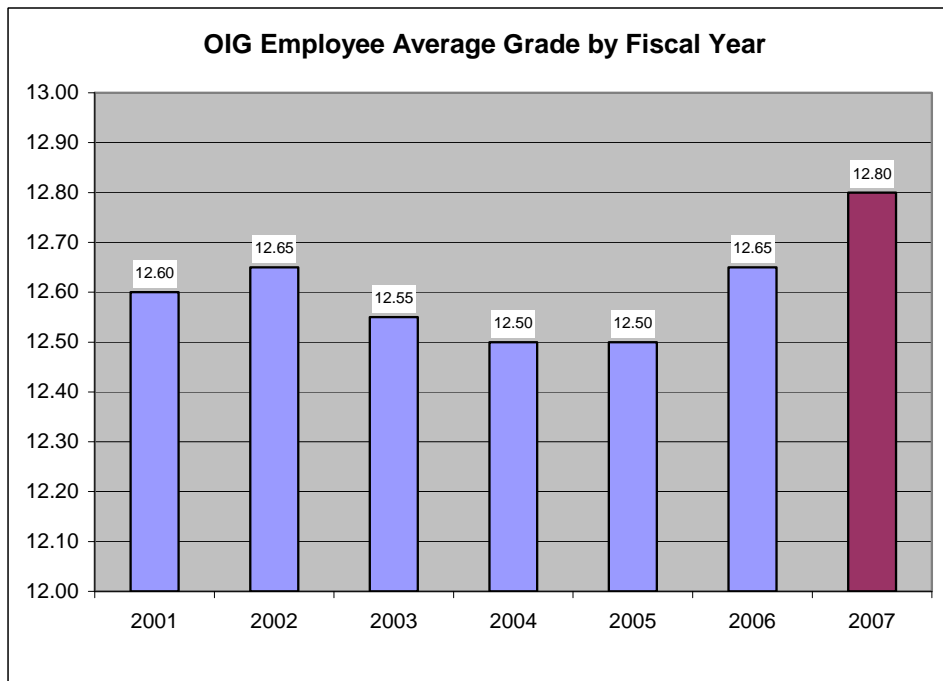
DATA POINT: Staff on board at end of fiscal year versus authorized level



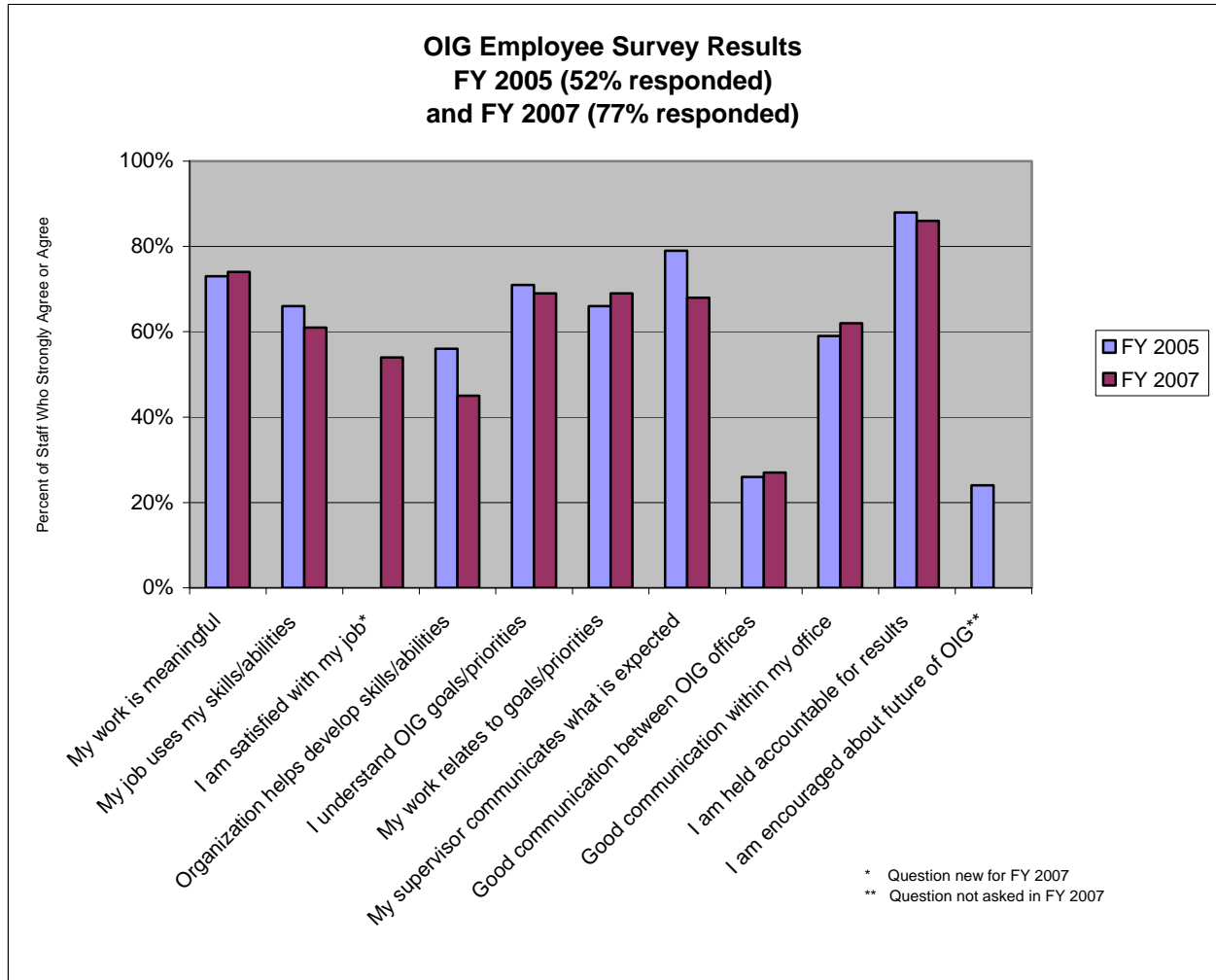
DATA POINT: OIG attrition rates



DATA POINT: OIG Employee average grade by fiscal year



DATA POINT: Periodic employee surveys to evaluate workplace excellence



**OBJECTIVE 2: Ensure the OIG has appropriate skill mix to meet customer needs and to maximize staff performance**

**DATA POINT: Employee Skill Mix**

