

**(U) Office of the Director of
National Intelligence
Office of the Inspector General**



**(U) Semiannual Report
1 January 2010 – 30 June 2010**



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(U) The Inspector General of the Office of the Director of National Intelligence (ODNI) provides policy direction for, and plans, conducts, supervises, and coordinates inspections, audits, investigations, and other inquiries relating to the programs and operations of the ODNI and the authorities and responsibilities of the Director of National Intelligence (DNI). The Inspector General is charged with detecting fraud, waste, and abuse; evaluating performance; and making recommendations to promote economy, efficiency, and effectiveness in the ODNI and the Intelligence Community.



(U) A Message From the Inspector General

(U) The Office of the Director of National Intelligence (ODNI) Office of the Inspector General (OIG) made significant contributions to the missions of the ODNI and the Intelligence Community (IC) during the 1 January 2010 through 30 June 2010 reporting period. We conducted complex audits, inspections, investigations, and reviews aimed at improving the efficiency and effectiveness of ODNI and IC programs. In addition, we led several initiatives that promoted integration and collaboration across the IC Inspector General (IG) Community in furtherance of the objectives of the Intelligence Reform and Terrorism Prevention Act of 2004, the *National Intelligence Strategy*, and ODNI critical missions.

~~(U//FOUO)~~ In response to the attempted Christmas Day bombing of Northwest Flight 253, we coordinated efforts by IC IGs to update the status of the terrorist watchlisting recommendations they had made in previous OIG reports. These IC IG reports focused on recommendations for improving standards and policies for nominating individuals to the consolidated terrorist watchlist. As of January 2010, 70 percent of these IG recommendations were implemented by IC agencies. During the latter part of this reporting period, IC IG agencies implemented new policies and initiatives governing terrorist watchlisting to address the issues presented by the Flight 253 incident.

~~(U//FOUO)~~ During this reporting period, we completed two significant audits, which are described in detail in the Completed Projects section of this report. The first audit, *Audit of the Internal Controls over Office of Director of National Intelligence Fund Balance with Treasury (FBWT)*, addressed internal controls necessary to facilitate timely reconciliations of the ODNI's FBWT accounts on a regular and recurring basis. The second audit, *Increasing the Value of the Intelligence Community's Federal Information Security Management Act (FISMA) Reports*, identified ways to enhance the thoroughness, reliability, and comparability of IC agencies' FISMA reporting.

(U) From a community perspective, we continued to enhance collaboration in the IC IG community through the 16th Annual IC Inspectors General Conference and the Second Annual IC IG Awards Ceremony. The Annual Conference was held at the National Reconnaissance Office (NRO) and was attended by over 280 IC OIG professionals. Conference panels and discussions addressed IC management challenges, congressional oversight perspectives, cybersecurity issues, practical tools for OIG projects, and procurement irregularities.



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(Downgrade to U//FOUO upon removal of attachments)

The 22 June 2010 IC IG Awards Ceremony, hosted by Vice Admiral Robert B. Murrett, Director, National Geospatial-Intelligence Agency (NGA), honored the accomplishments of IC OIG projects and professionals, including lifetime achievement awards for two IG professionals, each with over 30 years of OIG experience.

(U) We also continued to support the DNI and senior ODNI officials in enhancing the mission of the ODNI. ODNI management worked diligently to implement pending OIG recommendations such that 96 percent of OIG recommendations made in reports issued since 2007 are now either closed or resolved. Included among the recommendations implemented in this reporting period are recommendations from our inspection of IC Acquisition Oversight, our review of the IC Civilian Joint Duty Program, and our audit of internal controls over the ODNI's Fund Balance with Treasury.

(U) In June 2010, I appointed Edward Haugland as Assistant Inspector General for the Inspections Division. Ed comes to the OIG with over 25 years experience in the IC, including service in the ODNI, Central Intelligence Agency, NGA, Department of Energy Office of Intelligence, and in the private sector. We are delighted to have Ed join our management team.

(U) We appreciate the continued support for our mission from ODNI management and Congress. As the ODNI welcomes new leadership, the OIG will continue to assist the ODNI in accelerating integration, promoting efficiency and effectiveness, and reducing fraud, waste, and abuse. I continue to be impressed and inspired by the talent and dedication of OIG personnel across the IC. We are committed to performing our work with the highest standards of professionalism, objectivity, independence, and integrity.



Roslyn A. Mazer
Inspector General
August 2010

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I. (U) Overview

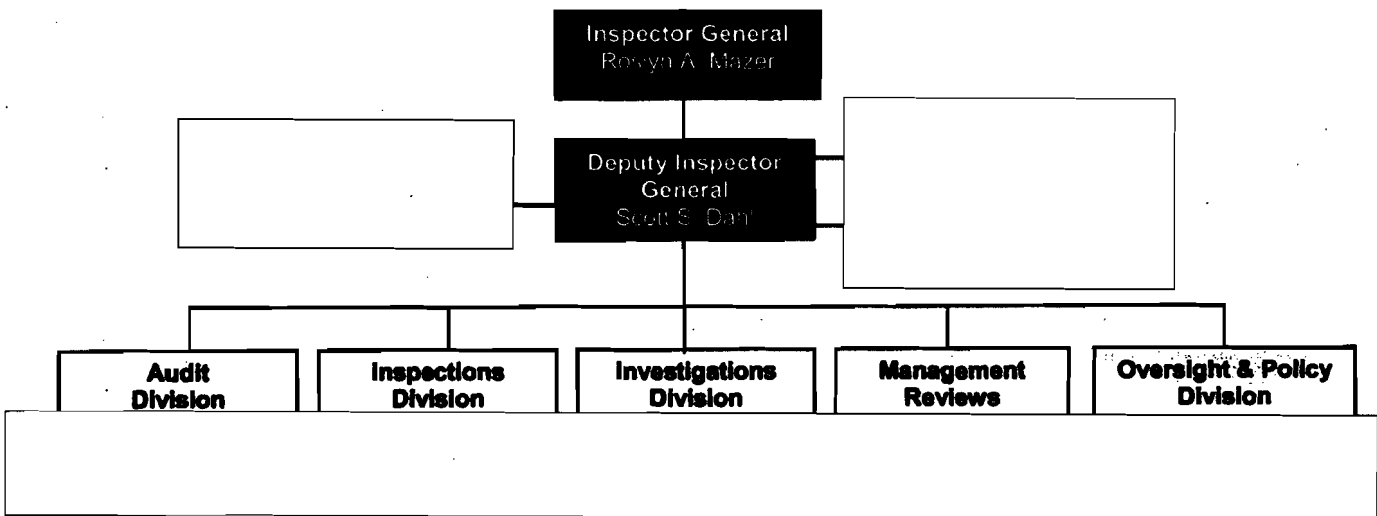
(U) The mission of the Office of the Inspector General (OIG) is to improve Intelligence Community (IC) performance by: 1) conducting oversight of the Office of the Director of National Intelligence (ODNI) and IC programs and operations that fall within the authorities and responsibilities of the Director of National Intelligence (DNI); 2) exercising a unique cross-agency focus; and 3) drawing upon the collaborative efforts of IC Inspector General (IG) partners. The OIG conducts audits, investigations, inspections, and reviews of ODNI and IC performance to detect and deter waste, fraud, and abuse and to promote efficiency, effectiveness, and accountability. The OIG's completed and ongoing projects are described in sections III and IV, respectively, of this report.

(U) The OIG makes recommendations to the DNI for improving the performance of ODNI and IC programs and activities. Section VI of this report includes an update as of 30 June 2010 on the status of ODNI management's implementation of recommendations made in OIG reports completed since 2007.

(U) OIG Organization

(U) An organization chart delineating the OIG's front office and division structure is below.

(U) Figure 1. OIG Organization Chart 2010



(U) The OIG is comprised of the following divisions:

(U) Figure 2. OIG Divisions 2010

| Office of the Inspector General Divisions | |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Division | Executes program, compliance, and financial audits and evaluations of ODNI and IC programs, information technology, procurement, acquisitions, internal controls, financial statements, and financial management. |
| Inspections Division | Conducts inspections, reviews, and evaluations to improve IC-wide performance; examines information access, collaboration, intelligence collection, analysis, and compliance with laws and regulations. |
| Investigations Division | Investigates allegations of violations of criminal laws and administrative regulations arising from the conduct of ODNI and IC employees and contractors. |
| Management Reviews Division | Conducts management and programmatic reviews of the ODNI, its centers, and the IC; evaluates management and processes to assist the IC in developing and implementing processes and procedures to improve both effectiveness and efficiency. |
| Oversight and Policy Division | Performs reviews of programs and activities to assess whether oversight and compliance are effective, monitors and analyzes trends and patterns concerning intelligence oversight activities across the IC, and prepares reports on intelligence oversight issues in coordination with the ODNI Office of General Counsel (OGC) for the President's Intelligence Advisory Board's Intelligence Oversight Board (IOB). |

(U) OIG Personnel and Resources

(U//FOUO) To accomplish our IC-wide oversight roles and responsibilities, the OIG has developed a diverse, highly-experienced workforce from a variety of professional backgrounds and IC elements. Our staff includes professionals with experience as auditors, investigators, attorneys, and inspectors within other OIGs across the IC. As a complement to these professionals, our staff also includes professionals with extensive IC experience working in military and civilian intelligence organizations as collectors, analysts, and project managers.

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II. (U) IC Inspectors General Activities

(U) To achieve its oversight objectives, the ODNI OIG facilitates collaboration, information sharing, and strategic planning among the IC Inspectors General. This section highlights some of the ways the OIG fulfilled this mission during this reporting period.

(U) IC Inspectors General Forum

(U) The ODNI IG chairs the IC Inspectors General (IC IG) Forum, which meets quarterly to consult on topics of common interest, to facilitate the development of cross-agency projects, and to promote the role of IC IGs across the IC. The ODNI OIG serves as the Executive Secretariat for the IC IG Forum, performing such functions as hosting meetings, developing agendas, distributing pertinent documents, and maintaining meeting minutes.

(U) During this reporting period, the IC IG Forum promoted collaboration and coordination among the IC IGs by exchanging ideas and work plans, sharing best practices, and identifying collaborative projects affecting two or more IC OIGs. To this end, IC IGs continued to review acquisition oversight across the IC and planned to conduct in FY 2011 a concurrent inspection of IC continuity of operations (COOP) and intelligence readiness during national emergencies (discussed in detail in section IV). These reports will strengthen the collective role and effectiveness of OIGs throughout the IC. In addition to these collaborative efforts, the IC IG Forum sponsored the Second Annual IC IG Awards Ceremony (discussed in detail below).

(U) As part of the IC IG Forum activities, the Deputy Inspector Generals' Working Group and Assistant Inspectors General (AIG) Working Groups for Audit, Inspections, and Investigations each met to exchange ideas on a wide variety of topics. The Deputy Inspector Generals' Working Group also served as the IC IG Awards Review Board to select award recipients and make recommended revisions to the IC IG Awards Program. In addition, the Deputy Inspector Generals' Working Group developed a draft agenda and speakers for the IC IG 16th Annual Conference held in May 2010.

(U) The AIGs for Investigations Working Group collaborated on proposed legislation affecting investigations and exchanged best practices regarding proactive efforts to detect waste, fraud, and mismanagement. It also shared the names of working targets to ensure all agencies are aware of any fraudulent schemes or efforts. The Working Group established a new Peer Review process, modeled after the current Council of Inspectors General on Integrity and Efficiency (CIGIE) peer review process. In June, a team designated by the Working Group implemented this new process when it conducted a Peer Review of IC OIGs' Offices of Investigations. The Group also encouraged and participated in the IC IG Joint Duty Rotational Assignment Program, collaborated on several joint investigations, and facilitated joint training within the IC.

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~~(U//FOUO)~~ The Joint Audit Working Group (JAWG) sponsored presentations on fraud auditing and the use of forensics in auditing; coordinated current and future work plans; and met with and discussed audit support to key IC leaders, including officials from the Business Transformation Office, the Assistant Director of National Intelligence/Chief Financial Officer (ADNI/CFO), and the IC Chief Information Officer (IC CIO). The JAWG also established a subgroup comprised of members from 10 agencies to focus on how the OIG community can share resources, perform audits, and best assist their agencies in accomplishing cybersecurity-related mandates.

~~(U//FOUO)~~ The OIG Audit Division serves as the IG representative co-chair on the CFO/IG Council. The Council is comprised of the Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency (NSA), and ODNI CFO and IG representatives. The Council is responsible for: 1) monitoring the IC implementation of the *Financial Statement Auditability Plan*; 2) providing assistance to the components on the resolution of IC-wide challenges; and 3) developing and executing an IC audit validation strategy. As the co-chair of the CFO/IG Council, the OIG led the quarterly council meeting that resulted in an IC IG position on OIGs' responsibilities for financial statement validation and audit work.

~~(U//FOUO)~~ The Audit Division also assumed the responsibility formerly performed by the IC CIO to coordinate, provide guidance, and consolidate the annual Federal Information Security Management Act (FISMA) reports for 10 IC agencies or departmental components.

(U) Second Annual IC Inspectors General Awards Ceremony

(U) On 22 June 2010, Vice Admiral Robert B. Murrett, United States Navy, Director of NGA, hosted the Second Annual IC Inspectors General Awards Ceremony. The ceremony recognized personnel from OIGs throughout the IC who made extraordinary contributions in 2009 to the mission and objectives of the OIGs and the *National Intelligence Strategy*. Honorees were presented awards in the following categories:

- Leadership Award
- Lifetime Achievement Award
- Collaboration Award
- Audit Award
- Inspections Award
- Investigations Award

(U) Vice Admiral Robert B. Murrett was the keynote speaker for the awards ceremony. Admiral Murrett expressed his thanks to the IG community for assisting all IC personnel in maintaining the highest standards of management, resource allocation, and accountability. Admiral Murrett highlighted the IC IG community leadership and collaboration, which enables

cross-agency projects and fulfillment of IC-wide objectives. He stressed how vital OIG work is to maintaining the public trust, increasing accountability, and improving mission performance.

(U) Lifetime Achievement Awards were presented to LeRoy E. Elfmann, who was recognized for more than 36 years of service to the DIA OIG, and Brian R. McAndrew, who provided over 35 years of service to the NSA OIG. The Leadership Award was presented to Robert A. Vignola for his outstanding service and leadership as a Deputy Inspector General and manager in the NRO OIG.

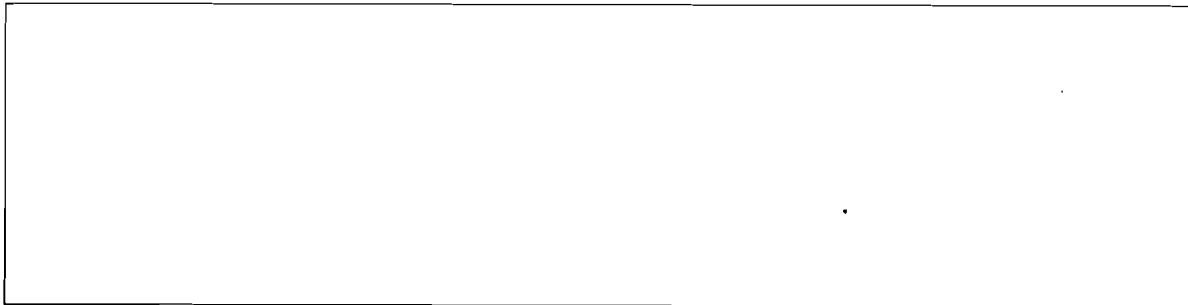
(U) ODNI Inspector General Roslyn A. Mazer and other IC IGs presented the Collaboration Award to individuals in four OIGs – CIA, NSA, Department of Defense (DoD), and ODNI – who worked jointly to complete a comprehensive review of the President's Surveillance Program, as required by Title III of the Foreign Intelligence Surveillance Act (FISA) Amendments Act of 2008. The IC IGs also presented Audit Awards to the Financial Management Audit Team at the NRO and to the CIA Audit Team for its work on a Covert Action Program. The Inspections Award was presented to the NGA OIG's Office of Global Navigation Inspection Team. The Investigations Award was presented to an NSA investigation team in recognition of its work on a case involving alleged improprieties at the NSA/Central Security Service Georgia.

(U) The IC IG awards program is part of the National Intelligence Professional Awards Program that the ODNI established in 2007.

(U) 16th Annual IC Inspectors General Conference

(U) The ODNI OIG hosted the 16th Annual IC Inspectors General Conference on 18 May 2010 at the Jimmie D. Hill Conference Center at the NRO. Over 280 OIG personnel from across the IC IG Community attended the conference.

(U) The conference theme was *Intelligence Reform Five Years Later*. The objectives of the conference were to discuss how the IC IG community views the IC's progress in meeting the objectives established in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The conference afforded participants an opportunity to hear perspectives from distinguished IC leaders, other OIG experts, and congressional intelligence oversight committee staff.



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(U) Intelligence Oversight Activities

(U) This report marks the second year that Executive Order 13462 has governed OIG intelligence oversight activities. The Executive Order elevated accountability for intelligence oversight reporting to the heads of departments and agencies and incorporated a more timely method for reporting significant and highly sensitive intelligence oversight matters from IC components to the President's Intelligence Oversight Board (IOB). Under the Executive Order, the DNI has responsibility to analyze IC component intelligence oversight reporting submitted to the IOB. This responsibility is carried out jointly by the ODNI OIG and the ODNI Office of the General Counsel (OGC). The Executive Order also requires the DNI to review IC agencies' internal guidelines governing reporting to the IOB to assess their consistency with section 1.6(c) of Executive Order 12333, as amended. This review has also been jointly initiated by the ODNI OIG and ODNI OGC.

(U) The OIG also participates as a member of the joint ODNI and Department of Justice oversight team that conducts periodic reviews to assess IC compliance with procedures and guidelines issued pursuant to Section 702 of the Foreign Intelligence Surveillance Act (FISA), 50 U.S.C. §1801 *et seq.*, as amended by the FISA Amendments Act of 2008, 50 U.S.C. §1881a. The results of these compliance reviews are summarized by the DNI and the Attorney General in joint semiannual reports submitted to the SSCI, HPSCI, Senate Judiciary Committee, House Judiciary Committee, and the Foreign Intelligence Surveillance Court.

III. (U) Completed Projects

(U) Inspections

(U) Status Update on the Implementation of IC OIGs' Watchlisting Recommendations

(U//FOUO) In response to the attempted bombing of Northwest Airlines Flight 253 on 25 December 2009, the OIG surveyed the IC OIGs that participated in the 2008 IC-Wide Review of the Terrorist Watchlist Nomination Process to assess the implementation status of the recommendations from that review. The 2008 review, which was led by the ODNI OIG and involved the CIA, Department of Homeland Security, DIA, Department of Justice, Department of Energy, Department of State, and NSA OIGs, focused on whether:

1. Processes and standards for nominating individuals to the consolidated watchlist were consistent, articulated in policy or other guidance, and understood by nominators;

2. Quality control processes were in place to ensure that nominations were accurate, understandable, updated with new information, and included all individuals who should be placed on the watchlist based on information available to the agencies;
3. Responsibility for terrorist watchlist nomination was clear, effective, and understood;
4. Nominators received adequate training, guidance, or information on the nominations process;
5. Agencies maintained records of their nominations, including the source of the nomination and what information was provided with the nomination; and
6. Collection organizations appropriately participated in the nomination process.

(U//FOUO) The ODNI OIG reviewed the implementation status of the recommendations made in this report, as well as all other watchlisting-related recommendations made by these IGs previous to this report. As of January 2010, agencies had closed approximately 70% of all OIG watchlisting recommendations. The Federal Bureau of Investigation (FBI) closed approximately half of its open recommendations, and the remaining IC agencies implemented approximately 85% of their respective recommendations.

(U) The table below (Figure 3) lists the status of IC OIG recommendations as of January 2010. As a result of the joint IC IG reviews of the terrorist watchlisting nomination process, more agencies now are directly participating in the nomination process.

(U//FOUO) Figure 3: Status of IC OIG Watchlisting Recommendations (2007-2009)

| Watchlisting Recommendations from the IC OIGs (2007-2009) | | | | | |
|--------------------------------------------------------------|---------------------------|-----------|-----------|-------------------------------------|----------|
| OIG | Number of Recommendations | | | Information Sharing Recommendations | |
| | Total | Closed | Open | Total | Open |
| CIA | 3 | 3 | 0 | 0 | N/A |
| DHS | 2 | 2 | 0 | 1 | 0 |
| DIA | 5 | 5 | 0 | 0 | N/A |
| DOE | 2 | 2 | 0 | 0 | N/A |
| DOJ | 8 | 5 | 3 | 3 | 2 |
| | 16 | 6 | 6 | 0 | N/A |
| NSA | 4 | 2 | 2 | 1 | 0 |
| ODNI | 9 | 6 | 1 | 0 | N/A |
| STATE | 3 | 3 | 0 | 0 | N/A |
| Total | 62 | 38 | 14 | 6 | 2 |

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(U) Audits

(U) Audit of Internal Controls over The ODNI's Fund Balance with Treasury (FBWT)

~~(U//FOUO)~~ The ODNI OIG initiated an audit of internal controls over the ODNI's FBWT in April 2009. The audit objective was to evaluate the adequacy and effectiveness of internal controls as they relate to the ODNI's FBWT. Specifically, the audit's purpose was to ensure that policies and procedures are in place to perform reconciliations of the FBWT account on a periodic and recurring basis.

[Redacted]

The FBWT account plays a critical role in an agency's financial statement auditability.

~~(S//NF)~~ We found that since the ODNI's inception in April 2005, it had not complied with statutory requirements under the Federal Managers' Financial Integrity Act (FMFIA) to perform annual assessments and reported on its systems of internal accounting and administrative controls. In addition,

[Redacted]

~~(S//NF)~~ The OIG made five recommendations to improve internal controls over the ODNI's FBWT account. These included recommendations

[Redacted]

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(U) Increasing the Value of the IC Federal Information Security Management (FISMA) Act Reports

~~(U//FOUO)~~ The ODNI OIG initiated this evaluation to examine issues identified during the OIG's FY 2009 FISMA evaluation of the ODNI. During the FY 2009 FISMA review, we noted FISMA-related issues that were beyond the scope of the OIG's FISMA evaluation and therefore not appropriate for inclusion in the FY 2009 FISMA report. These issues included the following: 1) the consequences of delayed receipt of the Office of Management and Budget's (OMB) annual FISMA reporting requirements, 2) the inability of IC agencies to use OMB's new unclassified database for annual FISMA reporting, and 3) the lack of a standard definition of an "information system." This evaluation examined those broader issues.

~~(U//FOUO)~~ The review identified the following issues that affect the ability of the ODNI and other IC elements to provide timely, comprehensive, and meaningful FISMA reports:

1. (U) The timing of OMB's annual FISMA reporting instructions to IC agencies limits the agencies' ability to provide thorough and meaningful reports and consequently limits FISMA's value as a tool to ensure the effectiveness of security controls over IC information.
2. (U) IC agencies are unable to enter classified data into OMB's new unclassified FISMA database for annual reporting purposes, thus requiring the IC CIO to establish another method for agencies to use to report IC FISMA data for FY 2010 and future years.
3. ~~(U//FOUO)~~ The IC lacks a clear definition for an "information system," which creates inconsistencies in FISMA reporting among IC agencies and in turn diminishes the thoroughness, reliability, comparability, and value of these reports.

~~(U//FOUO)~~ Our report contained four recommendations to the IC CIO that, when fully implemented, will increase the value of the IC agencies' annual FISMA reports submitted to OMB and Congress and will improve accountability over information system security. The IC CIO concurred with all four recommendations and has taken steps during the course of the audit to address the findings. For example, the IC Information Assurance (ICIA) office within the IC CIO has been examining alternatives in light of OMB's changes in FISMA reporting policies and methodologies. Additionally, the ICIA office established the FISMA and Metrics working group to address FY 2010 reporting challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges. The ICIA office stated that once OMB's FY 2010 FISMA instructions are finalized, they will advise OMB of the IC CIO's decision pertaining to instructions that will be used by the IC for the FY 2010 FISMA review.

~~(U//FOUO)~~ On 10 March 2010, the ODNI IG sent a letter to OMB on behalf of and with the support of the IC OIGs and the IC CIO to identify issues that diminish the ability of the IC OIGs to perform meaningful FISMA reviews. The letter outlined the two major challenges

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for IC agencies in performing and reporting on their annual FISMA reviews: 1) increasingly compressed timeframes for completion of FISMA reviews due to OMB delays in issuing FISMA instructions, and 2) the unclassified nature of OMB's new database for annual FISMA reporting requirements that precludes its use by the IC agencies. Although OMB has not yet responded to the letter formally, at the request of the ODNI OIG, OMB officials agreed to permit IC OIGs to initiate their FISMA reviews using draft FY 2010 metrics.

(U) Investigations

~~(U//FOUO)~~ During this reporting period, the OIG conducted 21 investigations on a variety of allegations including misuse of position, improper use of government resources, contract irregularities, time and attendance abuse, voucher fraud, and inappropriate conduct.

(U) Alleged Time and Attendance Fraud by Former Contractors to ODNI

(U) The OIG investigated allegations that employees of a government contractor billed the government more than \$100,000 for work they did not perform. The OIG completed an investigation and analysis of estimated loss to the government, and the government contractor has made full restitution to the government.

(U) Use of Subpoena Authority

~~(U//FOUO)~~ During this reporting period, the OIG did not exercise subpoena authority under section 7(a)(4) of ODNI Instruction 2005-10.

IV. (U) Ongoing Projects and Activities

(U) Inspections and Reviews

(U) Evaluation of the President's Daily Briefing (PDB): Sources, Resources, Processes, and Outcomes

~~(U//FOUO)~~ The DNI relies on the PDB to provide the President and his senior advisors with a baseline of intelligence to inform their perspective on world events, potential threats, and the capabilities and intentions of our adversaries. The OIG is evaluating the sources, resources, and processes used to develop the PDB and is assessing the incentives and disincentives for agency participation in producing the PDB. To date, the OIG has interviewed 17 PDB principals to evaluate the overall utility and effectiveness of PDB products and services.

(U) Review of the Status of Integration of the IC's Departmental and Service Elements

(U) Recent OIG reviews indicate that many senior representatives from the IC's Departmental and Service elements believe their elements' missions and capabilities are not known, not understood, or not fully leveraged by the ODNI and other IC elements. The OIG is conducting a review to identify the unique roles, capabilities, expertise, and functions of the Departmental and Service elements; identify any barriers to their integration; and determine how these elements can be more effectively leveraged and integrated in the IC.

(U) Evaluation of the Administration and Management of ODNI Core Contractors Supporting Critical Missions

(U) As a result of interest expressed by the DNI and Congress, the ODNI OIG is conducting an evaluation of ODNI administration and management of core contractors supporting critical missions. The objectives of the evaluation are to assess the risks associated with the administration and management of core contracts; review ODNI initiatives to improve the administration and management of contracts; consolidate and synthesize similar agency-level evaluations of contractor resource strategies; and identify systemic or recurring problems, trends, and best practices, including risk mitigation measures.

(U) IC-Wide Acquisition Oversight: Strategies, Policies, and Processes

(U) In May 2009, the ODNI OIG inspected the ODNI acquisition oversight strategies, policies, and processes. The report contained recommendations to provide for more effective stewardship of major investments through total acquisition lifecycle management. The DNI endorsed the report recommendations, and the ODNI is making significant progress towards implementation.

(U) To leverage the findings of this report, the OIG requested through the IC IG Forum that other IC OIGs conduct similar organizational reviews. The OIG is coordinating with the OIGs of the NGA, NRO, DIA, and NSA to review their respective agencies' acquisition practices. The OIG will analyze and, if appropriate, integrate the collective findings and recommendations requiring DNI action into a summary report for the DNI.

(U) Audits

(U) FY 2010 Federal Information Security Management Act (FISMA) Evaluation

(U) FISMA requires agencies to conduct an annual independent evaluation of information security programs and practices. The evaluation includes testing the effectiveness of information security policies, procedures, and practices of a subset of agency systems. The OIG is performing the FY 2010 FISMA evaluation of the ODNI's information security programs and practices.

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(U) FISMA Capstone Report

(U) FISMA requires OIGs to perform independent evaluations of the information security programs and practices of federal agencies in order to provide an independent assessment from the agency CIOs' assessments. Through FY 2009, the IC CIO assumed the responsibility for consolidating the IC agencies' FISMA reports – including OIG reports – largely because the ODNI OIG was not sufficiently staffed to assume the responsibility. Effective FY 2010, the ODNI OIG is assuming responsibility for IC OIG reports and will prepare a capstone report that will be submitted to OMB and congressional oversight committees.

(U) Audit of the DNI's Monitoring and Coordination of the Comprehensive National Cybersecurity Initiative (CNCI)

(U//FOUO) The President has identified cybersecurity as a top priority for U.S. national security. National Security Presidential Directive 54/Homeland Security Presidential Directive 23 (NSPD 54/HPSD 23), jointly known as the CNCL, instructs the DNI, as the head of the IC and consistent with Section 1018 of IRTPA, to implement the policies and initiatives of the CNCI within and throughout the IC. Through the DNI's statutory budget, tasking, and intelligence information sharing authorities, the DNI is charged with ensuring the appropriate resource allocation and integration of all cybersecurity efforts and initiatives.

[redacted] The OIG is evaluating the effectiveness of the ODNI's implementation of [redacted]

[redacted] The OIG is assessing whether the ODNI has established the policies and procedures, roles and responsibilities, and governance structures necessary to effectively monitor and coordinate CNCI implementation. The OIG also is examining whether there are gaps or additional measures that should be addressed from a CNCI or ODNI perspective.

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(U) Investigations

(U//FOUO) The OIG continues to receive allegations of wrongdoing from within the ODNI and the IC, including alleged procurement fraud, contract fraud, ethics violations, labor mischarging, and time and attendance fraud.

(U//FOUO) In the course of its investigations, the OIG may identify systemic weaknesses in ODNI processes and procedures. In such cases, the OIG makes immediate referrals to ODNI management so that management can take action to address the identified issues. During this reporting period, the OIG made recommendations for improvement of the contract management practices of an ODNI component and has worked with the component, as appropriate, to ensure implementation of the recommendations.

(U//FOUO) Select cases representing the breadth of ongoing investigations are highlighted below.

(U) Alleged Contracting and Administrative Misconduct by an ODNI Official

(U) The OIG is investigating allegations that the director of an ODNI component committed administrative misconduct and numerous contracting violations. This matter has been briefed to the Director of the Intelligence Staff and senior ODNI management and has resulted in significant action to address the OIG's preliminary findings.

(U) Alleged Unauthorized Possession of a Firearm at Work

(U) The OIG is investigating allegations that ODNI employees erroneously were issued credentials to carry a firearm as part of their employment. The ODNI has recovered all of these credentials, and the OIG is investigating why these credentials were issued.

(U) Alleged Voucher Fraud by a Senior IC Official

(U) The OIG is investigating allegations that a senior IC official committed voucher fraud by submitting several travel vouchers containing questionable reimbursement expenses.

(U) OIG On-Line Complaint Intake System

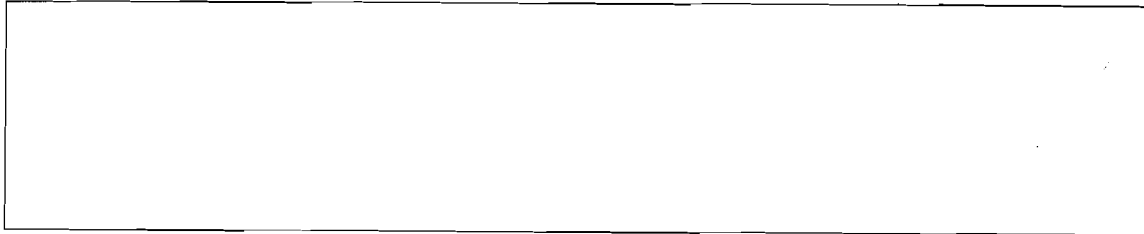
(U//FOUO) The ODNI OIG manages a complaint intake channel that allows IC personnel to file complaints on topics ranging from ethics violations to "urgent concerns" handled under the Intelligence Community Whistleblower Protection Act. During this reporting period, the OIG intake channel received nine complaints, which included allegations of the misuse of government funds, unfair hiring practices, conflicts of interest, harassment or reprisals involving contractors, and misleading of Congress regarding an intelligence capability. The ODNI OIG has investigated each of these cases or referred them for follow up to the appropriate IC investigative component.

V. (U) Congressional Engagements

(U) During this reporting period, the OIG engaged with Members and congressional staffers on a wide variety of issues. In March 2010, the Inspector General briefed recent OIG reports to the Members of the HPSCI Subcommittee on Intelligence Community Management. Members were most interested in the OIG's November 2009 IC Management Challenges report, which summarized the most critical IC and ODNI management challenges based on IC OIGs' reports conducted over the past year.

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~~(S//NF)~~ The Inspector General addressed three challenges noted in recent OIG reports:



~~(U//FOUO)~~ With regard to Information Sharing and Information Security, the Inspector General referenced the OIG's 2008 Terrorist Watchlisting report, which summarized the reports on terrorist watchlisting by eight other IC OIGs. In the Human Capital area, the Inspector General summarized the findings of the OIG's Joint Duty report, noting that the program enjoys strong support, but stronger leadership advocacy and a strong corporate communications policy would improve the program.

~~(U//FOUO)~~ In February 2010, Deputy Inspector General Scott S. Dahl briefed staff from the House Appropriations Committee Subcommittee on Defense (HAC-D) on the OIG's 2009 IC Management Challenges report, the OIG's FBWT report, and the OIG's semiannual report for the period 1 July – 31 December 2009. He explained the progression of the Management Challenges report and how the OIG is in a much better reporting posture than in years past. Mr. Dahl highlighted that the FBWT report provided a firm foundation for the ODNI to begin addressing the organization's financial management problems. Finally, Mr. Dahl provided an overview of the draft OIG Work Plan for 2010-2011.

(U) In early April, Mr. Dahl briefed SSCI staffers on the FY 2010-2011 OIG Work Plan and answered questions related to the OIG's 2009 IC Management Challenges report and the 1 July – 31 December 2009 OIG semiannual report. He also responded to specific questions on the IC's current management challenges, including financial auditability, cybersecurity, and information sharing.

VI. (U) Status of OIG Recommendations for Completed Reports

(U) The implementation status of OIG recommendations made in reports completed since 2007 is noted in Appendix A, listed by report in the order in which the reports were issued. Recommendations are "closed" if they have been fully implemented (designated in green); "resolved" if the ODNI has taken significant steps to implement them so that the OIG believes they will be fully implemented, but they are not yet entirely closed (designated in yellow); and "open" if they have not been implemented and substantial steps have not been taken yet towards implementation (no color designation).

(U) The OIG and ODNI management have instituted a process to ensure timely and effective implementation of OIG recommendations. As a result, a significant number of

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recommendations have been closed or resolved. Specifically, 67 percent of the recommendations in the reports listed below are closed, 29 percent are resolved, and 4 percent remain open.

(U) In the past 6 months, 21 recommendations have been closed, and the ODNI has made substantial progress in resolving 10 others. During this reporting period, the ODNI promulgated guidance for the development and validation of capability requirements for IC Major System Acquisitions (MSAs) in response to recommendations in our 2009 report on acquisition oversight. This new process, if effectively enforced, will substantially reduce risks of “requirements creep” and cost overruns on the IC’s most expensive and important investments over the years to come. The ODNI staff elements also established well-defined roles and responsibilities for the governance of these MSAs. The agreement among the staff elements addresses the OIG recommendation requiring the ODNI acquisition oversight workforce to ensure comprehensive lifecycle management in the acquisition oversight domain, providing Congress with metrics on the achieved performance of MSAs as part of the Annual Program Management Plan Report.

(U) The IC Chief Human Capital Office (CHCO) implemented several important recommendations from the OIG’s Joint Duty report, including: a) establishing and implementing a comprehensive communications strategy, and b) finalizing and distributing a “Memorandum of Understanding” to the IC to standardize Joint Duty Program terminology and processes. The development of a comprehensive communications plan is significant because it clarifies the purpose of the IC Civilian Joint Duty program and builds support, increased interest, and participation in the program. Likewise, the development of standard terminology in Joint Duty policy, guidance, and application forms reduces confusion concerning Joint Duty information and processes.

(U//FOUO) The ODNI Comptroller and Director of the ODNI MSC implemented two significant recommendations from the OIG’s FBWT report.

[Redacted]

Such reviews are essential to achieve accountability for programs and funding by systematically and proactively identifying operational and financial control weaknesses and by taking corrective actions.

Appendix

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

This Table is ~~SECRET//NOFORN~~

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(U) REVIEW OF IC-WIDE DISSEMINATION OF SENSITIVE REPORTING NOVEMBER 2007 (TOTAL: 5 - CLOSED; 4, RESOLVED; 1)</p> | | |
| a. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or Principal Deputy DNI (PDDNI), with the authority and duty to promulgate policies and procedures on intelligence dissemination and access. | DNI 1 June 2007 | (U//FOUO) CLOSED. Per ICD 101, the DDNI/PPR has the authority to promulgate IC Policy Guidance. |
| b. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for monitoring implementation of the policies and procedures by the agencies. | DNI 1 June 2007 | (U//FOUO) CLOSED. The IC CIO has been appointed the IC Information Sharing Executive. |
| c. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for adjudication of dissemination disagreements. | DNI 1 June 2007 | (U//FOUO) CLOSED. |
| d. (U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met. | DDNI/PPR lead IC CIO | <p>(U) RESOLVED. By issuing ICD 501, ICPG 501.1, and 501.2, the ODNI has implemented some of this recommendation by establishing common IC policies and procedures for the discovery and dissemination or retrieval of sensitive intelligence and by creating Sensitive Review Boards (SRB) to oversee dispute resolution and to "take proactive measures to help ensure information is made available to authorized IC personnel" (ICD 501, G.3.a).</p> <p>(U//FOUO) However, these standards do not fully address the part of the recommendation relating to sensitive intelligence dissemination and Sensitive Review Boards.</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

This Table is ~~SECRET//NOFORN~~

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (U) REVIEW OF IC-WIDE DISSEMINATION OF SENSITIVE REPORTING NOVEMBER 2007 (TOTAL = 5 - CLOSED: 4, RESOLVED: 1) | | |
| a. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or Principal Deputy DNI (PDDNI), with the authority and duty to promulgate policies and procedures on intelligence dissemination and access. | DNI 1 June 2007 | (U//FOUO) CLOSED. Per ICD 101, the DDNI/PPR has the authority to promulgate IC Policy Guidance. |
| b. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for monitoring implementation of the policies and procedures by the agencies. | DNI 1 June 2007 | (U//FOUO) CLOSED. The IC CIO has been appointed the IC Information Sharing Executive. |
| c. (U//FOUO) Appoint a senior ODNI official reporting directly to the DNI or PDDNI, with the authority and duty to establish a process for adjudication of dissemination disagreements. | DNI 1 June 2007 | (U//FOUO) CLOSED. |
| d. (U) Establish and promulgate IC standards and a process for the dissemination of sensitive intelligence reporting to ensure that customer requirements are better met. | DDNI/PPR lead IC CIO | (U) RESOLVED. By issuing ICD 501, ICPG 501.1, and 501.2, the ODNI has implemented some of this recommendation by establishing common IC policies and procedures for the discovery and dissemination or retrieval of sensitive intelligence and by creating Sensitive Review Boards (SRB) to oversee dispute resolution and to "take proactive measures to help ensure information is made available to authorized IC personnel" (ICD 501, G.3.a). (U//FOUO) However, these standards do not fully address the part of the recommendation relating to sensitive intelligence dissemination and Sensitive Review Boards. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c. (FOUO) Assess the current compartmentation policies constraining the use and release of the Analysis Integration Center (now the Integrated Operations Center for Special Projects) reporting. | PPR/SSC lead | (FOUO) CLOSED. NGA performed this analysis in the establishment of a control system for compartmented GEOINT. |
| [REDACTED] | | |
| [REDACTED] | IC CIO | [REDACTED] |
| [REDACTED] | IC CIO | [REDACTED] |
| IC-WIDE REVIEW OF THE TERRORIST WATCHLIST NOMINATION PROCESS FEBRUARY 2008 TOTAL = 9 / CLOSED: 8, RESOLVED: 1 | | |
| a. (U) Promulgate a comprehensive IC-wide policy clearly defining agency/departmental roles and responsibilities with regard to the watchlist nomination process. | NCTC lead; DDNI/PPR/ Policy | <div style="background-color: black; color: white; padding: 5px;">[REDACTED]</div> <p>(FOUO) Recommendation will close upon NCTC issuing a policy that is consistent with the 25 May 2010 Terrorist Screening Center guidance.</p> |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| b. (U) Publish interim IC-wide guidance that states the DNI's vision for the IC watchlist mission and requires each agency/department to: assign responsibility for watchlist functions, collaborate with NCTC to align responsibilities for IC watchlist functions, and identify watchlist activities/program funding requirements and/or shortfalls. | NCTC; DDNI/PPR/ Policy | (U) CLOSED. |
| c. (U) Develop a formal plan (with timelines) for agencies/departments to assume responsibility from CIA for reviewing their own real-time cable traffic for the purpose of terrorist watchlist nominations to NCTC. | NCTC | (U) CLOSED. |
| d. (U) Develop a standardized format for agency/department nominations to NCTC and formalize the business process for IC watchlist nominations to NCTC. | NCTC | (U) CLOSED. |
| e. (U) Develop and maintain a central repository for watchlist governing documents for the IC. | NCTC | (U) CLOSED. |
| f. (U) In coordination with DOJ/FBI, build on the Terrorist Screening Center (TSC) protocols and provide additional guidance to the watchlist community. | NCTC, in coordination with DOJ/FBI | (U) CLOSED. |
| g. (U) Update the TSC Memorandum of Understanding (MOU) on the Integration and Use of Screening Information and Addendum B to the MOU to ensure all participating IC agencies/departments are signatories. | NCTC | (U) CLOSED. |
| h. (U) Consider options for incorporating the resources that fund the IC's support for the watchlisting effort into the NIP budget rather than relying primarily on CT supplemental funding. | NCTC and CFO | (U) CLOSED. |
| i. (U) Work with Congress to change the provisions of 50 U.S.C. 404n-2 to reflect the establishment of NCTC's Terrorist Identities Datamart Environment (TIDE) as the USG's central and shared knowledge bank of international terrorist information, replacing the Terrorist Identification Classification System (TICS) requirements specified under this section. | NCTC, OGC, and OLA | (U) CLOSED. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (U) IC-WIDE INTEGRATION AND COLLABORATION DIAGNOSTIC AND RECOMMENDATIONS AUGUST 2008 TOTAL: 29 - CLOSED: 26, RESOLVED: 2, OPEN: 1 | | |
| a. (U) Appoint a senior officer to assist the DNI in ensuring the implementation of and compliance with recommendations contained in OIG reports and relevant recommendations from other reports. | DNI 12 September 2008 | (U) CLOSED. The Director of the Intelligence Staff has been given this responsibility. |
| b. (U) Make the EXCOM and DEXCOM permanent entities. | DNI | (U) CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009. |
| c. (U) Clearly define and communicate the roles and responsibilities of the DEXCOM to the IC. | DNI 12 October 2008 | (U) CLOSED. Charters establishing the EXCOM and DEXCOM were disseminated on 12 June 2009. |
| d. (U) Direct IC leaders to instruct their respective elements to coordinate hardware acquisition requirements through the appropriate ODNI organization. | IC CIO 12 October 2008 | (U) CLOSED. |
| e. (U) Finalize and communicate an IC systems architecture plan that acknowledges stakeholder inputs and requirements as appropriate. | IC CIO 12 November 2008 | (U) CLOSED. Joint Architecture Reference Model V 1.0 baselined by Joint Systems Engineering forum 29 April 2009 and briefed to IC2PAC 16 June 2009. |
| f. (U) Identify and develop an action plan to address the technological challenges that inhibit collaboration and information sharing – particularly, non-compatible IT networks deployed across the IC, and insufficient bandwidth for video teleconferencing. | IC CIO | (U) CLOSED. Information Integration Program (I2P) Roadmap Version 2.51 published June 2009 provides integrated plan to align over 38 initiatives to improve information integration across the IC. |
| g. (U) Require ODNI organizations to inform IC organizations of the purpose and outcomes of data calls as part of the tasking process. | DIS | (U) CLOSED. Memo from the DIS to all component heads directed them to provide this information in conjunction with ODNI tasking. |

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| h. (U) Share the results of this Diagnostic with IC elements. | DIS 12 September 2008 | (U) CLOSED. |
| i. (U) Brief the ICLC on the results of this baseline Diagnostic. | OIG/DIS | (U) CLOSED. |
| j. (U) Require all DNI direct reports and Mission Managers to develop and articulate their respective roles and responsibilities. | DIS | (U) CLOSED. |
| k. (U) Develop an audio-visual presentation introducing the DNI and the role of the ODNI in the IC to all new IC members. | PAO | (U) CLOSED. ODNI PAO released the ODNI Command Briefing in March 2010 for use across the IC. |
| l. (U) Coordinate and consolidate hardware and software acquisition requirements. | CIO | (U) CLOSED. |
| m. (U) Direct the DDNI for Analysis to develop and implement procedures to ensure the accuracy and quality of information in the Analytic Resources Catalog (ARC). | DDNI/A and CHCO | (U) CLOSED. CHCO has launched Intelligence Capabilities Catalogue (IC3) to replace the ARC. |
| n. (U) Ensure that all IC elements are incorporating the requirements of ICD 651 in employee performance appraisals. | ADNI/CHCO | (U//FOUO) CLOSED. CHCO has documented that 16 IC elements have implemented the requirements of ICD 651 in performance appraisals, 1 is in the process of implementing. |
| o. (U) Direct the IC CIO, in coordination with the DDNI/C and DDNI/PPR, to ensure through appropriate guidelines, policies, directions, standards and business practices that web-based tools and technology enable and enhance mission effectiveness. | IC CIO DDNI/A, DDNI/C, DDNI/PPR | (U) CLOSED. A-space User's Guide and Sourcing Requirements for Disseminating Analytic Products. A-Space is covered in Analysis 101. |
| p. (U) Identify, compile, maintain, and distribute to the IC a list of the expertise of all IC elements. | CHCO 12 October 2008 | (U) RESOLVED. IC3 will provide resident expertise at all IC elements. Recommendation will be closed once the IC3 is deployed and accessible. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| q. (U) Create a clear and succinct mission and vision statement for the ODNI. Publish and communicate the ODNI mission and vision to the ODNI and IC elements. | DIS and PAO 12 October 2008 | (U) OPEN. PAO will coordinate on a new mission and vision when a new DNI is appointed. |
| r. (U) Publish a definition of collaboration for the IC. | PAO 12 October 2008 | (U) CLOSED. |
| s. (U) Determine which recommendations made in the <i>Achieving a Robust Collaborative Environment</i> study should be implemented and appoint a senior officer to implement those recommendations. | DIS | (U//FOUO) CLOSED. Per 3/25/10 email from D/DIS, who determined which recommendations from the study would be implemented. |
| t. (U) Establish an "Ask the Director" link on the DNI homepage to solicit questions and comments from the IC workforce. | PAO 12 September 2008 | (U//FOUO) RESOLVED. PAO has proposed that the publication scheduled to launch this summer to replace the Spotlight include a feedback/request option for future topics in lieu of the "Ask the Director link." Recommendation will close upon initiation of the new feedback/request option. |
| u. (U) Communicate immediately to the IC all appropriate EXCOM agendas and minutes. | DIS 13 August 2008 | (U) CLOSED. |
| v. (U) Incentivize individual and organizational collaboration. | CHCO | (U) CLOSED. |
| w. (U) Make Joint Duty assignments reimbursable or institute exchange arrangements in order to address the issue of mission impact. | CHCO | (U) CLOSED. Some exchange arrangements have been implemented. This recommendation and other related recommendations were captured in our Joint Duty Report (Nov 09). |
| x. (U) Make Joint Duty opportunities available for more IC professional categories. | CHCO | (U) CLOSED. |
| y. (U) Communicate Joint Duty successes and rewards to the IC as a way to encourage participation. | CHCO | (U) CLOSED. |
| z. (U) Regularly disseminate leadership messages, including various report findings and IC developments to the IC. | PAO | (U) CLOSED. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| aa. (U) Provide the IC with periodic reports on progress being made in addressing the findings outlined in the November 19, 2007 ODNI IG Dissemination Report. | PPR | (U) CLOSED. |
| bb. (U) Communicate and implement ODNI meta-data tagging standards and processes across the IC included in the 500 Day Plan. | PPR | (U) CLOSED. |
| cc. (U) Direct all IC elements to recognize the Community badge for facility access and begin acquiring devices that recognize Community badges. | DNI | (U) CLOSED. |
| JULY 2008 FEDERAL INFORMATION SECURITY MANAGEMENT ACT REVIEW AUGUST 2008 (TOTAL = 10 - CLOSED: 6, RESOLVED: 4, OPEN: 0) | | |
| 1a. (U) CIO complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems. | CIO | (U//FOUO) RESOLVED. The IC CIO is in the process of implementing this recommendation. Recommendation can be closed upon receipt of copy of the official security program. OIG will confirm during FY 2010 FISMA Review. |
| 1b. (U) CIO to establish milestones and complete strategic plans and programs and finalize system inventories. | CIO | (U//FOUO) RESOLVED. IC CIO has established milestones. System inventories are finalized. IC CIO published an Information Security Strategy on 6 Feb 09. Recommendation can be closed upon receipt of the official strategic plans and programs. OIG will confirm during FY 2010 FISMA Review. |
| 1c. (U) CIO develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets. | CIO | (U//FOUO) CLOSED. IC CIO issued an IC Information Security Strategy and continues to follow OMB's security performance measures via IC-wide quarterly and annual FISMA reporting per FISMA legislation. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
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| 1d. (U) CIO to establish milestones for completion of the information security strategic plans. | CIO | <p>(U//FOUO) RESOLVED. The IC CIO Information Security Strategy Implementation Plan is in coordination for review by the ISRMC as of April 2010.</p> <p>(U//FOUO) Recommendation can be closed upon review of plan that identifies milestones.</p> |
| 2a. (U) CIO in coordination with D/DMS to establish a roadmap to identify the inventory of systems that are ODNI responsibility and those that are IC-wide responsibility and establish a timeframe for completion of roadmap. | CIO/DMSC | <p>(U//FOUO) CLOSED. For MSC that has completed its roadmap. ODNI OIG reconciled the inventories during the FY 2009 FISMA review. However, this remains a legislative recurring requirement (44 USC §3505 (e) (1)) for MSC and the IC CIO.</p> <p>(U//FOUO) OPEN. For IC CIO/ICES because they have not yet provided us a roadmap and have not established a date for its completion.</p> <p>(U//FOUO) Recommendation can be closed if inventories can be reconciled during the ODNI OIG's FY 2010 FISMA review.</p> |
| 3a. (U) D/DMS to designate a senior agency official responsible for security of ODNI information and information systems whether ODNI owned or operated by another agency or by a contractor on behalf of ODNI. | MSC | (U) CLOSED. |
| 3b. (U) D/DMS complete a documented comprehensive information security program consistent with FISMA requirements that includes the following elements: 1) periodic risk assessments, 2) policies and procedures based on risk assessments, 3) plans for providing appropriate information security, 4) Periodic testing and evaluation of the information security policies and procedures, 5) A process for developing a plan of action, and 6) Plans and procedures for developing continuity of operations for information systems. | MSC | (U) CLOSED. |
| 3b. (U) D/DMS to establish milestones for completion of the information security program. | MSC | (U) CLOSED. |

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------|
| 3c. (U) D/DMS develop information security strategic plans that define the following for its information security program: 1) Clear and comprehensive mission, vision, goals, and objectives and how they relate to agency mission, 2) High level plan for achieving information security goals and objectives, including short and mid-term objectives to be used throughout the life of this plan to manage progress toward successfully fulfilling the identified objectives, and 3) Performance measures to continuously monitor accomplishment of identified goals and objectives and their progress toward stated targets. | MSC | (U) CLOSED. |
| 3d. (U) D/DMS to establish milestones for completion of the information security strategic plans. | MSC | (U) CLOSED. |
| (U) CRITICAL IC MANAGEMENT CHALLENGES SEPTEMBER 2008 TOTAL = 16 - CLOSED: 12, RESOLVED: 4, OPEN: 0 | | |
| a. (U) Define the relative internal authorities of the DNI, PDDNI, and other ODNI senior staff. | November 2008 | (U) CLOSED. |
| b. (U) Publish ICD 501 and supporting directives providing IC-level policies that expand and improve information access for the analytic community. | November 2008 | (U) CLOSED. |
| c. (U) Develop and implement an IC plan for standardizing communication systems and streamlining the IC data sharing and storage architecture to reduce redundancy and simplify data access and retrieval. | November 2008 | (U) CLOSED. |
| d. (U) Require collaboration among the national agencies on programs, systems, and acquisitions in accordance with functional management authorities and responsibilities. | November 2008 | (U) CLOSED. |
| e. (U) Develop MOUs for IC elements that are accountable to both ODNI and another government agency to delineate financial-related roles and responsibilities. | November 2008 | (U) CLOSED. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s)/ Due Date | Steps Taken Towards Implementation |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| f. (U) Engage the DoJ at its highest levels in order to communicate national intelligence interests to the DoJ and to implement appropriate legal and policy changes throughout the IC. | November 2008 | (U) CLOSED. |
| g. (U) Focus efforts on finalizing the ODNI's guidelines implementing EO 12333. | November 2008 | (U) CLOSED. |
| h. (U) Finalize and publish critical ICDs, including ICD 101, ICD 303, ICD 306, and ICD 501 - "Access to and Dissemination of Intelligence." | DDNI/PPR November 2008 | (U) CLOSED. |
| i. (U//FOUO) Develop a formal ODNI process for timely responding to OIG recommendations and for tracking implementation of recommendations that are accepted by management. | DIS November 2008 | (U//FOUO) RESOLVED. OIG and the DIS follow a process for ODNI to respond to OIG recommendations in a timely manner. OIG and the DIS will continue to track and monitor open recommendations under this process until such time as this process can be formalized. |
| j. (U//FOUO) Appoint a senior ODNI official responsible for improving collaboration and integration between and among 'traditional' intelligence agencies (those focused exclusively on intelligence gathering and analysis). | November 2008 | (U//FOUO) CLOSED. 16 Jul 09 memo from DIS tasked DDNI-PPR with the responsibility for the info sharing [redacted] Memo directs that this task be made explicit in the next update to the PPR roles and responsibilities. |
| k. (U//FOUO) Revise the auditability strategy with target dates for achieving auditability based on standard financial systems and ICBT initiatives and monitor progress towards auditability. | CIO, BTO, CFO November 2008 | (U//FOUO) RESOLVED. The FIG (now FMO) continues to monitor agencies' progress in management controls and key areas (FBWT, IGT, and PP&E). Recommendation can be closed upon receipt of an FMO auditability strategy with target dates. |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
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| <p>(U//FOUO) Complete and submit to Congress the remaining financial plans and architectures that were due to the SSCI in 2005.</p> | <p>CIO (BTO) November 2008</p> | <p>(U//FOUO) RESOLVED. CFO has drafted a Financial Improvement and Auditability Governance for the IC, which will be submitted to the SSCI within 4 months after BTO submits its Business Enterprise Architecture to the SSCI. Recommendation can be closed once financial plans and architectures are provided to the SSCI.</p> |
| <p>(U//FOUO) Expedite the finalization and issuance of common U.S. persons rules, principles, or presumptions.</p> | <p>OGC November 2008</p> | <p>(U//FOUO) RESOLVED. OGC has been working extensively with DoJ NSD to make IC agencies' Attorney General guidelines consistent across the IC. This effort is underway, but is not yet completed.</p> <p>(U//FOUO) [Redacted]</p> <p>This recommendation will be updated following the results of those reviews and implementation of any recommendations.</p> |
| <p>n. (U) Publish a definition of collaboration for the IC.</p> | <p>PAO August 2008</p> | <p>(U) CLOSED. NIS defined "collaboration."</p> |
| <p>o. (U) Lead the effort to define what constitutes a "system" for consistent IC application for both auditability and business transformation.</p> | <p>IC CIO; CFO; PPR</p> | <p>(U) CLOSED. The clear and understandable definition of a system does not exist throughout the federal government. Therefore, the IC CIO is unable to develop a definition just for the IC because most agencies are dual-hatted (IC and DoD).</p> <p>(U) In our more recent report <i>Increasing the Value of the Intelligence Community's Federal Information Security Management Act (FISMA) Reports</i>, we are recommending that the IC CIO develop guidance for the IC agencies that identifies what definition should be used for FY 2010 FISMA reviews. Therefore, we are closing this recommendation and tracking it under the more recent report.</p> |

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(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| p. (U//FOUO) Ensure prompt and complete implementation of the recommendations of the FISA Panel. | DDN/VC | (U//FOUO) CLOSED. ODNI has established process for ensuring implementation of the FISA Panel recommendations. |
| <p>(U) INSPECTION OF IC ACQUISITION OVERSIGHT STRATEGIES, POLICIES, AND PROCESSES MAY 2009 TOTAL = 11; CLOSED: 3; RESOLVED: 7; OPEN: 1</p> | | |
| a. (U//FOUO) DDNI/FC immediately ensure that programs funded within the Community Management Account and executed by the ODNI are overseen in accordance with IC acquisition policy. | DDNI/AT January 2009 | (U//FOUO) CLOSED. DNI issued Executive Correspondence in January 2009 requiring programs funded in the Community Management Account to abide by IC Acquisition Policy and Oversight. |
| <p>b. (U//FOUO) Publish IC policy no later than 120 days after signature, identifying a governance model for the ODNI AO workforce relative to the IC acquisition community, including:</p> <p>A. Revising ICD 1 to account for current distributions of authorities and decision rights.</p> <p>B. Standardizing levels of official interface and protocol between ODNI officials and IC counterparts.</p> <p>C. Clarifying the role of the PDDNI relative to the codified authorities of the DNI's Milestone Decision Authority (MDA) (DDNI/FC), the DDNIs, the ADNIs, and DNI Policy for the IC.</p> | <p>DIS; DDNI/PPR; PDDNI Executive Staff October 2009</p> | <p>(U//FOUO) OPEN. In March, 2010, the DIS signed, and communicated to the IC, a memo enforcing the fact that Milestone Decision Authority flows through the PDDNI to the DDNI/A&T. This addresses part "c" of this recommendation.</p> <p>(U//FOUO) Awaiting PPR completion of ICD 1 revision and other related policy documents to review whether – in sum – they constitute a governance model. As of 8 June 2010, ICD 1, previously in draft and coordination with DNI Blair will now need to be revised to address incoming DNI delegations.</p> |
| c. (U//FOUO) Document the existing processes that link DDNI/FC acquisition decisions with CFO funding decisions no later than 210 days after signature. Provide the widest possible dissemination of the documented processes to ensure members of the AO staff are aware of all options available to utilize funding authorities as a management instrument. | <p>DDNI/AT, ADNI/CFO, ADNI/SRA January 2010</p> | (U//FOUO) RESOLVED. SAE, ADNI/SRA, and ADNI/CFO agreed to a revised PPBE Cycle process to align the DNI's budgetary and Milestone Decision Authorities. The OIG will make a determination of CLOSED if compliance issues cited in the 2009 Final PMP Report are followed by corresponding Apportionment Footnote recommendations for the next fiscal year. |

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| <p>d. (U//FOUO) DDNI/FC enforces accountability for IC agencies to have validated requirements documents as a prerequisite for MDA delegation, and permanently add such language to DDNI/FC performance objectives no later than 360 days after signature. Additionally, when the DDNI/FC delegates MDA for a program without a validated requirements document, formal justification to the DNI shall be identified in an Acquisition Decision Memorandum.</p> | <p>DDNI/AT May 2010</p> | <p>(U//FOUO) RESOLVED. (Deadline for implementation has not been reached.) The DDNI/A&T's performance objectives have been amended to include "Ensure validated capability needs are documented prior to delegating Milestone Decision Authority." (U//FOUO) DDNI/AT requested – with OIG concurrence – a DNI waiver of this Recommendation for Corrective Action for acquisition activities that are well underway and approaching delivery. OIG will evaluate progress in 2010 to make a determination of CLOSED.</p> |
| <p>e. (U//FOUO) Publish IC policy no later than 210 days after signature, prescribing processes, authorities, and responsibilities for developing formal user requirements for Programming Committee approval and validation. The 2007 ODNI Requirements Study should be the point of reference for developing the new requirements policy.</p> | <p>ADNI/SRA DDNI/AT DDNI/PPR January 2010</p> | <p>(U//FOUO) CLOSED. The DNI issued a Capabilities/ Requirements Policy for the IC on 4 Dec 09. In accordance with the DNI memo, the ADNI SRA is finalizing specific process and product guidance for distribution to the IC.</p> |
| <p>f. (U//FOUO) DDNI/FC, the CIO, and the Office of General Counsel to collaborate and codify statutorily compliant areas of oversight jurisdiction no later than 120 days after signature. We also recommend that the DNI and the CIO codify processes for oversight of IT programs under CIO jurisdiction no later than 120 days after signature, and maintain sufficient numbers of experienced IT professionals to execute the processes.</p> | <p>DDNI/AT, CIO, and OGC October 2009</p> | <p>(U//FOUO) RESOLVED. The IC CIO codified the IC IT Program Assessment Process on 4 Nov 09. However, the OIG is aware of ongoing challenges within the Office of the IC CIO to hire and retain sufficiently trained personnel to effectively execute their oversight mission, and that CIO execution of Milestone Decision Authority for RAILHEAD is a maturing process. (U//FOUO) DDNI/A&T held the first QPR for Railhead and the IC CIO as the MDA in December 2009. Railhead Program Manager and the IC CIO are still developing an ICD 801-compliant Program Management Plan.</p> <div style="border: 1px solid black; width: 200px; height: 80px; margin-top: 10px;"></div> |

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(b)(5)

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| <p>g. (U//FOUO) Establish and codify a repeatable process for Major Systems Acquisition (MSA) designation no later than 90 days after signature that accounts for statutory funding thresholds.</p> | <p>DDNI/AT September 2009</p> | <p>(U//FOUO) RESOLVED. Procedure approved on 11 Aug 09 by DDNI/AT (Acting). OIG will assess execution of the 2010 MSA designation process and verify its codification before rendering a determination of CLOSED.</p> |
| <p>h. (U//FOUO) Establish a plan to provide oversight to programs before Milestone A and after Milestone C to complement current monitoring of Phase B activities no later than 120 days after signature. Additionally, the OIG recommends that the DDNI/FC coordinate with the DDNI/C, the DDNI/A, the CFO, and the CIO to codify a process no later than 120 days after signature, that includes performance data for all operational MSAs in an appendix to the annual IC Program Management Plan (PMP) report.</p> | <p>ADNI/SRA DDNI/AT October 2009</p> | <p>(U//FOUO) RESOLVED. The OIG received a briefing from DDNI/A&T leadership addressing how the A&T reorganization facilitates implementation in coordination with pre-Milestone A and post-Milestone C activities executed by CIO, CFO, and SRA. This recommendation will not close until Appendix F to the Annual PMP Report has matured, understanding that the SRA requirements inventory is a pre-requisite for a fully mature reporting process on the achieved performance of active IC MSAs.</p> |
| <p>i. (U//FOUO) DDNI/FC and DDNI/PPR to revise the ACCEA no later than 150 days after signature, with the following objectives:</p> <p>A. Align goals with stated strategy elements: Policy Guidance, Monitoring, and Corrective Action.</p> <p>B. Update ACCEA Immediate Actions to address corrective action as a priority.</p> <p>C. Elevate workforce qualification and certification goals.</p> | <p>DDNI/A&T DDNI/PPR, OGC November 2009</p> | <p>(U//FOUO) RESOLVED. The new National Intelligence Strategy was signed 18 Aug 09 and included Enterprise Objective 7: Improve Acquisition, negating the need to revise the ACCEA. DDNI/A&T is in the process of securing IC consent on ICPG 801.3. As of 1 June 2010, still awaiting A&T's IC coordination.</p> |
| <p>j. (U//FOUO) Establish a process to track and address instances of IC agency noncompliance with IC acquisition policy and process discipline breakdowns no later than 120 days after signature. An option the DNI may wish to consider is to establish ODNI staff liaison positions at the IC agencies to act as the forward-deployed focal points for all actions and information requests transmitted from the ODNI staff to an agency.</p> | <p>DDNI/AT October 2009</p> | <p>(U//FOUO) RESOLVED. SAE Staff includes IC agency compliance information in the Annual PMP report. OIG will verify inclusion of such information in the PMP report and ensure a mechanism is in place for the DDNI/A&T to inform the DNI and the IG of ODNI staff noncompliance with IC Acquisition Policies before making a determination of CLOSED.</p> <p>(U//FOUO) Last year's and this year's report contained language addressing IC agency noncompliance. A&T also provided midyear feedback to IC agencies.</p> |

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| k. (U//FOUO) DDNI's develop a feedback mechanism within the ODNI staff and with the IC agencies no later than 90 days after signature. This feedback should inform the IC agencies what is being done with requested information, and it should provide details of value-added contributions by the ODNI staff. | DDNI's September 2009 | (U//FOUO) CLOSED: The DLS Memo to the ODNI staff (E/S 00770) dated 16 Jul 09 reinforced this recommendation. |
| <p>FY 2009 INDEPENDENT EVALUATION OF ODNI COMPLIANCE WITH FISMA JULY 2009 TOTAL: 12, CLOSED: 3, RESOLVED: 8, OPEN: 1</p> | | |
| 1.1. a., b., c. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, should: a) Develop and maintain an accurate inventory of systems; and b) Determine the ownership of the 7 unidentified systems, c) Make system additions, deletions, or adjustments to the Intelligence Community's (IC) Registry in a timely manner. | IC CIO D/MS 24 Jan 2010 | (U//FOUO) Recommendation a) RESOLVED for both MSC and IC CIO/ICES. The inventory for both ICES and MSC was reconciled during the FY 2009 FISMA review. However, whether ICES and MSC is able to maintain an accurate inventory will not be determined until the next FISMA review. (U//FOUO) Recommendation b) CLOSED for MSC and IC CIO/ICES because ownership was resolved in Jan 2010. |
| | | (U//FOUO) Recommendation 1.1 a. and c can be closed after FY 2010 FISMA review if OIG verifies an accurate inventory. |
| 1.2. (U//FOUO) The IC CIO and the Director of MSC should reconcile the IC CIO and MSC inventories with the IC Registry, at a minimum, on a quarterly basis. | IC CIO D/MS Oct 2009 | (U//FOUO) RESOLVED. The IC CIO/ICES continues to coordinate and reconcile system inventory issues with the IC registry. CIO works to reconcile any discrepancies once notification of their existence has been brought to CIO/ICES' attention. Although MSC and ICES are reportedly reviewing and revising the inventory lists, the OIG needs to corroborate their efforts. (U//FOUO) Recommendation can be closed pending OIG FY 2010 FISMA review. |

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| <p>2.0. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, IC CIO will develop a certification and accreditation strategy including a schedule (plan of action and milestones) for reaccrediting the cited systems and update this information in the IC Registry and the Director of the Mission Support Center will establish current certifications and accreditations for all systems identified under their ownership and update this information in the IC Registry.</p> | <p>IC CIO D/MS 24 Jan 2010</p> | <p>(U//FOUO) RESOLVED for MSC. As of 1 April 2010, MSC is working on its one system to obtain accreditation with the IC CIO/CAT.</p> <p>(U//FOUO) Recommendation can be closed once OIG receives documentation that the one system received C&A.</p> <p>(U//FOUO) OPEN for CIO as the IC CIO has not yet developed its strategy or schedule for certifications and accreditations that will comply with NIST 800-53. The IC CIO has stated that it has improved the internal processes and procedures for Certifying and Accrediting systems and has begun the effort to incorporate new processes that will comply with the implementation of NIST 800.53. This will ensure that the appropriate C&A documentation has been developed and approved and that all pertinent information is updated in the IC Registry.</p> <p>(U//FOUO) Recommendation can be closed upon receipt of the CIO's strategy/schedule for C&A for systems.</p> |
| <p>3.0.a and b. (U//FOUO) The IC CIO and the Director of MSC, within 180 days of this report, should: a) Perform security tests on the systems that currently have security tests that are greater than a year old.; and b) Perform annual security tests on systems with a protection level greater than protection level 1.</p> | <p>IC CIO D/MS 24 Jan 2010</p> | <p>(U//FOUO) RESOLVED for CIO. CIO has begun implementing processes and plans to manage the security testing of systems on the anniversary of their operational date. While this process has not been fully implemented, ICES continues to prioritize and work through the backlog of operational systems, constantly testing and monitoring these systems. Anticipate elimination of the backlog by end of FY10.</p> <p>(U//FOUO) Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p> <p>(U//FOUO) RESOLVED for MSC. MSC stated that it has completed all testing. Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p> |

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| <p>4 a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should: a) Establish a plan for performing contingency plan tests on systems whose contingency plan tests are greater than a year old and establish a designated period for future contingency plan tests; b) Perform contingency plan tests on all systems with an availability rating of high; c) Assign availability ratings to all ODNI systems on the IC Registry.</p> | <p>IC CIO 24 Nov 2009</p> | <p>(U//FOUO) OPEN for Recommendation a) for IC CIO because the IC CIO/ICES has not yet developed a comprehensive plan. Recommendation can be closed once plan is developed and plans are tested.</p> <p>(U//FOUO) RESOLVED for Recommendation b) for the IC CIO. The IC CIO has established a failover site for the Primary Operational site and where at present, approximately 75% of the CIO/ICES portfolio has been migrated and tested. Recommendation can be closed upon evidence of completion of testing.</p> <p>(U//FOUO) RESOLVED for Recommendation c) for IC CIO. The IC CIO/ICES stated that only one current operational system has an availability rating of high and all others have been assigned to a lower category for availability. Recommendation can be closed pending ODNI OIG verification during the FY 2010 FISMA review.</p> <p>(U//FOUO) Recommendations a, b, and c, are CLOSED for MSC because MSC assigned availability ratings to its systems, established a contingency testing plan for tests over a year old, and does not have systems rated as "high."</p> |

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| <p>5a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should: a) Develop a uniform written plan of action and milestone process for the ODNI; b) Revise their plan of action and milestone lists to include dates when items are placed on the lists, projected milestone dates, and actual completion dates so that progress on the actions can be monitored; c) Review existing plan of action and milestone lists and determine which items can be easily remedied so they can be closed.</p> | <p>IC CIO D/MSC 24 Nov 2009</p> | <p>(U//FOUO) RESOLVED. Recommendations a, b, and c are resolved for IC CIO. The IC CIO/CES has plans and procedures for documenting all POAMs, has developed a consolidated SharePoint site that provides tracking and access to all POAMs by program managers, developers and management and has incorporated additional programmatic tracking for the completion of documented POA&Ms. Recommendation can be closed pending validation during the ODNI OIG FY 2010 FISMA review.</p> <p>(U//FOUO) CLOSED. Recommendations a and b are closed for MSC that has established a uniform written POAM process.</p> <p>(U//FOUO) RESOLVED. Recommendation c is resolved for MSC and can be closed pending validation during the ODNI OIG FY 2010 FISMA review to validate that the POAMs are being reviewed and remedied.</p> |
| <p>6.1. (U//FOUO) The IC CIO and the Director of MSC, within 120 days of this report, should jointly develop an ODNI configuration management policy.</p> | <p>IC CIO D/MSC 24 Nov 2009</p> | <p>(U//FOUO) CLOSED for MSC, which documented a configuration management plan as of January 2010.</p> <p>(U//FOUO) RESOLVED for IC CIO/CES that is building configurations that meet FDCC requirements but has not yet validated all configurations. Anticipates completion by 31 Dec 2010. Recommendation can be closed upon receipt of documentation of validated configurations.</p> |

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| <p>6.2a,b,c. (U//FOUO) The IC CIO, within 120 days of this report, should: a) Require the Intelligence Community Enterprise Solutions to adopt and implement Federal Desktop Core Configuration standard configurations and document deviations and security control deficiencies on desktops directly controlled by ODNI; b) Require the Intelligence Community Enterprise Solutions to implement Federal Desktop Core Configuration security settings into all Windows XP™ and Vista™ desktops directly controlled by the ODNI.</p> | <p>IC CIO MSC 24 Nov 2009</p> | <p>(U//FOUO) RESOLVED for MSC because contractors have developed a configuration management policy for MSC. Recommendation can be closed pending ODNI OIG FY 2010 FISMA review.</p> |
| <p>7.0. (U//FOUO) The IC CIO and the Director of MSC, within 90 days of this report, should develop an incident reporting policy.</p> | <p>IC CIO D/MS 24 Oct 2009</p> | <p>(U//FOUO) CLOSED. On 10 June 2010, ODNI issued Instruction No. 115.01, "Computer Security Events and Incidents" that addresses the intent of the recommendation.</p> |
| <p>8.1a,b,c. (U//FOUO) The IC CIO and the Director of MSC, within 60 days of this report, should: a) Designate personnel who have significant responsibilities for information security; b) Develop an ODNI pilot training program and plan strategy to provide the designated personnel with training commensurate with their roles.</p> | <p>IC CIO D/MS 24 Sept 2009</p> | <p>(U) CLOSED.</p> |
| <p>8.2. (U//FOUO) While accommodating ongoing operations and allowing time for contract modifications, ensure that contracts specify that personnel who have significant responsibilities for information security promptly receive training commensurate with their roles.</p> | <p>IC CIO D/MS</p> | <p>(U//FOUO) RESOLVED for ICES. ICES stated that it continues to capture and track training information for contract and government employees. In addition, ICES stated that contract personnel with significant security roles (i.e. C&A staff) are requested to have appropriate training prior to hire; other personnel receive regular training commensurate with their roles. Within ICES the majority of the personnel performing significant responsibilities for information security are contractors therefore, contractual changes are required to include the training and tracking of those personnel.</p> <p>(U//FOUO) Until the contracts are modified to include that training requirement, this cannot be closed. The CIO stated that it will look into doing a contract modification because the current contracts remain for another 3 years.</p> |

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| | | <p>(U//FOUO) Recommendation can be closed upon receipt of documentation of a contract modification to demonstrate the requirement to close.</p> <p>(U) CLOSED for MSC. MSC provided a copy of its "Pyramid contract" that addresses security training.</p> |
| <p>(U//FOUO) The IC CIO and the Director of MSC, within 60 days of this report, should fully implement all recommendations in the FY 2008 OIG FISMA report.</p> | <p>IC CIO D/MS 24 Sept 2009</p> | <p>(U//FOUO) CLOSED. The OIG is closing this recommendation because implementation of the FY 2008 OIG FISMA report recommendations is being tracked independently.</p> |
| <p>(U) DEPARTMENT OF HOMELAND SECURITY OFFICE OF INTELLIGENCE AND ANALYSIS AUDIT JUNE 2009 (TOTAL - 2 - CLOSED: 2)</p> | | |
| <p>(U//FOUO) The ADNI/CFO, within 90 days of this report, should develop and implement standard operating procedures (SOPs) to comply with ICD 104 requirements. The ADNI/CFO should develop written instructions documenting their applicable internal routines and repetitive activities.</p> | <p>ADNI/CFO December 2009</p> | <p>(U//FOUO) CLOSED. CFO implemented SOP BE-1 "Monitoring the Execution of Funds" on 1 Oct 09.</p> |
| <p>(U//FOUO) The ADNI/CFO, within 30 days of this report, should establish formal guidance to ensure that when variances from target execution rates are greater than agreed upon benchmarks, the CFO examines program options and, as necessary, reprograms NIP funds prior to a Congressional recession of those funds.</p> | <p>ADNI/CFO October 2009</p> | <p>(U//FOUO) CLOSED. CFO implemented SOP SOP BF-1 "Review and Analysis of the Intelligence Program Budget Submissions" on 1 Oct 09.</p> |

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| <p>(U) THE INTELLIGENCE COMMUNITY CIVILIAN JOINT DUTY PROGRAM: IMPLEMENTATION STATUS REPORT OCTOBER 2009 (TOTAL = 20 - CLOSED: 11, RESOLVED: 7, OPEN: 2)</p> | | |
| 1. (U) We recommend that the Director of National Intelligence (DNI) issue a written statement to the Intelligence Community (IC) pronouncing strong support for the goals of the Joint Duty Program, its continued implementation, and requirements as identified in ICPG 601.01. | DNI | (U) CLOSED. DNI signed memo dated 29 Jan 2010. |
| 2. (U) We recommend that the DNI direct IC element heads to strongly promote the IC Joint Duty Program in their organizations. | DNI | (U) CLOSED. DNI signed memo dated 29 Jan 2010. |
| 3. (U) We recommend that the DNI hold IC element heads accountable for Joint Duty implementation by including Joint Duty rating factors in their annual performance appraisals and Personal Performance Agreements. | DNI | (U) RESOLVED. CHCO is collecting and monitoring data from elements on compliance, and will continue to monitor. If a CHCO element is non-compliant for 2 consecutive quarters, then CHCO will inform DIS for ratings factors to be incorporated. First reporting occurred in Jan 2010. CHCO received most of the Second quarter reporting on 10 May and is compiling data. |
| 4. (U) We recommend that the DNI direct IC elements heads to establish policies requiring that proposed Joint Duty assignments be reviewed and approved by employees' first-level supervisor and second-level manager. | DNI; DIS; CHCO | (U) CLOSED. DNI signed memo dated 29 Jan 2010. |
| 5. (U) We recommend that the ADNI/CHCO clarify the purpose of the Joint Duty Program to include both leadership development and broader collaboration throughout the IC. | ADNI/CHCO | (U) CLOSED. CHCO has clarified the purpose of Joint Duty in all briefings in the IC and in other courses (e.g. ICOC). |

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| <p>6. (U) We recommend that the ADNI/CHCO, in coordination with the ODNI Director of Communications, establish and implement a comprehensive Joint Duty Program corporate communication strategy to include:</p> <ul style="list-style-type: none"> • Periodic communications to the IC, including success stories, personal experiences, or special opportunities. • Templates for brochures, email messages, and articles. • Periodic town hall meetings and brown bag seminars across the IC. • Marketing tools developed by the Joint Duty Community of Practice (COP). • IC CHCO Council meeting minutes prepared and distributed to all IC CHCO Council members and alternates. | ADNI/CHCO, coordinating with Director of Communications | (U) CLOSED. Communications strategy was submitted and accepted to ODNI Front Office 20 Jan 10. CHCO Council meeting notes distributed after meetings now SOP. |
| <p>7. (U) We recommend that the ADNI/CHCO develop and distribute to all IC elements a list of commonly understood terms, with definitions, for use in Joint Duty Program vacancy announcements.</p> | ADNI/CHCO | (U) CLOSED. Terminology posted on JD webpage. |
| <p>8. (U) We recommend that the ADNI/CHCO develop and deploy a software application that automatically moves vacancy announcements posted on the unclassified Joint Duty website to the JWICS Joint Duty website.</p> | ADNI/CHCO | (U) CLOSED. CHCO does a mass move weekly from the unclassified to the classified JD website. Agencies post classified vacancy announcements directly to the classified website. |
| <p>9. (U) We recommend that the ADNI/CHCO develop an IC-wide, automated, online application for Joint Duty vacancies that ensures routing through the applicant's Joint Duty Program manager and supervisory chain.</p> | ADNI/CHCO | <p>(U//FOUO) RESOLVED. Application tool is in prototype build phase with anticipated launch of tool in September 2010.</p> <p>(U//FOUO) Recommendation can be closed when online application is functional and in use.</p> |
| <p>10. (U) We recommend that the ADNI/CHCO use the phrase "Memorandum of Understanding" in all Joint Duty Program documents to conform to ICD 601 and ICS 601-1.</p> | ADNI/CHCO | (U) CLOSED. MOU has been finalized and posted on the Joint Duty Website for use. |

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| 11. (U) We recommend that the ADNI/CHCO finalize and distribute the Joint Duty Memorandum of Understanding (MOU) template for use by IC elements. | ADNI/CHCO | (U) CLOSED. MOU has been finalized and posted on the Joint Duty Website for use. |
| 12. (U) We recommend that the ADNI/CHCO institute a policy to ensure a smooth transition for Joint Duty participants into the gaining element, to include pre-assignment meetings with the gaining element. Participants should meet with: <ul style="list-style-type: none"> • Their direct supervisors to discuss the assignment and expectations, which will form the basis for the Memorandum of Understanding. • Human Resources to facilitate administrative aspects of the assignment (such as computer and telephone accounts and facilities access). | ADNI/CHCO | (U) RESOLVED. CHCO has surveyed the IC as to standards that will be incorporated into an ICS or ICS annex. (U//FOUQ) Recommendation can be closed when revision of the standard and/or policy reflects assignment transition guidelines. |
| 13. (U) We recommend that the ADNI/CHCO work with the Joint Duty Community of Practice (COP) to develop and promulgate IC reintegration best practices and timelines. | ADNI/CHCO | (U) RESOLVED. CHCO has surveyed the IC as to standards that will be incorporated into an ICS or ICS annex or ICD and ICPG re-write. (U//FOUQ) Recommendation can be closed when revision of the standard and/or policy reflects assignment transition guidelines. |
| 14. (U) We recommend that the ADNI/CHCO request that IC CHCO Council members designate a senior Human Resources officer in their IC elements to be responsible for the creation and implementation of a reintegration program, to include the identification of suitable follow-on assignments. | ADNI/CHCO | (U) RESOLVED. CHCO sent out a request to the community in Dec 09 and is following up on responses. |
| 15. (U) We recommend that the ADNI/CHCO discontinue the requirement for an IC element to report quarterly promotion data no later than 60 days after the IC Personnel Data Repository (PDR) has reached full operational capability and the IC element has fully complied with standards and data submission requirements for PDR – or by 1 October 2010, whichever occurs sooner. | ADNI/CHCO 1 October 2010 | (U//FOUQ) OPEN. Several IC elements have concerns with the PDR. |

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| 16. (U) We recommend that the ADNI/CHCO develop and implement a training module to familiarize Joint Duty Program Managers with the planned PDR. | ADNI/CHCO | (U) CLOSED. JD Community of Practice (COP) was briefed in January 2010. |
| 17. (U) We recommend that the ADNI/CHCO collect data from each IC element annually to track bonus data, comparing Joint Duty Program participants with their non-participant peers. | ADNI/CHCO | (U) RESOLVED. CHCO is collecting data. |
| 18. (U) We recommend that the ADNI/CHCO study the feasibility of reimbursement to Joint Duty participants for mileage to assignment locations that exceeds the normal distance driven to and from their home elements. If the ADNI/CHCO determines that reimbursement for mileage, or other incentives, will enhance participation in the Joint Duty Program, the ADNI/CHCO, in conjunction with the OGC, will explore administrative and regulatory options for implementing such incentives, or, if necessary, will explore a possible legislative remedy to allow for mileage reimbursement. | ADNI/CHCO | (U//FOUO) OPEN. OGC and CHCO are working on which type of incentives can be used by the DNI under IRTPA authorities. |
| 19. (U) We recommend that the ADNI/CHCO promote use of the 50 ODNI-funded Joint Duty positions available for the Departmental and Service IC elements through the Deputy Executive Committee, IC CHCO Council, and the Joint Duty COP to enable the Departmental and Service IC elements to backfill for those employees who are approved to take a Joint Duty assignment. | ADNI/CHCO | (U) CLOSED. The ODNI CHCO briefed the IC CHCO Council in Sept and Dec 2009 and the JD COP Oct 2009. |

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| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
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| <p>20. (U) We recommend that the ADNI/CHCO:</p> <ul style="list-style-type: none"> On a semi-annual or annual basis, use the IC CHCO Council to highlight and discuss initiatives used in implementing Joint Duty. Develop opportunities, including virtual opportunities using the Joint Duty website, to broadcast these and other innovations and initiatives. | <p>ADNI/CHCO</p> | <p>(U) RESOLVED. JD website will host in the administrators section an information sharing site. Plans to implement in later 2010.</p> <p>(U//FOUO) Recommendation can be closed once information sharing website is available.</p> |

(U) INTERNAL CONTROLS OVER FUND BALANCE WITH TREASURY
 JANUARY 2010
 (TOTAL: 5 - CLOSED; 4 - RESOLVED; 1 - OPEN)



Semiannual Report 1 January 2010 – 30 June 2010

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(U//FOUO) 1-3. We recommend that within 120 days of this report, the ODNI Comptroller develop a sustainability plan to ensure that core functions are identified and can be maintained to perform timely and repeatable FBWT account reconciliations and to facilitate progress toward auditable financial statements.</p> | <p>ODNI Comptroller 20 May 2010</p> | <p>(U//FOUO) CLOSED. OIG received sustainability plan on 3 June 2010 that meets the intent of the recommendation.</p> |
| <div style="border: 1px solid black; height: 90px; width: 100%;"></div> | <div style="border: 1px solid black; height: 90px; width: 100%;"></div> | <div style="border: 1px solid black; height: 90px; width: 100%;"></div> |
| <p>(U//FOUO) 3-1. We recommend that within 120 days of this report, the ODNI Director of the Mission Support Center establish a plan to comply with FMFIA certification requirements for FY 2010.</p> | <p>Director, MSC 20 May 2010</p> | <p>(U//FOUO) CLOSED. OIG received FMFIA plan on 3 June 2010 that meets the intent of the recommendation.</p> |
| <p>(U) Increasing the Value of the IC's FISMA Reports JUNE 2010</p> <p>TOTAL = 4, OPEN = 4</p> | | |
| <p>1.a. (U//FOUO) The IC CIO shall establish definitive metrics for the CIOs of agencies with national security systems under the DNI's purview to use to perform their FY 2010 FISMA reviews.</p> <p>1.b. (U//FOUO) The IC CIO shall inform OMB of the IC CIO's decision to provide definitive instructions for the IC agencies to use to perform their FY 2010 FISMA reviews.</p> | <p>IC CIO 10 July 2010</p> | <p>(U//FOUO) The IC CIO has been examining alternatives in light of OMB's changes in FISMA reporting policies and methodologies. The IC CIO established FISMET working group to address FY 2010 challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges.</p> <p>(U//FOUO) Once the OMB's FY 2010 FISMA instructions are finalized, the IC CIO will advise OMB of its decision concerning instructions for the IC for its FY 2010 FISMA review.</p> |

² This report was finalized on 25 June 2010. The implementation deadlines have not yet passed. Therefore, these recommendations are not included in the total number of OIG report recommendations.

Semiannual Report 1 January 2010 – 30 June 2010

(U) Appendix A: Status of ODNI OIG Recommendations Made Between 2007 and 2010

| Recommendation | Responsible Element(s) Due Date | Steps Taken Towards Implementation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1. (U//FOUO) The IC CIO shall inform agencies with intelligence systems under the DNI's purview about how the IC agencies will receive their FY 2010 FISMA instructions and how they are to submit their FISMA reports. | IC CIO 10 July 2010 | (U//FOUO) The IC CIO established FISMET working group to address FY 2010 challenges, develop community recommendations for the IC CIO on FY 2010 FISMA annual reporting process, and address other FISMA-related challenges. Once developed and approved, OMB will be advised of the IC CIO's decision. |
| 2.2. (U//FOUO) The IC CIO shall establish a detail plan of action and milestones necessary for developing and implementing a classified version of CyberScope for purposes of CY 2011 FISMA reporting. | IC CIO 10 Oct 2010 | (U//FOUO) ICIA contacted ICES to begin a technical review of the CyberScope compliance tool. ICIA and ICES will develop the appropriate plans to guide the deployment process and ensure the tool can meet the security needs of the IC. |
| 3.2. (U//FOUO) The IC CIO shall identify in its annual consolidated FY 2010 FISMA report instances in which the IC agencies are not complying with IC CIO guidance and the justifications for the exceptions. | IC CIO Beginning with the FY 2010 FISMA reporting cycle | |

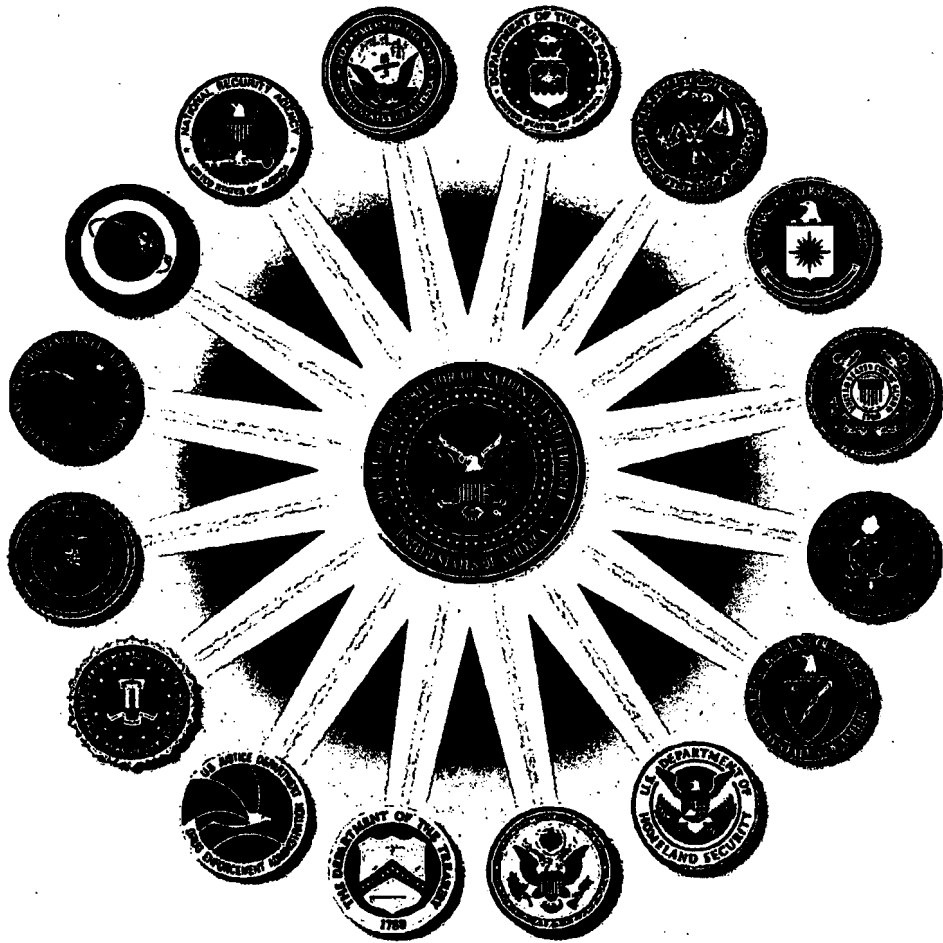
**(U//FOUO) STATUS OF OIG REPORTS (2007-2010)
RECOMMENDATIONS**

| Total Recommendations* | Closed (% of Total) | Resolved (% of Total) | Open* (% of Total) |
|-----------------------------------|--------------------------------|----------------------------------|------------------------------|
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* (U) Does not include the four OIG recommendations from the June 2010 report, *Increasing the Value of the Intelligence Community's Federal Information Security Management Act Reports*, for which the implementation deadline has not yet passed.

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