

Office of Inspector General  
National Aeronautics and Space Administration

**STRATEGIC PLAN RESULTS REPORT**  
**Fiscal Year 2006**



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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) 2006 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 2006 reportable data points may be found beginning on page 5.

Although some of our data collection systems were not fully operational in time to provide input for this Report, we anticipate that all data points will be reportable for FY 2007 or modified as needed. Briefly, those data points which we cannot report for FY 2006 include: (1) results from Customer Feedback Quality Surveys for criminal investigations or other matters referred to the U.S. Attorneys; and (2) the percentage of staff meeting core competencies requirements.

## **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 190 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 2006 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.
		Feedback from U.S. Attorneys' Offices focusing on whether: (1) OIG staff provided prosecutor all relevant documents/evidence in a timely and well organized manner; (2) OIG staff assisted prosecutor with witness/grand jury/trial preparation; and (3) OIG staff conducted themselves in a professional manner. [Available in FY 2007]
		Tangible results from closed audit recommendations resulting in: programmatic/policy/regulatory change, questioned costs, and funds put to better use.
		Tangible 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 2006 Strategic Goals, Objectives, and Data Points

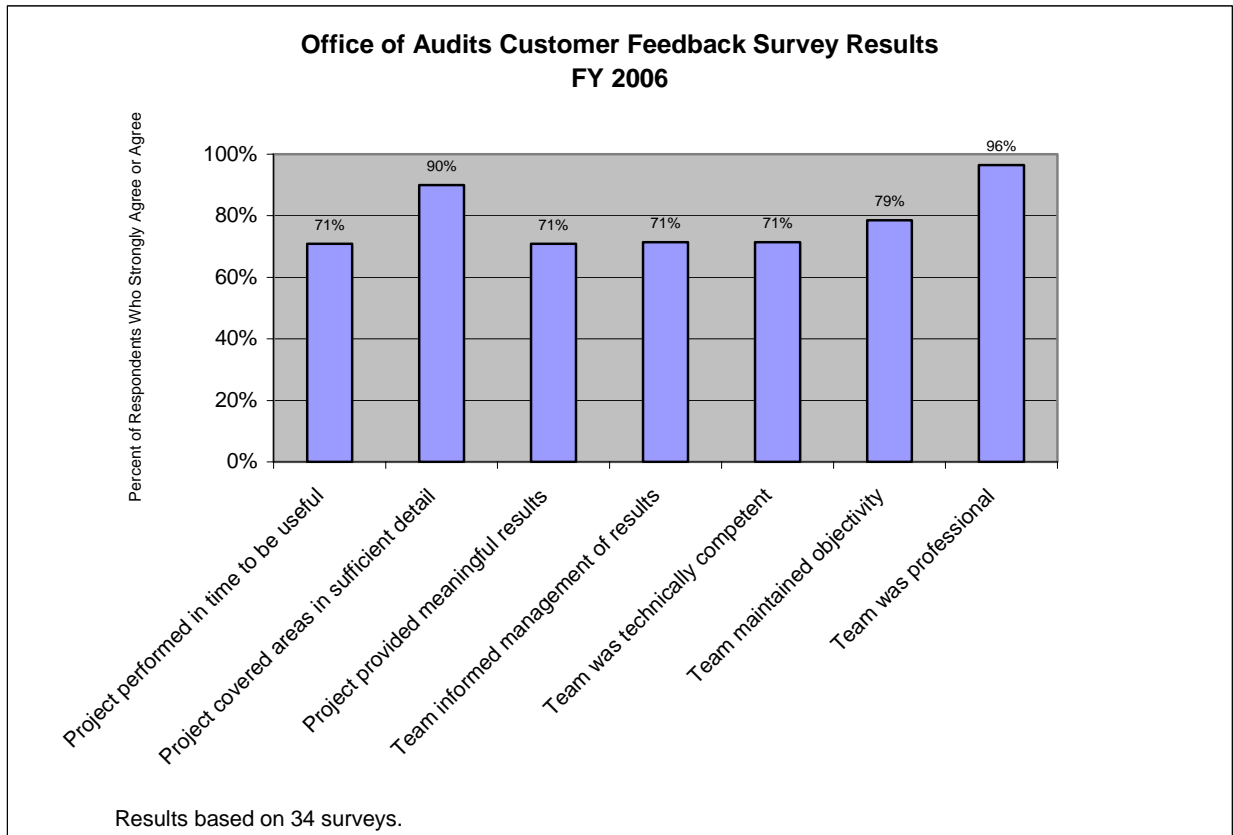
Strategic Goal	Objective	Data Point
<b>Goal 2.</b> Efficiently Provide Independent Products and Services	<b>Objective 1.</b> Adhere to established quality standards as well as statutory, regulatory, and administrative requirements	Results of external and internal program reviews
	<b>Objective 2.</b> 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 meeting core competencies requirements. [Available in FY 2007]
		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 2006 Reportable Data Points

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

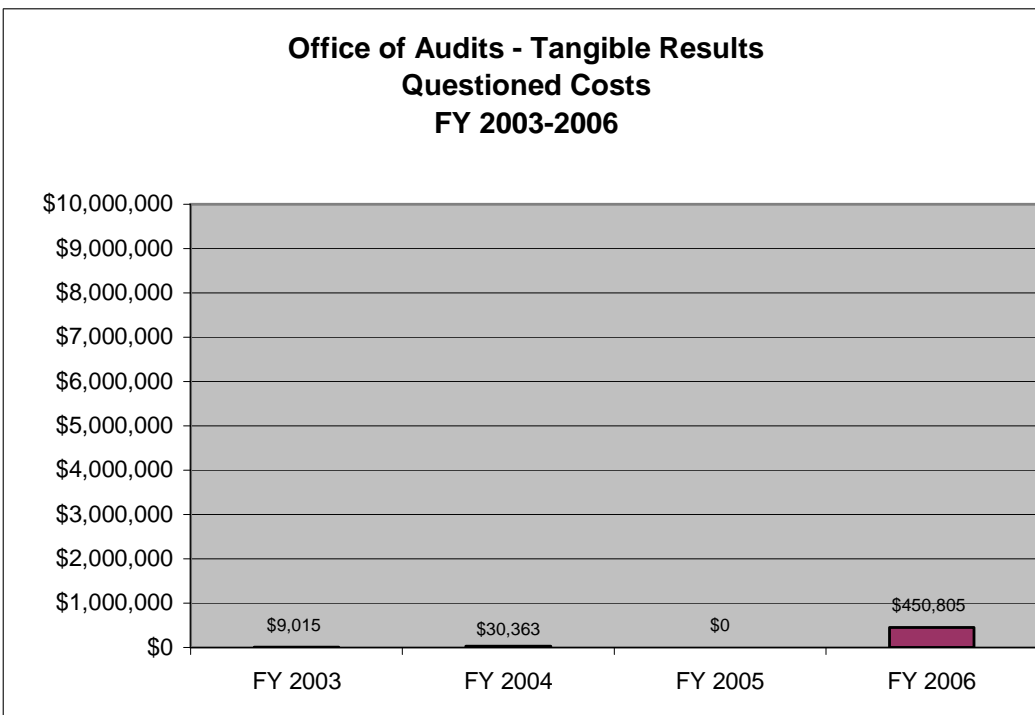
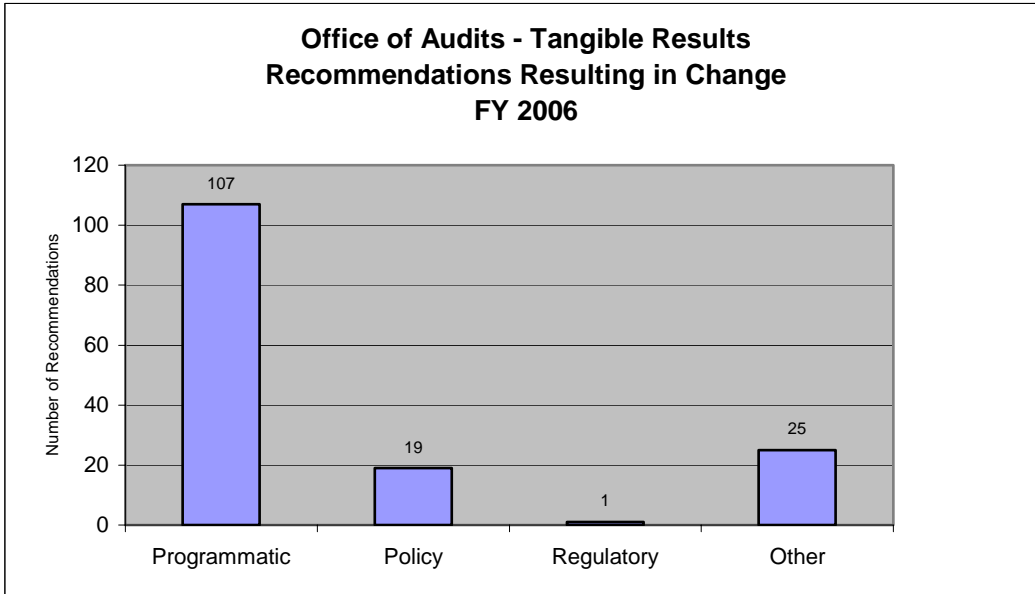
OBJECTIVE 1: Provide quality products and services that are clear, accurate, timely, relevant, and responsive to NASA decision-makers, Congress, and other stakeholders

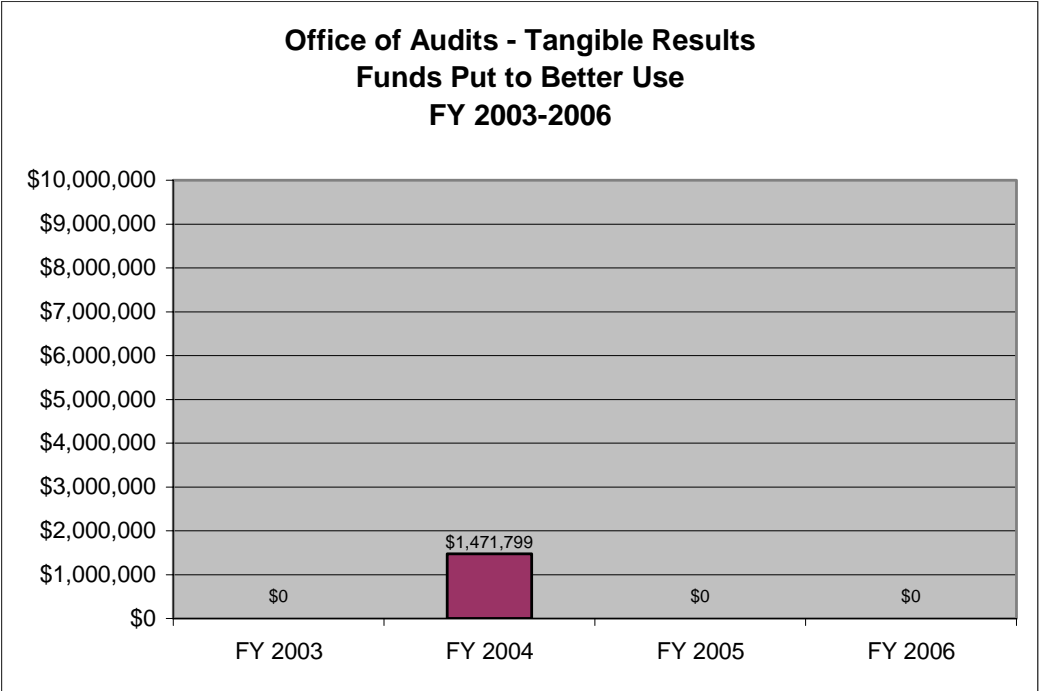
DATA POINT: Results from Customer Feedback Quality Surveys for all audits



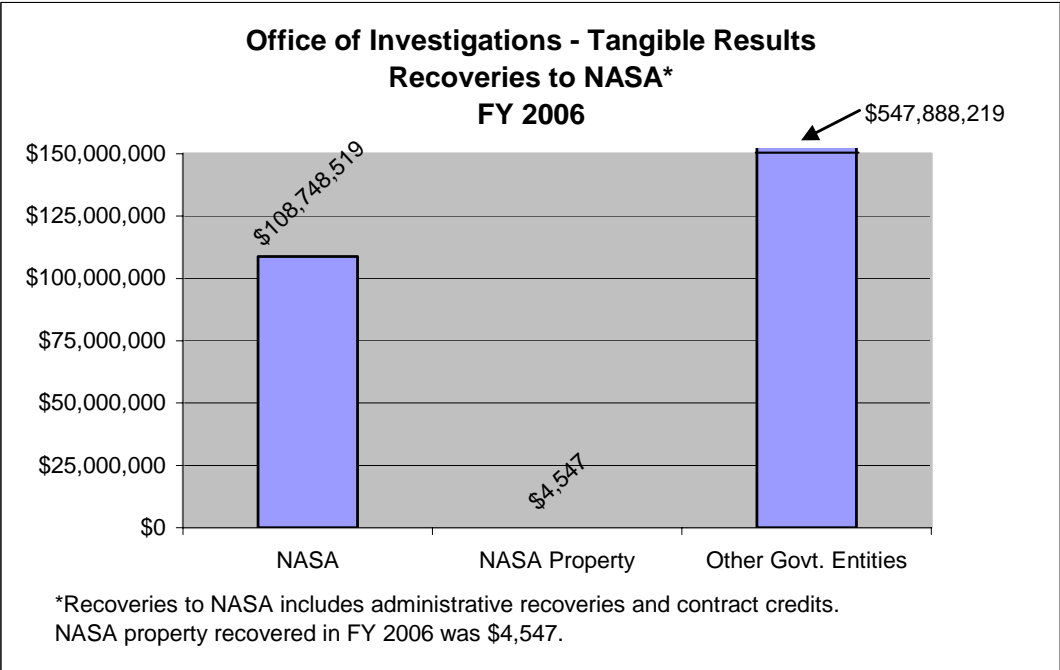


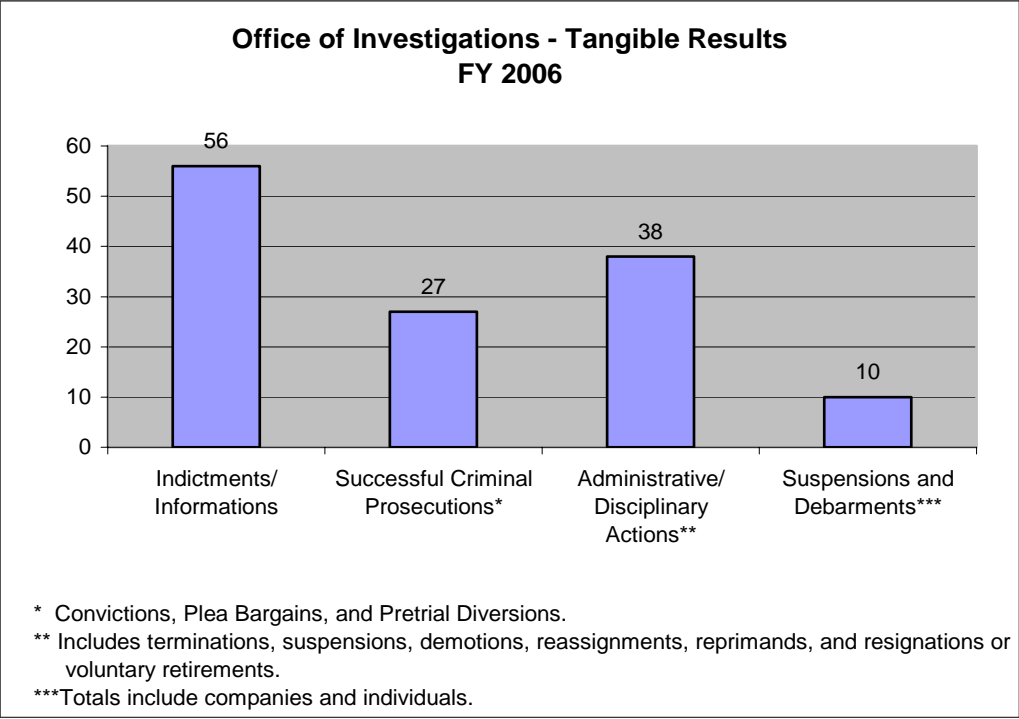
DATA POINT: Tangible results from closed audit recommendations resulting in: programmatic/policy/regulatory change, questioned costs, and funds put to better use





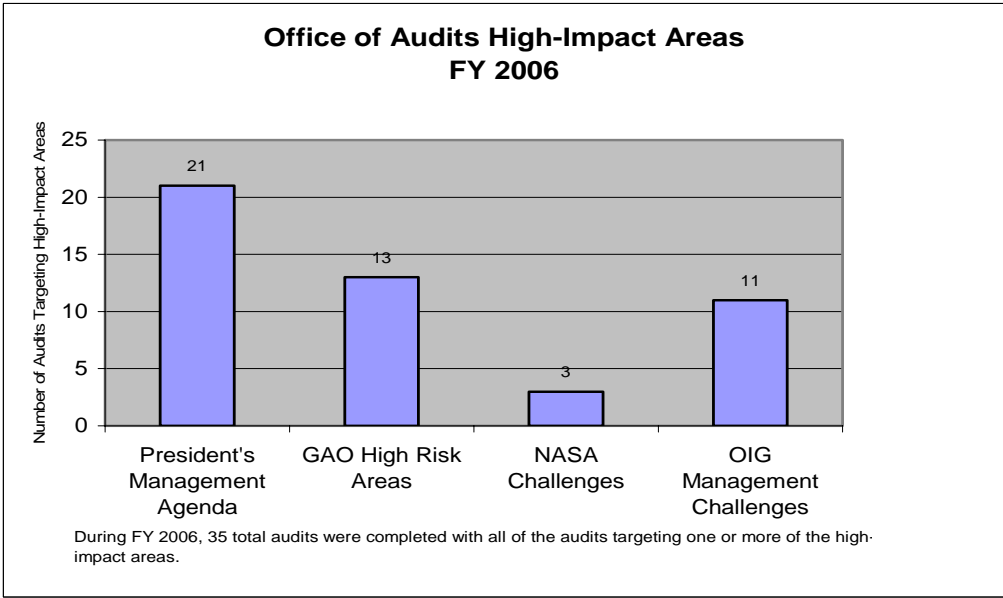
**DATA POINT:** Tangible results from closed investigations resulting in: receivables and recoveries, indictments/informations, successful prosecutions, successful civil actions, personnel actions/ disciplinary actions, and suspensions/debarments



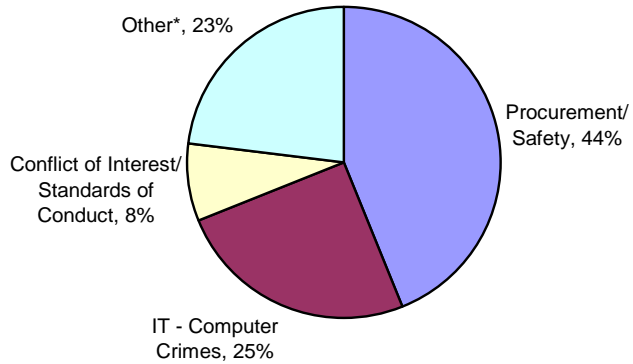


**OBJECTIVE 2:** Target resources to address NASA's most important activities including the program issues identified in the Most Serious Management and Performance Challenges Report, the U.S. Government Accountability Office's High Risk List, and the President's Management Agenda and Vision for Space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

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



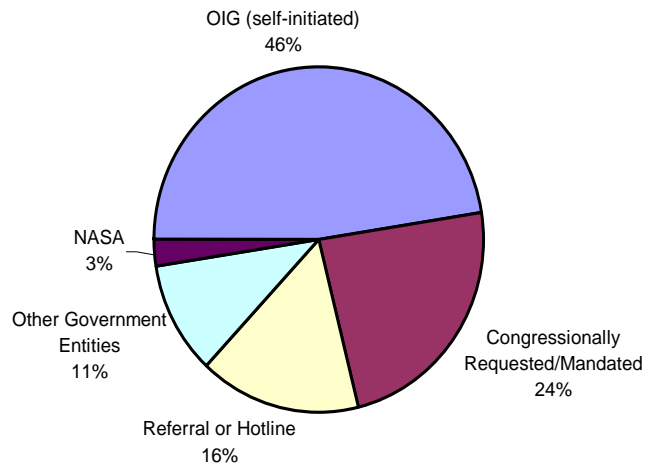
**Office of Investigations Resources Used to  
Address High Impact Areas  
FY 2006**



\*Other category includes investigations such as theft of government property.

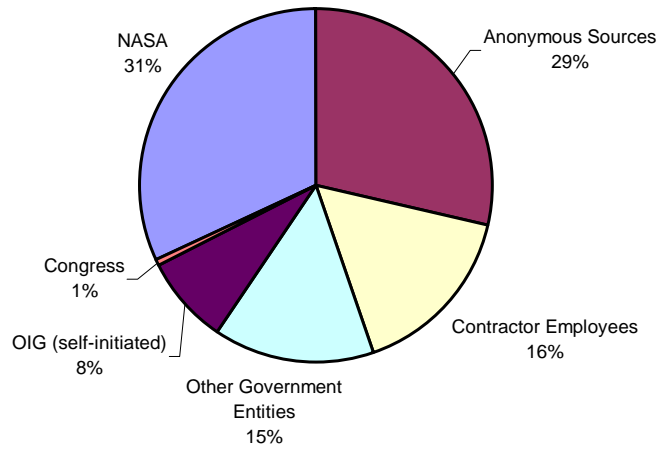
**DATA POINT: Source of OIG work by OIG Office**

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



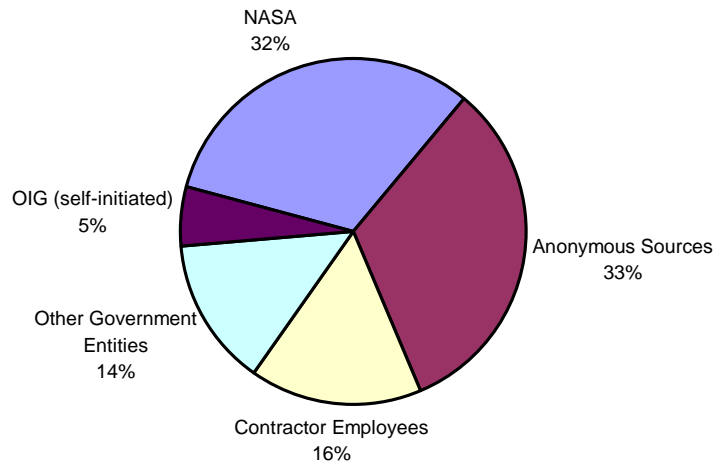
\*Includes 35 audits and 3 internal quality reviews completed in FY 2006.

### Office of Investigations Source of Work FY 2005\*



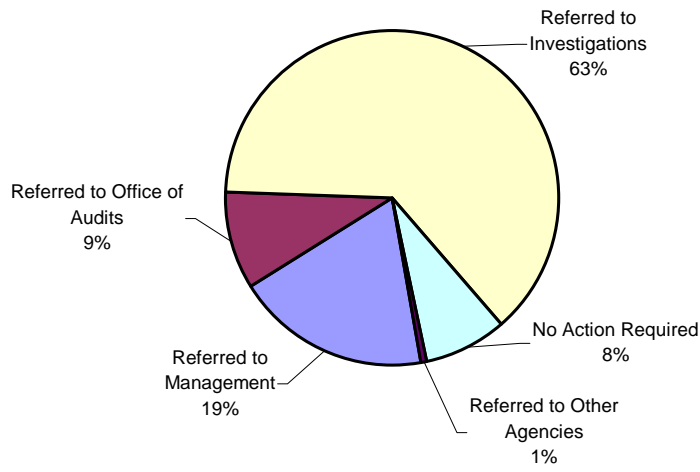
\*Includes 310 open cases in FY 2005

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

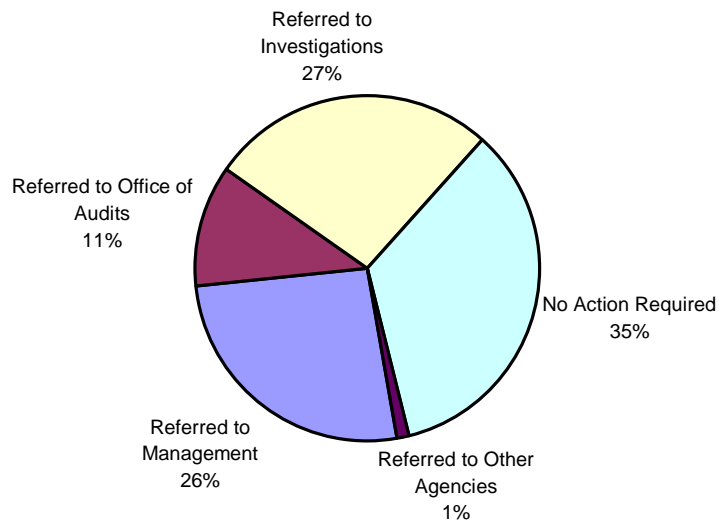


\*Includes 273 open cases in FY 2006

**Office of Investigations  
Dispositioning of FY 2005 Hotline Complaints\***



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



## 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. 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 approving audit sampling plans, completing working papers and quality control checklists, and reporting on their testing of internal controls.
- Supervisors did not always review and approve working papers and supporting documentation in a timely manner.
- Audit reports were not always properly independently referenced before issuance.

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

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

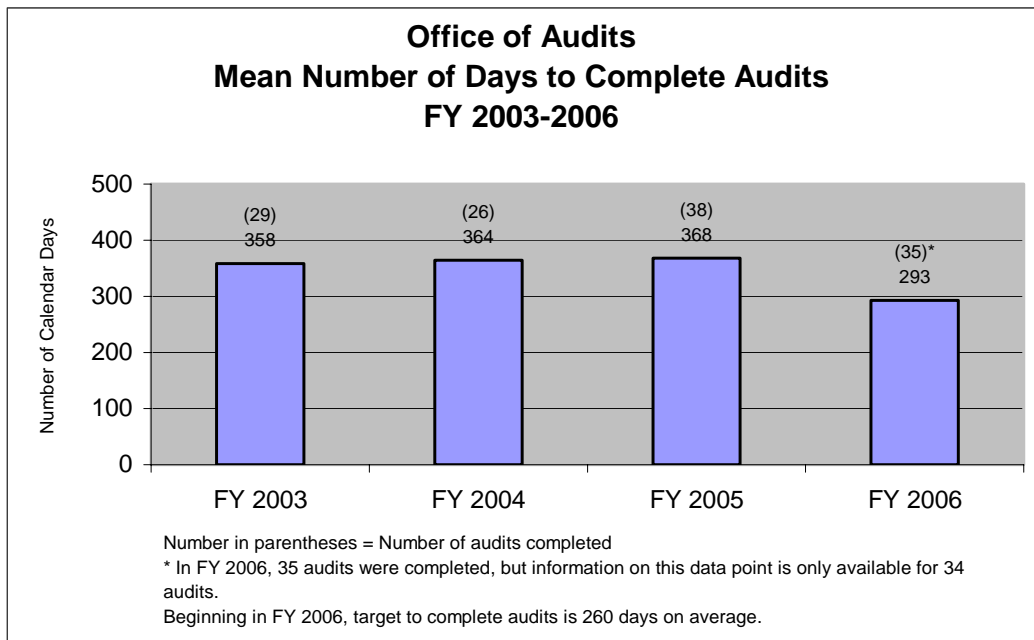
An external peer review conducted by the Department of Transportation OIG resulted in nine recommendations for improving the processes and programs within the Office of Investigations. As a result of the external review, the Office of Investigations implemented the following changes:

- 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.

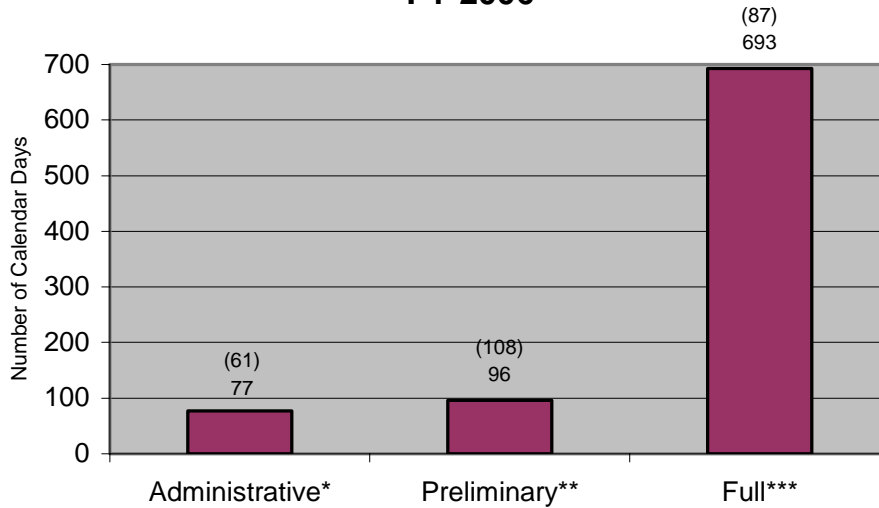
**OBJECTIVE 2: Continuously assess OIG work processes and products to identify needed efficiencies**

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





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



Number in parentheses = Number of investigations closed

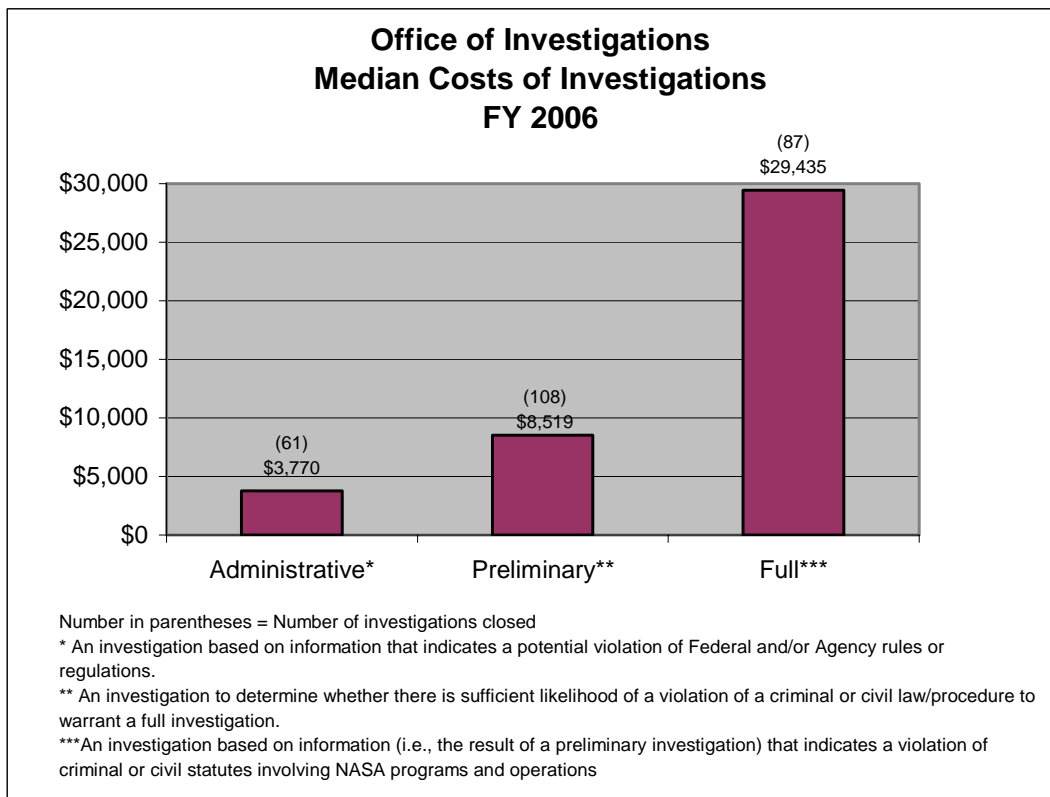
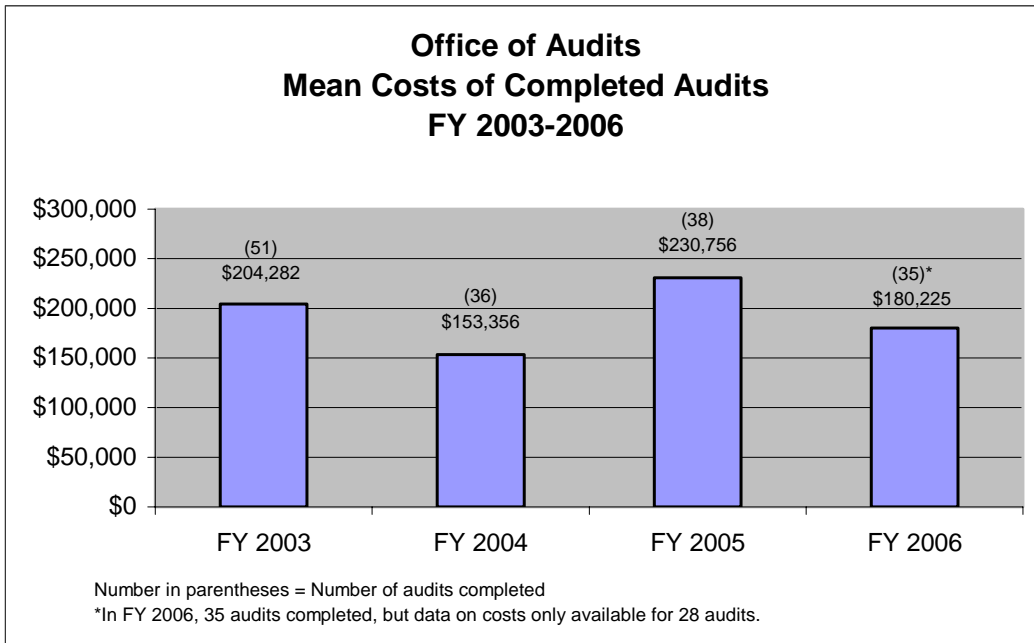
\* An investigation based on information that indicates a potential violation of Federal and/or Agency rules or regulations.

\*\* 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 2005 and 2006 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:

- Several years ago, an OIG audit of the Kennedy Space Center shuttle processing contractor developed several fraud indicators in one of the contractor's subcontracting activities. The audit revealed the contractor paid a former NASA electrical subcontractor unsupported costs totaling between \$885,000 and \$2 million. An OIG investigation based on the audit resulted in two of the contractor's senior procurement officials admitting to and receiving kickbacks from the subcontractor in exchange for providing bid information and assistance in the approval of change orders. Consequently, a civil settlement in the amount of \$1.4 million was reached between NASA and the current Shuttle processing contractor.
- An OIG investigation determined that a former principal investigator for a grantee at a university was misusing grant funds to operate a business concern out of the university's research center. The investigation also revealed that some grant funding was not being used for the benefit of intended beneficiaries, i.e., United States citizens who were minorities. The OIG Counsel with staff from the Office of Audits and Office of Investigations, and the United States Attorneys Office conducted negotiations resulting in the university agreeing to pay the United States \$350,000 to settle the false claims allegations.
- Our multidisciplinary team of investigators, 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 competitors' information to procurement 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 joint investigation by the our office and the Social Security Administration (SSA) OIG and a related NASA OIG audit reflects the benefits of OIG cooperative efforts, an integrated approach to conducting audits and investigations, and a collaborative relationship with the Agency. NASA and SSA investigators uncovered a complex scheme to defraud NASA and SSA of over \$245,000. The joint investigation resulted in convictions of a former NASA employee and a former SSA employee for the theft of the government funds. During the investigation, the NASA Center Director requested an audit of the Center's internal controls and procedures. NASA OIG auditors made recommendations to improve the internal control weaknesses that allowed the criminal fraud to occur. NASA immediately began to plan for and implement the necessary corrective actions.
- We 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 have been coordinated between our investigative and audit offices and that the right staff with the right expertise had been working these matters. The Senior Staff Referral Review Committee comprised of the Counsel to the Inspector General, the Assistant Inspector General for Investigations, Assistant Inspector General

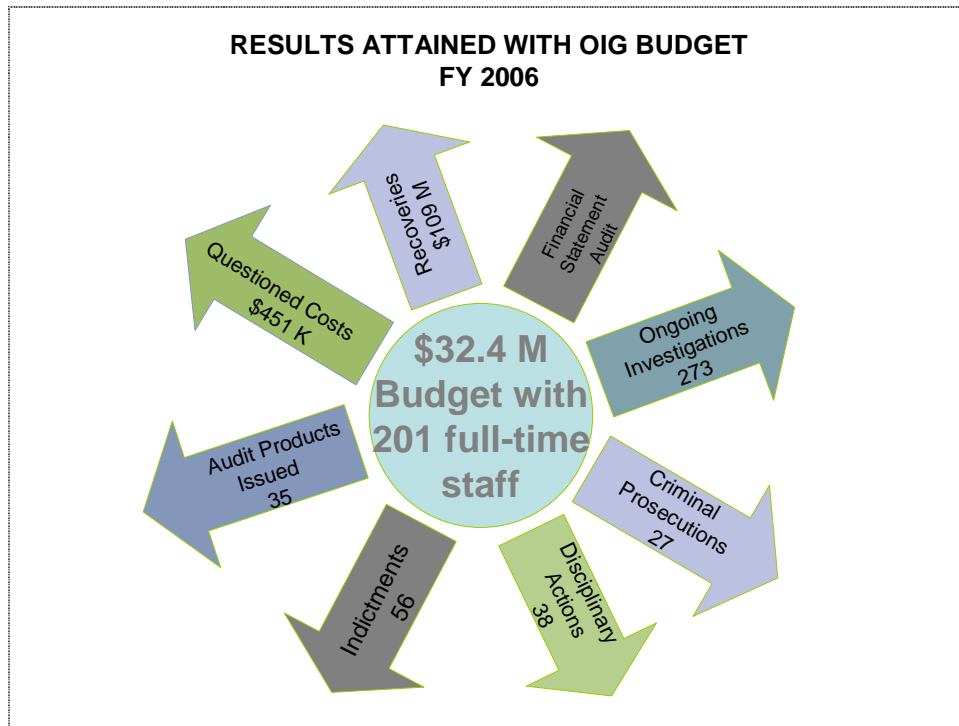
for Audits, the Executive Officer and the Special Assistant to the Inspector General meet weekly to review all incoming matters and to determine the office(s) responsible for addressing the matters. The process ensures that neither Office of Investigation (OI) nor the Office of Audits (OA) is tasked 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.

- We worked with NASA Office of General Counsel to develop an Agency-wide Acquisition Integrity Program designed to provide NASA with an internal control framework that ensures integrity in Government contracts, promotes competition in contracting, and vigorously addresses wrongdoing by contractors. A remedy coordination official will be responsible for coordinating NASA's administration of criminal, civil, administrative, and contractual remedies resulting from procurement investigations or corruption related to procurement activities.
- Over the last year, we have been working with NASA's Internal Control Council to identify a strategy that begins to address the issues identified in GAO's high risk report on contract management. With the Chief Engineer as the lead, we worked as an advisor to help a cross functional team devise a strategy that can put NASA in a position to document progress in areas identified by the GAO while working to implement a fully integrated financial management system.

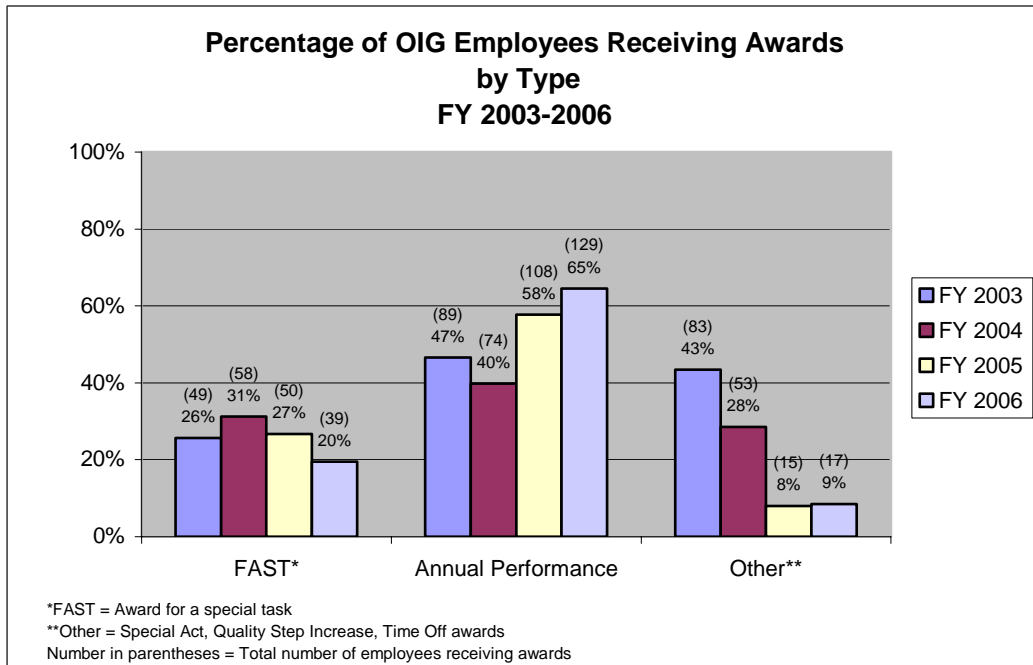
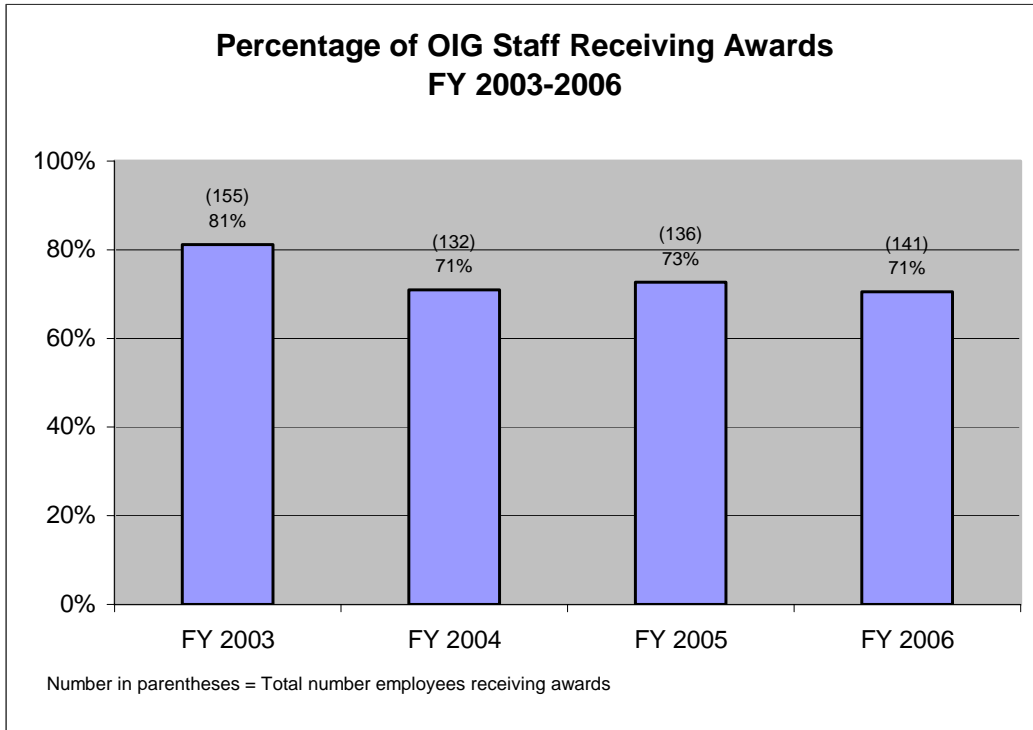
### STRATEGIC GOAL 3: MANAGE RESOURCES AND SERVICES FOR OPTIMAL RESULTS

OBJECTIVE 1: Efficiently and effectively employ public assets and resources

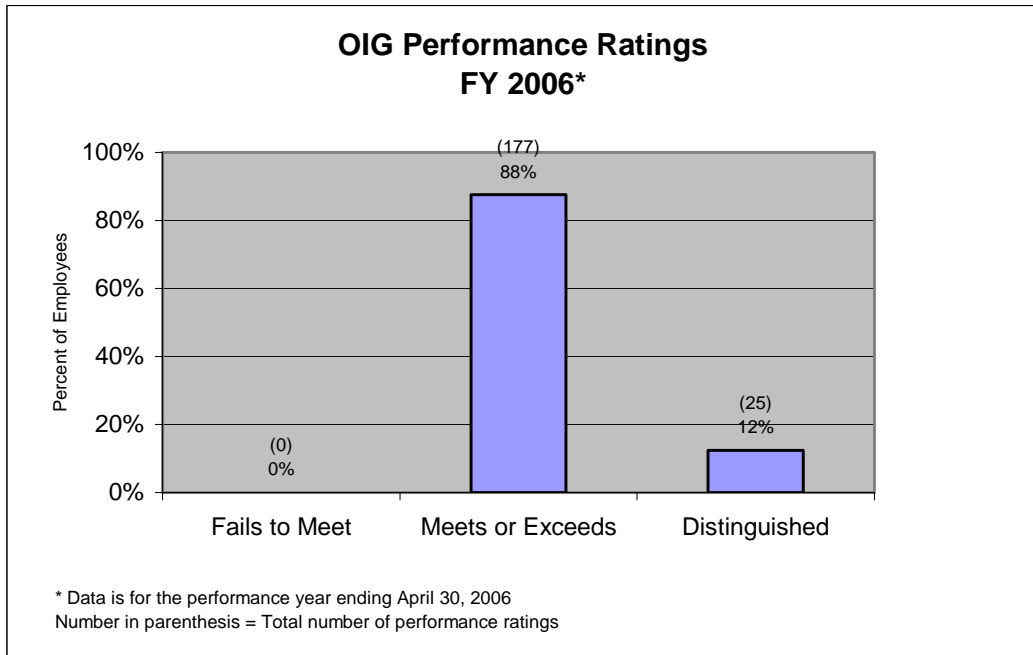
DATA POINT: Results attained with OIG budget



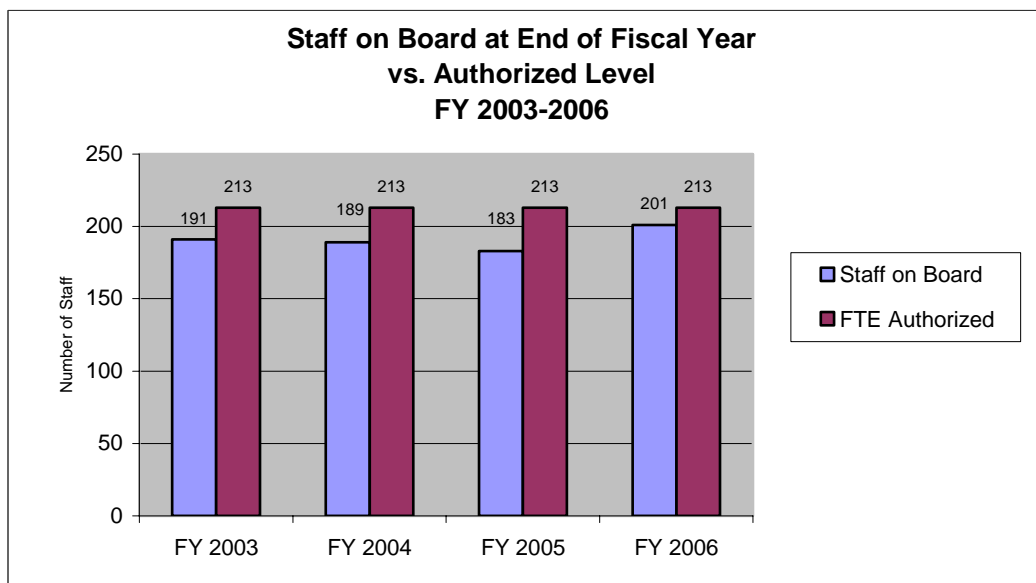
DATA POINT: Percentage of staff receiving awards and recognition for their contributions



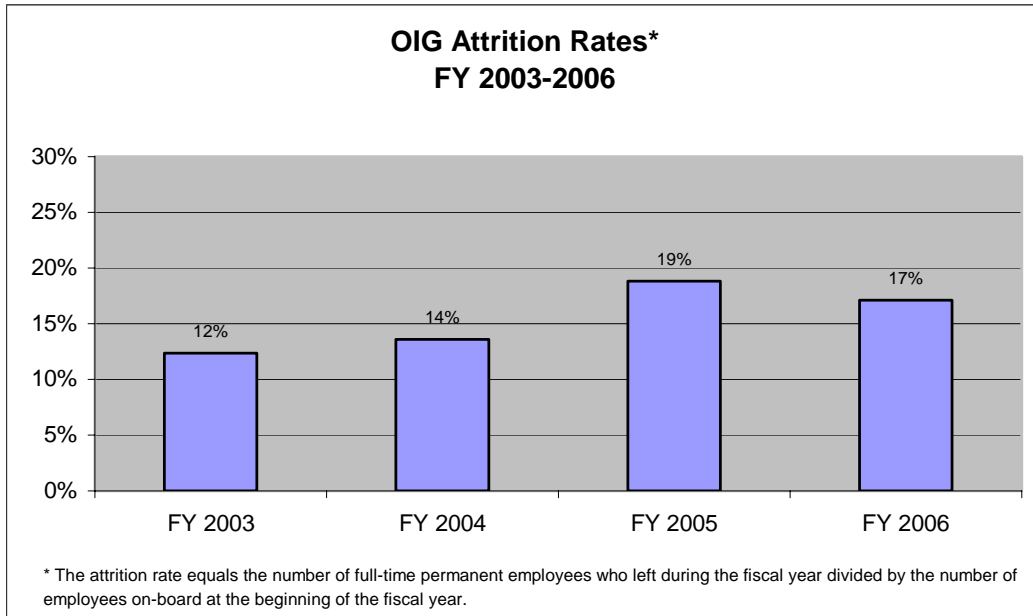
DATA POINT: Percentage of staff failing, meeting/exceeding, and significantly exceeding performance standards



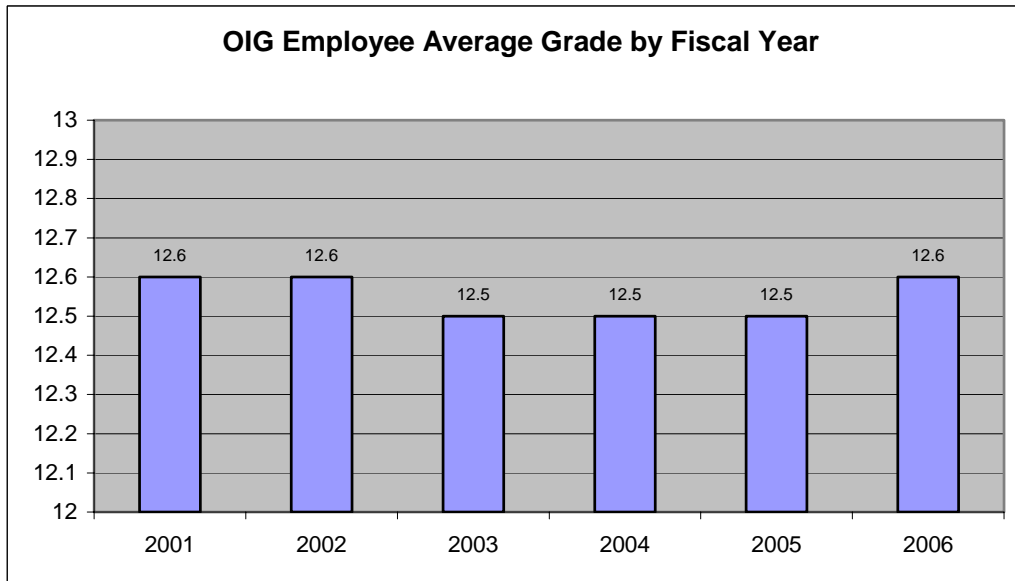
DATA POINT: Staff on board at end of fiscal year versus authorized level



DATA POINT: OIG attrition rates

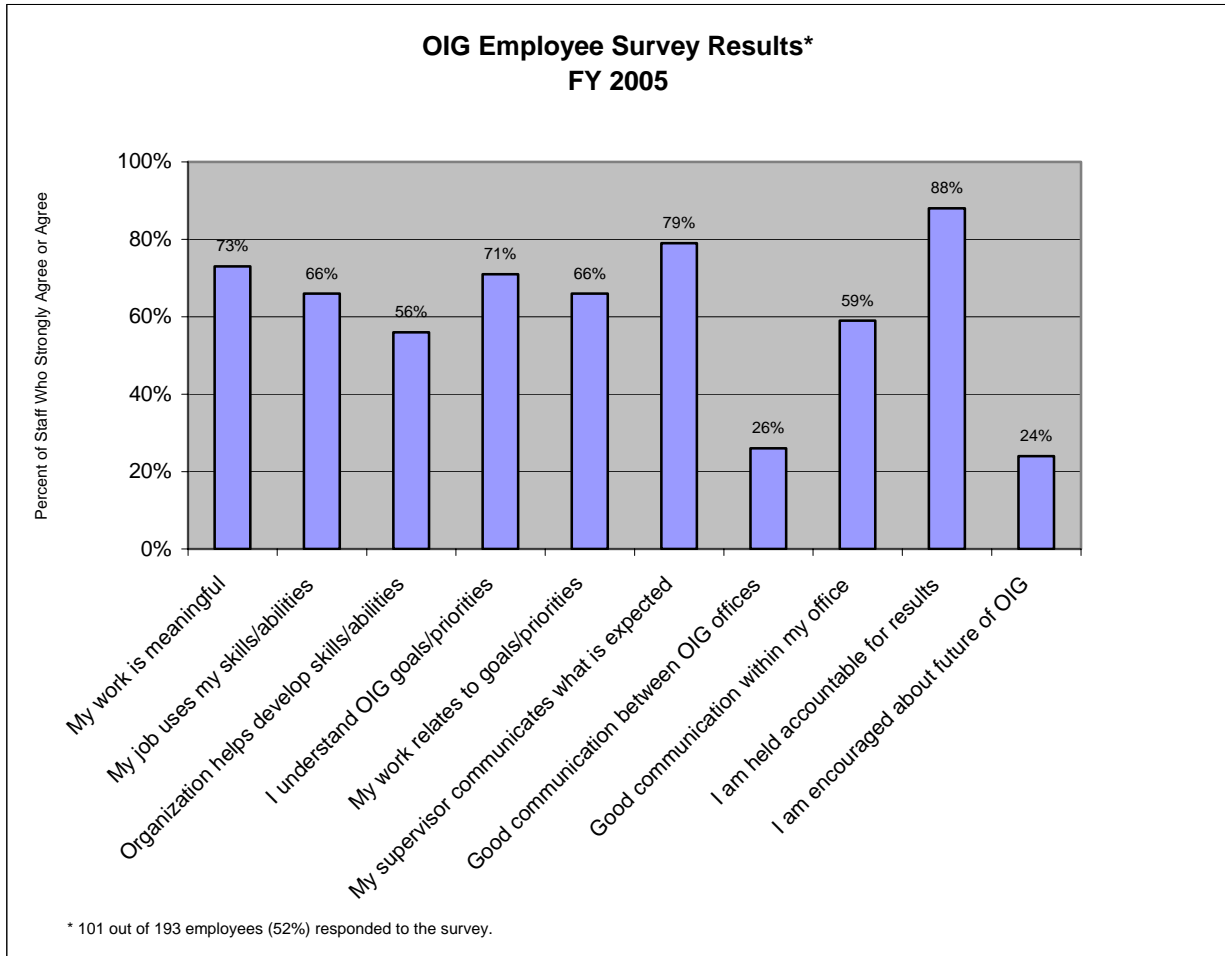


DATA POINT: OIG Employee average grade by fiscal year





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**

