



# INVESTIGATIVE REPORT

## National Oceanic and Atmospheric Administration

### Review of Improper Expenditure for GOES-R Ground Segment Team Activity

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# Chapter I: Introduction

On July 2, 2013, the Office of Inspector General (OIG) received an anonymous whistleblower complaint alleging that National Oceanic and Atmospheric Administration (NOAA) management for the Geostationary Orbiting Environmental Satellite-R Series (GOES-R) program invited and encouraged more than 100 GOES-R government and contract employees to miss a half-day of work on May 23, 2013, to attend a matinee showing of the latest Star Trek movie. The complaint asserted that the event created the appearance of disregard for tax dollars and questioned whether the employees' time and attendance entries for the event were accurate and whether such an event could be a contributing factor in GOES-R schedule delays.

On July 29, 2013, the OIG initiated investigation 13-0948-I to examine the allegations raised in the complaint. The results of the investigation revealed that 21 government and contract employees participated in a team lunch at a local restaurant, followed by a 2:00 p.m. showing of "Star Trek Into Darkness," which had a run time of 132 minutes. The event, described as a team-building activity for the GOES-R Ground Segment staff, was organized by a GOES-R Ground Segment supervisor (a NOAA employee, hereinafter Supervisor I) as a way for his team to build unity.<sup>1</sup> The OIG determined that GOES-R Ground Segment management provided no guidance to staff regarding proper time and attendance entries for the activity in the days leading up to outing, and Supervisor I stated to the OIG that he assumed each person would use leave/personal time or make up work hours for the time spent participating in the team activity. The OIG also determined that 13 movie attendees—six government and seven contract employees—had failed to charge their attendance at the movie as non-work hours. The timecards for those 13 employees were later amended or annotated, after the OIG initiated investigation 13-0948-I, to reflect the use of annual leave/personal time or a reference to offsetting hours worked to cover participation in the team event. The OIG concluded investigation 13-0948-I on March 17, 2014, with a determination that, absent these adjustments, the government paid \$3,487.31 in taxpayer-funded wages for employees to attend the theater showing of "Star Trek Into Darkness."

Four days later, on March 21, 2014, a senior representative from Noblis, Inc., (Noblis), a contractor providing program, project management, and engineering support for the GOES-R program, submitted a letter to the OIG disclosing the results of its internal review into the GOES-R team-building exercise.<sup>2</sup> Noblis reported that:

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<sup>1</sup> Masculine pronouns are used for all individuals in this report to further mask the identity of witnesses and GOES-R staff members interviewed as part of this investigation.

<sup>2</sup> See Letter from Noblis, Inc., to the OIG (received by the OIG on March 24, 2014) (on file with OIG) [hereinafter *Noblis Letter*]. Noblis indicated that it made this disclosure pursuant to the Federal Acquisition Regulation, 48 C.F.R. § 52.203-13, which requires contractors to "timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed: (A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or (B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733)."

... five of its employees participated to varying degrees in [the] team building exercise sponsored by NOAA-NASA staff on the GOES-R Support effort involving lunch and a movie. Four of the five Noblis employees initially charged all or part of their time spent attending the team building exercise direct to the GOES-R Support effort. However, in September 2013, these employees subsequently transferred two (2) hours of their time charged that day to the GOES-R Support effort to a Noblis overhead charge code and Noblis then credited the GOES-R Support effort. . . .<sup>3</sup>

The Noblis Letter also stated that “some of its employees may have spent more than two (2) hours at the team building exercise,” making the initial credit of two hours per employee insufficient.<sup>4</sup> Noblis estimated that “four (4) hours is a better approximation of the time required to attend a lunch and a movie.”<sup>5</sup>

This estimate by Noblis called into question the sufficiency of the adjustments made by participants in the team activity during the course of OIG investigation 13-0948-I. In response to this information, the OIG initiated this investigation, 14-0475-P, to determine the sufficiency of time and attendance adjustments made by all participants in the GOES-R team activity, the accuracy of statements made to the OIG during investigation 13-0948-I, and the degree to which management addressed timekeeping for similar activities since May 2013.

As addressed in this report, investigation 14-0475-P revealed that four participants in the team event improperly billed their participation to the government and did not make up for the time spent at the event by working additional hours on May 23, 2013, or on other days during the same pay period. During the course of this investigation, the OIG considered labor rates for the employees and calculated \$1,460.12 in taxpayer-funded wages initially charged to the government for those four employees to attend the team event—this amount was subsequently refunded to the government by the respective contract companies. All other participants in the team event correctly accounted for their time on May 23, 2013, or worked additional hours during the same pay period to make up for the time spent at the event.

## I. Executive Summary

The OIG’s review established that Supervisor I organized a team-building event – namely, having lunch at a restaurant and watching the new Star Trek movie – which was designed to boost morale, bolster team unity, and re-motivate the staff toward the GOES-R mission. The evidence further established that twenty-one GOES-R Ground Segment staff members—six federal government employees and fifteen contract employees—participated in the event to varying degrees. The OIG concluded that four of the participants, all of whom were contract employees, incorrectly billed their participation and did not make up for the hours by working additional hours on the day of the event or on other days during the same pay period. These four employees billed a total of 12 hours to the GOES-R program, resulting in a total of

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<sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.* at 6.

\$1,460.12 improperly charged to the government. We did not, however, find sufficient evidence to conclude that these four contract employees knew their initial charges were false or improper at the time they entered their timekeeping. Although we found that four contract employees incorrectly billed their hours for the event, we determined that 17 of the employees who participated in the event properly accounted for the event or made up the time by working extra hours during the same pay period.

Although Supervisor I's intent in organizing the event appears to have been an effort to boost low morale, the OIG found that the execution of the event resulted in several problems. The OIG concluded that, unlike training events, which are designed to develop professional skills and therefore may be counted as work-hours, watching a Star Trek movie offered no professional development opportunities. Therefore, even if such an event resulted in greater unity or cohesion, the hours spent at the event should not have been billed to the government.


We note that the companies responsible for the four employees—Noblis, Booz Allen Hamilton, and The Aerospace Corporation (Aerospace)—subsequently “credited back” the amounts improperly billed to the government and, therefore, there is no longer a loss to the government. However, we note that these credits were made only after the OIG initiated its first investigation (13-0948-I), and we found no evidence that GOES-R management or the contract companies would have recognized the improper billing absent the OIG's review.

We further found that the billing problems resulted from Supervisor I's failure to provide clear guidance to the staff about appropriate timekeeping for the event. While we acknowledge that he organized the event to enhance unity and build morale within the Ground Segment staff and credit his statement that he believed the staff understood the relevant timekeeping rules, we must recognize that this failure to communicate those rules laid the foundation for the improper billing to the government.

The testimony of the participants and a review of their respective timesheets revealed that most of the employees who participated in the event made up the time by working extra hours on that day or other days during the relevant pay period. We also found that a significant number of employees who initially billed their time appropriately or otherwise made up their time during the same pay period were later asked by GOES-R management and/or contract management to adjust their entries to reflect leave or vacation for the event.<sup>6</sup> Witnesses told the OIG that these changes were apparently designed to remove doubt and avoid any appearance of impropriety. Asking employees to use leave or vacation time when they in fact

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<sup>6</sup> The Office of Personnel Management (OPM) explains that federal government employee may use annual leave for “vacations, rest and relaxation, and personal business or emergencies.” Employees and supervisors are “mutually responsible for planning and scheduling the use of employees' annual leave throughout the leave year.” The accrual of annual leave for full-time Federal employees is based upon the total number of years of service and accumulates over the course of 26 pay periods during a calendar year. An employee with less than 3 years of service earns 4 hours of leave per pay period (total of 104 hours per year); an employee with at least 3 years of service, but less than 15 years of service, earns 6 hours of leave per pay period and 10 hours in the last pay period of the year (total of 160 hours per year); and an employee with more than 15 years of service earns 8 hours of leave per pay period (total of 208 hours per year). See OPM, *Pay & Leave*, <http://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/annual-leave/> (last visited September 2, 2014). The OIG notes that the accrual and use of leave (or personal time) by contract employees is established by the policy of each contract company and may not be consistent with the OPM policy for federal government employees.



properly accounted for the amount of time worked toward the GOES-R program, however, resulted in inaccurate billing for work performed, to the benefit of the federal government.

In light of the confusion among GOES-R Ground Segment staff regarding timekeeping for the May 23, 2013, team activity, we suggest to GOES-R management that it provide training to the Ground Segment staff to ensure similar issues do not recur. We recognize that the contractors have addressed proper timekeeping with the individual participants in the team activity, but we concluded that GOES-R management should provide training regarding proper timekeeping for government-sanctioned team activities to the entire GOES-R staff to avoid recurrence.

## **II. Scope and Methodology**

The OIG conducted this investigation by interviewing relevant witnesses and reviewing various records and documents. The OIG interviewed government employees from NOAA and the National Aeronautics and Space Administration (NASA), along with contract employees who participated in the team event. All interviews of participants in the team activity were sworn and recorded, and affidavits were obtained following the interviews. The OIG obtained time and attendance records and email correspondence from NOAA, NASA, and each of the contract companies for the participants in the team activity.

## **III. Organization of the Report**

This report will begin with an overview of the GOES-R program, the allegations to be resolved, and a listing of the relevant regulations and policies at issue in this investigation. This report will then discuss the facts established during this investigation and the OIG's analysis of those facts. The report will close with the OIG's conclusions and recommendations for NOAA.

# Chapter 2: Background

This chapter will provide an overview of the NOAA GOES-R program, a summary of the allegations resolved in this investigation, and an overview of applicable legal and regulatory provisions.

## I. Overview of the NOAA GOES-R Program

One of the primary functions of the NOAA National Environmental Satellite, Data, and Information Service (NESDIS) is to acquire and manage the nation's operational environmental satellites.<sup>7</sup> There are two types of satellite systems operated by NESDIS: geostationary operational environmental satellites (GOES) and polar-orbiting operational environmental satellites (POES).<sup>8</sup> GOES satellites operate approximately 22,300 miles above earth, in geosynchronous orbit, and provide land, ocean, and cloud temperatures; monitor activities of the sun; and also assist with search and rescue activities by relaying emergency locator beacon signals.<sup>9</sup>

In conjunction with NASA, NOAA is developing the next generation of four GOES satellites.<sup>10</sup> The first satellite in the series—GOES-R—is now scheduled for launch in the second quarter of fiscal year 2016.<sup>11</sup>

The GOES-R program is managed by NOAA with two integrated NOAA/NASA project offices, the Ground Segment Project (hereinafter Ground Segment) and the Flight Project.<sup>12</sup> NOAA's responsibilities include overall management of the acquisition and development efforts for the entire Ground Segment, such as the facilities and antenna sites, as well as the software and hardware for satellite command and control.<sup>13</sup> At the time of the team-building event in May 2013, the GOES-R Ground Segment staff totaled 106 members, consisting of 13 NOAA employees, 18 NASA employees, and 75 contract employees.<sup>14</sup>

## II. Allegations to be Resolved

The statement in the Noblis Letter that four hours is a better approximation of the time required to attend a lunch and a movie calls into question the sufficiency of the adjustments made by participants in the team activity during the course of OIG investigation 13-0948-I. As

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<sup>7</sup> See OIG, *Audit of Geostationary Operational Environmental Satellite – R Series: Comprehensive Mitigation Approaches, Strong Systems Engineering, and Cost Controls Are Needed to Reduce Risks of Coverage Gaps*, Report No. OIG-13-024-A. (April 25, 2013) [hereinafter *Audit of GOES-R Series*].

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> See GOES Status, GOES-R, <http://www.goes-r.gov/mission/history.html> (last visited August 22, 2014) [hereinafter *GOES-R Mission History*].

<sup>12</sup> See *Audit of GOES-R Series, supra* (NASA manages the development and acquisition of the Flight Project, consisting of the spacecraft, instruments, launch vehicle, and auxiliary communication payloads); *GOES-R Mission History, supra*.

<sup>13</sup> See *Audit of GOES-R Series, supra*.

<sup>14</sup> See OIG Investigative Record Form (IRF): Interview of GOES-R Supervisor I on September 18, 2013 (on file with OIG Investigation 13-0948-I).



discussed in this report, 13 GOES-R Ground Segment staff members attended both the lunch and movie portions of the team activity on May 23, 2013.<sup>15</sup> The lunch portion was scheduled to begin at noon, followed by a matinee showing of “Star Trek Into Darkness” beginning at 2:00 p.m.<sup>16</sup> Because the movie has a run time of 2 hours and 12 minutes, it appears reasonable to conclude that those employees who participated in both portions of the event spent, at a minimum, four hours away from the GOES-R mission.<sup>17</sup> Yet, when those employees initially adjusted their time and attendance records to account for their participation, none made an adjustment of four hours.<sup>18</sup> As a result, this investigation examined the sufficiency of the time and attendance adjustments made by all participants in the team activity.

Additionally, given the apparent inconsistency between the event duration and subsequent adjustments by participants, this investigation reviewed the accuracy of information provided to the OIG during investigation 13-0948-I. Specifically, this investigation examined the number of participants, amount of participation, initial time and attendance entries, and subsequent adjustments, as originally reported to the OIG during investigation 13-0948-I.

Finally, this investigation reviewed the degree to which management addressed timekeeping for similar team activities since May 2013, as recommended to NOAA following OIG Investigation 13-0948-I.<sup>19</sup>

### III. Legal and Regulatory Overview

Pursuant to 31 U.S.C. § 3729, “any person who knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval. . . is liable to the United States Government for a civil penalty. . . .”<sup>20</sup>

Federal government employees are required to “disclose waste, fraud, abuse, and corruption to [the] appropriate authorities,”<sup>21</sup> and U.S. Department of Commerce policies require that all U.S. Department of Commerce employees, including NOAA personnel, report to the OIG “information indicating the possible existence” of activities that “may constitute mismanagement, waste of funds, abuse of authority, or a violation of [a] law or regulation.”<sup>22</sup>

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<sup>15</sup> See *Noblis Letter, supra*; OIG IRF: Review of Documents from Booz Allen Hamilton (on file with OIG)[hereinafter *Documents from Booz Allen Hamilton*]; OIG IRF: Review of Documents from ECG, Inc. (on file with OIG)[hereinafter *Documents from ECG*]; OIG IRF: Review of Documents from Columbus Technologies and Services, Inc. (on file with OIG)[hereinafter *Documents from Columbus*]; OIG IRF: Review of Documents from The Aerospace Corporation (on file with OIG)[hereinafter *Documents from Aerospace*]; OIG IRF: Receipt of Documents from Supervisor 1 (February 12, 2014) (on file with OIG Investigation 13-0948-I) [hereinafter *Documents from Supervisor 1, February 12, 2014*].

<sup>16</sup> OIG IRF: Receipt of E-mail from GOES-R Supervisor 1 (September 20, 2013) (on file with OIG Investigation 13-0948-I) [hereinafter *E-mail from Supervisor 1*].

<sup>17</sup> See *Star Trek Into Darkness* (2013), 132 minutes, IMDb, <http://www.imdb.com/title/tt1408101/> (last visited August 19, 2014).

<sup>18</sup> See *Documents from Supervisor 1, February 12, 2014, supra*.

<sup>19</sup> See Assistant Inspector General for Investigations Memorandum to NOAA NESDIS (March 18, 2014) reporting the results of OIG Investigation 13-0948-I (on file with OIG) [hereinafter *Memorandum to NOAA*].

<sup>20</sup> The False Claims Act, 31 U.S.C. § 3729(a)(1) (2006).

<sup>21</sup> 5 C.F.R. § 2635.101(b)(11) (2014); Exec. Order No. 12674 § 101(k).

<sup>22</sup> DOC Department Administrative Order 207-10 (3.01), (3.04).



The “[k]nowing failure of a [U.S. Department of Commerce] officer or employee to comply with the reporting requirements . . . may result in disciplinary action . . . .”<sup>23</sup>

The Federal Acquisition Regulation, which is applicable to federal contractors, requires a contractor to “timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed—

- (A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or
- (B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733).”<sup>24</sup>

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<sup>23</sup> DOC Department Administrative Order 207-10 (3.04).

<sup>24</sup> Contractor Code of Business Ethics and Conduct, 48 C.F.R. § 52.203-13 (2010)

## Chapter 3: Analysis

This chapter will review the number of hours spent at the team event by each participant, the accuracy of initial time and attendance entries for each participant, the sufficiency of adjustments made to time and attendance records, and the degree to which management addressed timekeeping for similar activities since May 2013.

### I. Facts

#### A. Planning of GOES-R Ground Segment Team Activity

In April 2013, Supervisor 1 proposed to the GOES-R Ground Segment staff a team activity that would allow staff members to attend a showing of “Star Trek Into Darkness” during normal working hours.<sup>25</sup> Supervisor 1 believed this activity would be popular with the staff members given the GOES-R program mission, and he chose to organize the activity as a way for the GOES-R Ground Segment team—both federal government and contract employees—to “come together in a non-work, social setting to help build some unity.”<sup>26</sup>

Numerous witnesses told the OIG that GOES-R Ground Segment staff often worked more than 40 hours weekly without earning overtime pay or compensatory time, and Supervisor 1 was aware of “a morale issue” that he hoped to address with an activity that would “bond” the team.<sup>27</sup>

Supervisor 1 began promoting the team activity in April 2013 at a GOES-R Ground Segment all-hands meeting, and the staff was periodically reminded of the planned team activity through a series of e-mails leading up to May 23, 2013.<sup>28</sup> The final details regarding the outing, as presented to the staff by e-mail on May 22<sup>nd</sup> and during an all-hands meeting on May 23<sup>rd</sup>, included lunch at 12:00 p.m. at a local restaurant followed by 2:00 p.m. showing of “Star Trek Into Darkness.”<sup>29</sup> In total, 21 GOES-R Ground Segment staff members—two NOAA employees, three NASA employees, one Department of Commerce employee, and 15 contract employees—participated in various portions of the team activity on May 23, 2013.<sup>30</sup>

#### B. Time and Attendance Guidance Prior to Team Activity

The e-mails sent to the GOES-R Ground Segment staff and the presentations made at the all-hands meetings leading up to the team activity provided no guidance regarding proper time and

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<sup>25</sup> See *E-mail from Supervisor 1, supra*.

<sup>26</sup> See OIG IRF: Receipt of Information from GOES-R Senior Supervisor (September 4, 2013) (on file with OIG Investigation 13-0948-I); OIG IRF: Interview of GOES-R Supervisor 1 and Review of Affidavit [hereinafter *Supervisor 1 Interview*].

<sup>27</sup> See *Supervisor 1 Interview, supra*; OIG IRF: Interview of Supervisor 2 and Review of Affidavit [hereinafter *Supervisor 2 Interview*]; OIG IRF: Interview of Employee 2 and Review of Affidavit [hereinafter *Employee 2 Interview*]; OIG IRF: Interview of Employee 3 and Review of Affidavit [hereinafter *Employee 3 Interview*].

<sup>28</sup> See, e.g., *Documents from Aerospace, supra*; *Supervisor 1 Interview, supra*; *E-mail from Supervisor 1, supra*. See Appendix A of this report for presentation slides used at GOES-R Ground Segment all-hands meetings.

<sup>29</sup> See *Documents from Aerospace, supra*; *E-mail from Supervisor 1, supra*.

<sup>30</sup> See OIG IRF: Receipt of E-mail from GOES-R Supervisor 1 (September 19, 2013) (on file with OIG Investigation 13-0948-I).

attendance entries to cover participation in the event.<sup>31</sup> Further, Supervisor I acknowledged in his OIG interview that he was not clear to GOES-R Ground Segment staff members regarding how they should account for their time during the team activity—he explained to the OIG that he assumed staff members would either make up the hours by working earlier or later, or use personal leave or compensatory time to cover time spent at the team activity.<sup>32</sup> According to Supervisor I, he believed the fact that the team-building event could not be charged to the government was “pretty basic stuff” and that he therefore did not believe he needed to tell employees the event was not chargeable to the government.<sup>33</sup>

Supervisor I told the OIG that he did not “encourage” employees to attend, but acknowledged that he did present the event at two staff-wide meetings and “promoted” the event.<sup>34</sup> Several GOES-R Ground Segment staff members told the OIG they believed the event was sanctioned by GOES-R management and that participation was billable as regular work hours.<sup>35</sup> Other employees, however, recognized the team activity on May 23, 2013, was not work-related and distinguished the event from the training activities and professional development events that were offered to the GOES-R Ground Segment staff prior to May 2013.<sup>36</sup>

### **C. Initial Time and Attendance Entries for the Team Activity**

The OIG opened investigation 13-0948-I in response to an anonymous whistleblower complaint alleging that the GOES-R Ground Segment staff was encouraged to participate in the team activity on May 23, 2013, creating an appearance of disregard for tax dollars.<sup>37</sup> During the course of investigating the anonymous complaint, the OIG discovered that certain movie attendees “had not charged the movie time as non-work hours.”<sup>38</sup> According to GOES-R Ground Segment Supervisor I, the OIG’s inquiries into timekeeping under 13-0948-I prompted him to discuss time and attendance entries with each participant in the team activity individually, informing them that events like the Star Trek movie “are not chargeable.”<sup>39</sup> The timesheets for the GOES-R staff who initially charged their participation as work hours were then amended to reflect varying amounts of annual leave/personal time or a reference to offsetting hours worked for the May 23<sup>rd</sup> event.<sup>40</sup> For example, Supervisor I amended his timesheet by charging two

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<sup>31</sup> See *Supervisor I Interview, supra*; OIG IRF: Receipt of Information from GOES-R Senior Supervisor (September 4, 2013) (on file with OIG Investigation 13-0948-I).

<sup>32</sup> See *Supervisor I Interview, supra*.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> See, e.g., OIG IRF: Interview of Employee 8 [hereinafter *Employee 8 Interview*]; OIG IRF: Interview of Employee 9 [hereinafter *Employee 9 Interview*]; see also OIG IRF: Interview of Employee 19 [hereinafter *Employee 19 Interview*] (Employee 19 indicated that, because the event was a “morale event” offered by the government, he believed attendance could be billed to the contract).

<sup>36</sup> See, e.g., OIG IRF: Interview of Employee 4 [hereinafter *Employee 4 Interview*]; OIG IRF: Interview of Employee 6 [hereinafter *Employee 6 Interview*].

<sup>37</sup> See Hotline Complaint, Case No. 13-0948-I (July 2, 2013).

<sup>38</sup> See *Memorandum to NOAA, supra*.

<sup>39</sup> See *Supervisor I Interview, supra*.

<sup>40</sup> See *Noblis Letter, supra*; *Documents from Booz Allen Hamilton, supra*; *Documents from ECG, supra*; *Documents from Columbus, supra*; *Documents from Aerospace, supra*; OIG IRF: Review of DOC Web Time and Attendance Records (on file with OIG); OIG IRF: Review of NASA Time and Attendance Records (on file with OIG).

hours of annual leave for May 23<sup>rd</sup>, while a contract employee amended his timesheet by charging three hours of personal time.<sup>41</sup>

The OIG's Report of Investigation for investigation I3-0948-I, which was submitted to NOAA on March 18, 2014, found that, absent the subsequent corrections, there was improper expenditure of taxpayer-funded wages for 13 employees to participate in the team activity. The OIG recommended that "clear guidance on proper timekeeping be communicated in writing to agency and contractor staff in advance of any similar workgroup outings in the future."<sup>42</sup>

#### **D. Disclosure to OIG of Insufficient Time and Attendance Adjustments**

On March 21, 2014, a senior manager for Noblis submitted a letter to the Inspectors General for the U.S. Department of Commerce and U.S. General Services Administration concerning the inappropriate billing by Noblis employees for their participation in the GOES-R team event.<sup>43</sup>

According to the senior manager, Noblis reviewed and investigated the GOES-R Ground Segment team event and the charges submitted by its employees for their participation in the event.<sup>44</sup> Noblis explained that five of its employees participated in the event—one employee attended the lunch portion of the event only and the other four Noblis employees participated in both the lunch and movie portions of the event.<sup>45</sup> Those four employees each billed eight hours to the GOES-R program for May 23, 2013.<sup>46</sup>

Based on its internal review and investigation, Noblis discovered that "some of the employees may have spent more than two (2) hours at the team building exercise while others could not recall with specificity the amount of time spent at the team building exercise."<sup>47</sup>

The senior manager for Noblis explained that, "[I]n September 2013, these employees subsequently transferred two (2) hours of their time charged that day to the GOES-R Support effort to a Noblis overhead charge code[.]"<sup>48</sup> When reviewing the decision to remove only two hours from the billed hours on May 23, 2013, a contract manager for Noblis "did not recall

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<sup>41</sup> See *Supervisor 1 Interview, supra*; OIG IRF: Interview of Employee 17 [hereinafter *Employee 17 Interview*].

<sup>42</sup> See *Memorandum to NOAA, supra*.

<sup>43</sup> See *Noblis Letter, supra*. The senior manager explained that Noblis' letter was being submitted to the OIG in response to an e-mail request from a NOAA Contracting Officer in which the Contracting Officer asked for copies of timesheets and hourly rates for all Noblis employees who participated in the GOES-R program team building event on May 23, 2013. The senior manager for Noblis explained that, when Noblis received the e-mail from the NOAA Contracting Officer, the request was provided to the Noblis legal department "who subsequently reviewed the time sheets in question and interviewed the employees who participated in the team building exercise. . . ."

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* After the Noblis employees adjusted their the time and attendance records by transferring two hours each to a Noblis overhead charge code, Noblis "credited the GOES-R Support effort an aggregate amount. . . .for eight (8) hours of time (i.e., 2 hours each, for four affected employees)."

the exact reason and guessed that it was because most movies are approximately two hours long.”<sup>49</sup>

Noblis made the following conclusions regarding the adjustments made to time and attendance records following the GOES-R program team building event: “[T]here is insufficient evidence to support the assumption that two (2) hours of time per employee was the correct amount of time to credit the GOES-R Support effort for time spent by the four Noblis employees at the team building exercise, and, consequently, the previous credit may not have adequately accounted for the entire amount of hours direct-charged to NOAA for the team building exercise. . .”<sup>50</sup>

Noblis therefore estimated that four hours was a better approximation of the amount of time required to participate in the lunch and movie portions of the team building events.<sup>51</sup> The Noblis Letter concluded: “As a result, for the four employees who charged their time to the GOES-R Support effort, a total of sixteen (16) hours has been assumed to have been incorrectly charged to the GOES-R Support effort.”<sup>52</sup>

The OIG initiated this investigation, I4-0475-P, in response to the information provided by Noblis. The following sections detail the initial time and attendance entries and subsequent adjustments made by federal and contract employees to address participation in the GOES-R team event.

### ***I. Adjustments Made by Federal Government Employees***

The OIG reviewed the time and attendance entries made by six federal government employees assigned to the GOES-R Ground Segment staff. The federal government employees, consisting of three NASA employees, two NOAA employees, and one Department of Commerce Office of General Counsel (OGC) employee, participated in the team activity on May 23, 2013, to varying degrees.<sup>53</sup>

According to Supervisor 2, a NASA employee, the GOES-R Ground Segment staff “easily put[s] in 60 hours a week and charge[s] 40.”<sup>54</sup> Supervisor 2 explained that he does not earn overtime or compensatory time for hours worked over 40 hours per week.<sup>55</sup> Another NASA employee indicated that he works, on average, at least 50 hours per week.<sup>56</sup> The evidence established that all federal government employees who participated in the team event on May 23<sup>rd</sup> worked

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<sup>49</sup> *Id.*

<sup>50</sup> *Id.* Noblis indicated it would issue a repayment to NOAA in any form acceptable to the Contracting Officer for the “additional eight (8) hours Noblis has determined may have been inappropriately charged” as well as “remove the eight (8) hours that were previously transferred to the overhead charge code and reclassify them an unbillable account so as to not charge the Government in any form, directly or indirectly.”

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> See generally *Supervisor 1 Interview, supra*; *Supervisor 2 Interview, supra*; OIG IRF: *Interview of Employee 1 [hereinafter Employee 1 Interview]*; *Employee 2 Interview, supra*; *Employee 3 Interview, supra*; *Employee 4 Interview, supra*.

<sup>54</sup> See *Supervisor 2 Interview, supra*.

<sup>55</sup> *Id.*

<sup>56</sup> See *Employee 2 Interview, supra*.

additional hours following the movie or worked additional hours on other days during the bi-weekly pay period to make up for the time spent at the event.

Specifically, three employees (i.e., Supervisor 1, Employee 1, and Employee 2) made up the time spent at the team event by working additional hours on other days during the same bi-weekly period.<sup>57</sup> The remaining federal government employees (i.e., Supervisor 2, Employee 3, and Employee 4) worked additional hours on May 23, 2013, following the movie, to make up for the time spent at the team event.<sup>58</sup>

Notably, during the course of OIG investigation 13-0948-I, Supervisors 1 and 2 and Employees 1 through 3 adjusted their initial time and attendance entries to reflect varying amounts of annual leave on May 23, 2013.<sup>59</sup> When asked by the OIG why they agreed to use their personal leave, even though they had worked additional hours that would have covered the hours spent at the event, several employees stated that they agreed to use leave to remove any questions regarding the hours worked or because they did not want to argue about the amount of actual time worked that pay period.<sup>60</sup> Supervisor 1 explained to the OIG that he initially entered eight hours of work on May 23, 2013, because he knew that he had worked longer hours on other days to cover the time spent at the event.<sup>61</sup> He later decided to correct his time and attendance record, despite having made up the time during the same pay period, “as a sign of leadership.”<sup>62</sup> He explained that he was not going to ask others to adjust their time without making adjustments himself.<sup>63</sup> Supervisor 2 told the OIG that he chose not to question Supervisor 1 when asked to adjust his time and attendance entry; he believed Supervisor 1 was trying to “do what was right and make amends and do whatever makes the optics right for the department.”<sup>64</sup>

Despite the decision by the federal government employees to use leave/personal time to cover their participation in the event, the evidence indicated these employees made up the time spent participating in the event by working additional hours during the same bi-weekly pay period.

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<sup>57</sup> See *Supervisor 1 Interview, supra* (Supervisor 1 indicated that he worked from home for approximately two hours following the event. He explained that he made up the two additional hours the weekend following the team event—the same pay period as the team event—when an employee had an issue with travel and Supervisor 1 spent at least two hours working to get the employee’s travel approved.); *Employee 1 Interview, supra* (Employee 1 explained that he “probably” performed work, either at his home or in the office, following the team event and, based on his typical work-pattern, it is likely that he made-up the hours spent at the May 23, 2013, event. However, because of the passage of time between the event and the suggestion that time/attendance records be adjusted, Employee 1 did not believe he could accurately calculate the additional hours worked during the pay period ending June 1, 2013.); *Employee 2 Interview, supra* (Employee 2 indicated that, following the team event, he returned to Building 6 (Goddard Space Flight Center) and worked for approximately 1.5-2 hours. Employee 2 explained that he works, on average, at least 50 hours per week, so he believed he worked 80 hours during the bi-weekly period covering the team activity.).

<sup>58</sup> See *Supervisor 2 Interview, supra* (Supervisor 2 explained that he worked from home following the team event, and he believed he worked eight hours on May 23, 2013.); *Employee 3 Interview, supra* (Employee 3 explained that he returned to Building 6 (Goddard Space Flight Center) following the team event. He explained that he worked a total of eight hours on May 23, 2013.); *Employee 4 Interview, supra* (Employee 4 indicated that, following the team event, he returned home and continued working for approximately four hours. In total, he recalled working nine hours toward the GOES-R program on May 23, 2013.).

<sup>59</sup> See *Documents from Supervisor 1, February 12, 2014, supra*.

<sup>60</sup> See *Employee 1 Interview, supra*; *Employee 2 Interview, supra*; *Employee 3 Interview, supra*.

<sup>61</sup> See *Supervisor 1 Interview, supra*.

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

<sup>64</sup> See *Supervisor 2 Interview, supra*.

Further, these employees did not accrue compensatory time or receive overtime pay for working more than 80 hours bi-weekly.<sup>65</sup> As a result, because the employees worked the time initially claimed over the course of the pay period, the initial time and attendance entries resulted in no loss to the federal government.

## 2. Adjustments Made by Noblis Employees

The OIG review of time and attendance entries made by Noblis employees confirmed much of the information reported in the Noblis Letter dated March 21, 2014. Specifically, OIG confirmed that five Noblis employees participated in the GOES-R team activity in varying degrees.<sup>66</sup> One of the five employees participated in the lunch portion of the event only—this employee returned to the office after the lunch portion of the event and worked for the remainder of the workday.<sup>67</sup> No adjustments were made to this employee’s time and attendance record following the event because the employee accurately recorded the number of hours worked toward the GOES-R program on the initial time and attendance entry.<sup>68</sup>

The four Noblis employees who participated in both the lunch and movie portions completed varying amounts of work toward the GOES-R program on May 23, 2013.<sup>69</sup> As reflected in the table below, two Noblis employees worked toward the GOES-R program prior to and after the team event, thereby completing eight hours of work toward the GOES-R program on May 23, 2013.

**Table 1. Noblis, Inc.**

	LUNCH	MOVIE	INITIAL BILLING	HOURS WORKED
Employee 5	YES	NO	9 hours	9 hours <sup>70</sup>
Employee 6	YES	YES	8 hours	8 hours <sup>71</sup>
Employee 7	YES	YES	8 hours	8 hours <sup>72</sup>
Employee 8	YES	YES	8 hours	5 hours <sup>73</sup>
Employee 9	YES	YES	8 hours	5 hours <sup>74</sup>

<sup>65</sup> See, e.g., *Supervisor 1 Interview, supra*; *Supervisor 2 Interview, supra*.

<sup>66</sup> See generally OIG IRF: Interview of Employee 5 [hereinafter *Employee 5 Interview*]; *Employee 6 Interview, supra*; OIG IRF: Interview of Employee 7 [hereinafter *Employee 7 Interview*]; *Employee 8 Interview, supra*; *Employee 9 Interview, supra*.

<sup>67</sup> See *Employee 5 Interview, supra*.

<sup>68</sup> *Id.*

<sup>69</sup> See generally *Employee 6 Interview, supra*; *Employee 7 Interview, supra*; *Employee 8 Interview, supra*; *Employee 9 Interview, supra*.

<sup>70</sup> See *Employee 5 Interview, supra* (Employee 5 attended the lunch portion of the team event only, and he returned to the office after lunch and worked entire day (i.e., nine hours toward the GOES-R program)).

<sup>71</sup> See *Employee 6 Interview, supra* (Upon leaving the team event, Employee 6 went to his personal residence and teleworked. He worked three hours from home following the team event to make up for the time spent at the movie.).

<sup>72</sup> See *Employee 7 Interview, supra* (Employee 7 believed that, following the team event, he returned to his personal residence and performed work. In total, Employee 7 believed he worked 7-8 hours toward the GOES-R program on May 23, 2013.).

<sup>73</sup> See *Employee 8 Interview, supra* (The normal workday for Employee 8 is 7:00 a.m. to 3:00 p.m. daily. His participation is calculated as three hours based on his normal workday ending at 3:00 p.m. He worked toward the GOES-R project for five total hours on May 23, 2013, and did not otherwise make up the hours spent at the team event.).

<sup>74</sup> See *Employee 9 Interview, supra* (Employee 9 returned to his personal residence following the team event and worked an additional 30-60 minutes. In total, Employee 9 believed he worked a total of five hours toward the GOES-R project on May 23, 2013.).



For the other two employees (i.e., Employee 8 and Employee 9), the OIG determined that these employees did not work eight hours toward the GOES-R program on May 23, 2013, as initially billed, and they did not work longer hours during the pay period to cover the time spent at the event.<sup>75</sup>

To determine the amount improperly billed to the GOES-R program, the OIG considered the actual amount of time claimed towards the GOES-R program by Employee 8 and Employee 9 prior to and after the event on May 23<sup>rd</sup>. As a result, the OIG concluded that both employees improperly billed three hours to the program for their participation in the team activity and did not otherwise make up for the hours during the same pay period. All other Noblis employees accurately recorded the number of hours worked toward the program on May 23<sup>rd</sup>.

### **3. Adjustments Made by Columbus Technologies and Services, Inc., Employees**

The OIG review revealed that five employees from Columbus Technologies and Services, Inc., (Columbus) participated in the GOES-R team event on May 23, 2013.<sup>76</sup> The five employees initially billed varying amounts of time toward the GOES-R program to cover their participation in the event.<sup>77</sup> A senior manager for Columbus told the OIG that, when Columbus management learned that its employees had entered their participation in the team event as hours worked toward the GOES-R program, he met with each employee to discuss time and attendance policies and appropriate entries for the team event.<sup>78</sup> He stated that he explained to the employees that all time and attendance entries should accurately reflect the actual number of hours worked on the GOES-R program.<sup>79</sup> According to the senior manager, several employees believed up to that point that time and attendance records had to reflect exactly 80 hours of work for each bi-weekly pay period, even if the employee worked on the GOES-R program for more than 80 hours during that pay period.<sup>80</sup> This misunderstanding, according to the senior manager, caused several employees to have daily entries that did not accurately reflect the amount of work completed toward the GOES-R program.<sup>81</sup>

The senior manager indicated that, following his discussion with each employee, several employees who participated in the team event adjusted other workdays during that bi-weekly pay period to accurately reflect the number of hours worked on the GOES-R program.<sup>82</sup> These adjustments included adding hours worked to other days during the pay period to accurately account for the time spent on the GOES-R program.<sup>83</sup>

The OIG found that two Columbus employees (i.e., Employee 10 and Employee 11) accurately accounted for their participation in the team activity and, therefore, did not make subsequent

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<sup>75</sup> See generally OIG IRF: Interview of Employee 8 on August 12, 2014; OIG IRF: Interview of Employee 9 on August 12, 2014.

<sup>76</sup> See *Documents from Columbus*, *supra*.

<sup>77</sup> *Id.*

<sup>78</sup> OIG IRF: Interview of Columbus Senior Manager [hereinafter *Columbus Senior Manager Interview*].

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

adjustments.<sup>84</sup> The OIG also found that Employee 12, Employee 13, and Employee 14, following their meeting with the Columbus senior manager, appropriately reduced the amount of time worked on May 23, 2013, to account for time spent at the team event—they also adjusted other workdays during the same pay period by adding hours worked on the GOES-R program that were not previously reported.<sup>85</sup> The added time on other workdays during the same pay period covered the time spent at the team activity and, as a result, the OIG determined the initial incorrect entries by Employees 12, 13, and 14 did not result in overbilling by Columbus.

#### **4. Adjustments Made by ECG, Inc., Employees**

Two employees from ECG, Inc., (ECG) participated in the GOES-R team activity on May 23<sup>rd</sup>.<sup>86</sup> The OIG determined that both employees (i.e., Employee 15 and Employee 16) returned to the office following the event to make up for the time spent at the event.<sup>87</sup>

Because the amount initially reported by the ECG employees on May 23, 2013, accurately reflected the number of hours worked toward the GOES-R program on that day, there was no overbilling by ECG for the employees' participation in the team activity.

#### **5. Adjustments Made by Booz Allen Hamilton Employee**

The OIG review revealed one employee from Booz Allen Hamilton attended the GOES-R team activity on May 23<sup>rd</sup>.<sup>88</sup> The employee participated in both the lunch and movie portions of the event, and he calculated the total amount of time away from the office to be four hours.<sup>89</sup> As reflected in the table below, the employee entered eight hours of work towards the GOES-R program, despite acknowledging that he only worked five hours towards the program on May

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<sup>84</sup> See OIG IRF: Interview of Employee 10 and Review of Affidavit [hereinafter *Employee 10 Interview*] (Employee 10 attended the movie and returned to work for approximately one hour immediately following the movie. Employee 10 initially billed five hours for May 23, 2013, and, as a result, made no adjustments.); OIG IRF: Interview of Employee 11 and Review of Affidavit [hereinafter *Employee 11 Interview*] (Employee 11 attended the lunch portion of the team activity only. He returned to work following the lunch portion and completed eight hours of work on May 23, 2013.).

<sup>85</sup> See OIG IRF: Interview of Employee 12 and Review of Affidavit [hereinafter *Employee 12 Interview*] (Employee 12 initially recorded eight hours of work daily for May 20 through May 23, 2013; however, in September 2013 when he was asked to adjust his time/attendance record for the team event, Employee 12 also adjusted other days in the week to reflect longer workdays while on travel (earlier in the week)); OIG IRF: Interview of Employee 13 and Review of Affidavit [hereinafter *Employee 13 Interview*] (Employee 13 initially recorded eight hours of work for May 23, 2013; however, when he was asked to adjust his time/attendance record for the team event, Employee 13 also adjusted one other day in the week to reflect longer hours worked); OIG IRF: Interview of Employee 14 and Review of Affidavit [hereinafter *Employee 14 Interview*] (Employee 14 participated in a telephone conference remotely immediately upon leaving the movie; he believed the telephone conference ended at approximately 5:30 p.m. When asked to adjust his time, he performed a self-audit, resulting in 0.5 hours added to May 20, 2013 (Monday) and 0.5 hours deducted from May 23, 2013.).

<sup>86</sup> See *Documents from ECG, supra*.

<sup>87</sup> See OIG IRF: Interview of Employee 15 and Review of Affidavit [hereinafter *Employee 15 Interview*] (Employee 15 returned to work after the team event and worked until approximately 6:30-7:00 p.m. to make up for the hours he was out of the office); *ECG Documents, supra* (Employee 16 was no longer employed by ECG at the time of the current OIG investigation. As indicated in an e-mail from Employee 16 to Supervisor 1 on August 22, 2013, Employee 16 did not participate in the lunch portion of the team event, but he did attend the movie. Employee 16 explained that he “flexed the time by coming in earlier and returning back to the office after the event” to make up his time.).

<sup>88</sup> See *Documents from Booz Allen Hamilton, supra*.

<sup>89</sup> See *Employee 17 Interview, supra*.

23, 2013. The employee indicated that, at the time of his initial time and attendance entry, he did not give the entry much thought because “so much was going on that week anyway.”<sup>90</sup> Additionally, he stated that he had not received guidance and did not ask anyone how time and attendance should be entered for his participation in the event.<sup>91</sup>

**Table 2. Booz Allen Hamilton**

	LUNCH	MOVIE	INITIAL BILLING	HOURS WORKED
Employee 17	YES	YES	8 hours	5 hours <sup>92</sup>

On September 18, 2013, Employee 17 submitted an adjustment to his time and attendance entry to remove three hours of time originally claimed as work towards the GOES-R program on May 23, 2013.<sup>93</sup> The employee replaced the three work hours with three hours of Personal Time Off with an explanation that the “[c]lient held a team event on a portion of 5/23 but later found out that he should have advised staff that it was a personal event as opposed to an official work event. Hence this [timesheet correction].”<sup>94</sup> In October 2013, Booz Allen Hamilton “credited back” the three hours incorrectly billed to the GOES-R program for the team event.<sup>95</sup>

## **6. Adjustments Made by The Aerospace Corporation Employees**

The OIG interviewed the two contract employees from Aerospace who participated in the team event on May 23<sup>rd</sup>.<sup>96</sup> As reflected in the table below, one Aerospace employee participated in only the lunch portion of the team event, while the other participated in both the lunch and movie portions.<sup>97</sup> Both employees initially entered eight hours of work on May 23, 2013, and were subsequently asked by their Aerospace supervisor to adjust their time and attendance entries for their participation in the team event.<sup>98</sup>

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.* Upon leaving the team event, Employee 17 returned to Goddard Space Flight Center and worked toward the GOES-R program for 1 to 1.5 hours. Employee 17 adjusted his time and attendance record to reflect five hours of work toward the GOES-R program and three hours of personal time. Employee 17 determined this to be the correct adjustment because he “figured the event was 4 hours but [he] worked another hour to 1.5 hours so 4-1=3.”

<sup>93</sup> See *Documents from Supervisor 1, February 12, 2014, supra.*

<sup>94</sup> *Id.*

<sup>95</sup> See OIG IRF: Interview of Booz Allen Hamilton Financial Representative [hereinafter *Booz Allen Hamilton Financial Representative Interview*].

<sup>96</sup> See *Documents from Aerospace, supra.*

<sup>97</sup> See OIG IRF: Interview of Employee 18 and Review of Affidavit [hereinafter *Employee 18 Interview*]; *Employee 19 Interview, supra.*

<sup>98</sup> See *Employee 18 Interview, supra*; *Employee 19 Interview, supra.*

**Table 3. The Aerospace Corporation**

	LUNCH	MOVIE	INITIAL BILLING	HOURS WORKED
Employee 18	YES	NO	8 hours	8 hours
Employee 19	YES	YES	8 hours	5 hours

Employee 18 indicated that he participated in the lunch portion of the team event only.<sup>99</sup> Upon leaving the lunch, he returned to work and completed a total of eight hours of work toward the GOES-R program on May 23, 2013.<sup>100</sup> He initially entered eight hours of work, but his Aerospace supervisor later asked him to consider taking one hour of vacation to avoid any appearance of impropriety.<sup>101</sup> Employee 18 agreed to use one hour of leave to cover his participation in the lunch portion of the team event, although he believed he worked eight hours toward the GOES-R program on May 23, 2013.<sup>102</sup> For purposes of calculating the amount of time incorrectly billed to the government, the OIG considered the initial time and attendance entry for Employee 18 (i.e., eight hours of work toward the GOES-R program) to be accurate and that he did not incorrectly bill the government for time spent at the team event.

Employee 19 initially recorded 40 hours of work toward the GOES-R program for the pay period covering the May 23, 2013, team event.<sup>103</sup> He subsequently adjusted his entry to reflect five hours of work and three hours of vacation on May 23<sup>rd</sup>—as a result, his adjusted time and attendance record for the pay period reflected 37 hours of work toward the GOES-R program and three hours of vacation.<sup>104</sup> For purposes of calculating the amount of time incorrectly billed to the government for his participation in the team event on May 23, 2013, the OIG determined that Employee 19 worked 37 hours—as reflected on his adjusted time and attendance record—and he did not otherwise make up the time spent at the team event during the weekly pay period. The OIG concluded that Employee 19 improperly billed three hours to the program for his participation in the team activity.

### **E. Total Amount Incorrectly Billed to the Government**

To determine the total amount improperly billed towards the GOES-R program on May 23, 2013, the OIG considered the hourly labor rate for each employee and the total number of hours they incorrectly charged to the GOES-R program. In total, as reflected in the chart below, the listed employees who participated in the team event on May 23, 2013, incorrectly billed 12 hours (\$1,460.12 in wages) to the GOES-R program.<sup>105</sup>

<sup>99</sup> See *Employee 18 Interview, supra*.

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*

<sup>102</sup> *Id.*

<sup>103</sup> See *Employee 19 Interview, supra*.

<sup>104</sup> See *id.*

<sup>105</sup> The labor rates used to calculate the total amount of wages paid for these incorrectly-billed hours were provided by the respective contract companies. These rates are on file with the OIG. The labor rates are not included in this investigative report in order to preserve the apparent proprietary nature of this information.

**Table 4. Total Amount Incorrectly Billed to the Government**

	HOURS INCORRECTLY BILLED
Employee 8	3 hours
Employee 9	3 hours
Employee 17	3 hours
Employee 19	3 hours
<b>TOTAL</b>	<b>12 hours (\$1,460.12 wages)</b>

The contract companies responsible for these employees—Noblis, Booz Allen Hamilton, and Aerospace—subsequently “credited back” the hours and amounts initially billed to the government for the participation in the team event.<sup>106</sup>

**F. Steps Taken by GOES-R Management Following OIG Review**

Following the OIG's initiation of investigation 13-0948-I in July 2013, Supervisor I took steps to ensure all participants in the team event reviewed their initial time and attendance entries and made appropriate adjustments if necessary.<sup>107</sup> Supervisor I explained to the OIG that, after learning of investigation 13-0948-I, he made sure to include guidance regarding proper timekeeping when announcing team activities.<sup>108</sup> For example, when announcing a team activity for “Administrative Appreciation Day” in April 2014, the presentation included the following guidance: “Reminder – participation in this event **cannot** be charged as ‘hours worked.’”<sup>109</sup>

Similarly, in April 2014, a GOES-R senior manager e-mailed the GOES-R staff:

This event serves as an important reminder to all GOES-R employees and contractors that we must continue to hold ourselves to the highest degree of professional and ethical standards. GOES-R is one of the most visible, and scrutinized, programs in the history of the Department of Commerce. There are many eyes watching us. Yet, events like this cast a negative light on the program despite all the great work that we do day-in and day-out.

The U.S. taxpayers have a right to expect that those of us in public service are being wise stewards of their tax dollars. While we want everyone to be able to participate in team activities from time-to-time, because these often take place during normal office hours it is important to remember that working hour requirements still apply and all Government employees and contractors are to adhere to them. There can be no compromise [sic].<sup>110</sup>

<sup>106</sup> See *Noblis Letter, supra*; *Booz Allen Hamilton Financial Representative Interview, supra*; *Documents from Aerospace, supra*.

<sup>107</sup> See *Supervisor I Interview, supra*.

<sup>108</sup> See *id.*

<sup>109</sup> *Id.* Emphasis in original.

<sup>110</sup> See *Employee I Interview, supra*, Attach. 2 (April 11, 2014, e-mail from GOES-R senior manager to the GOES-R staff).

## II. Analysis

Although the evidence established certain failures in connection with the GOES-R team-building event on May 23, 2013, which are discussed below, we note that the evidence also supported several positive findings. For instance, GOES-R Ground Segment supervisors perceived low morale amongst the staff and believed that they were working long hours. As a result, Supervisor I planned a team-building event for the staff, hoping to bolster team unity and re-motivate them toward the GOES-R mission.

We recognize that such events can create cohesion within a team that could positively contribute to the mission. As the Office of Personnel Management stated: “[t]eams are expected to produce results, but performance is hindered when team members do not work well together. A collaborative team environment is essential for the team’s success.”<sup>111</sup> Accordingly, we credit Supervisor I’s efforts to enhance unity and build morale within the Ground Segment staff.

We also note that the issues described below would likely not have come to light without the anonymous whistleblower who first raised the allegations to the OIG. Whistleblowers are essential to effective oversight of government programs, and we credit the complainant for stepping forward and raising the allegations at issue in this investigation.

As noted above, the OIG’s review of the evidence established certain problems in connection with the May 23, 2013, event. Even if watching a Star Trek movie as a unit results in greater unity or cohesion, such an event should not be considered billable to the government. Unlike training events, which are designed to develop tangible professional skills, this event was social in nature and offered no professional development whatsoever. As a result, we concluded that it was a non-billable event.

With that in mind, we found that Supervisor I, after promoting the event to his staff, failed to provide clear guidance regarding appropriate timekeeping. In making this finding, we credited Supervisor I’s statement that he believed the staff understood timekeeping rules and would recognize the event as not billable to the GOES-R program, and therefore we concluded that this failure was unintentional.

With regard to the GOES-R Ground Segment personnel, we found that employees’ understanding of timekeeping rules varied considerably. A significant number of participants in the team activity understood the activity was not billable and, therefore, properly billed the number of hours worked on May 23, 2013. Other employees incorrectly billed their participation on May 23, 2013, but worked additional hours during the same pay period to make up for the hours spent at the event.

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<sup>111</sup> Office of Personnel Management, Performance Management: Teams, available at <http://www.opm.gov/policy-data-oversight/performance-management/teams/building-a-collaborative-team-environment/> (originally published August 1997).

We also found, however, that four participants incorrectly billed their participation and did not make up for the hours by working additional hours on May 23, 2013, or on other days during the same pay period. As listed in the chart below, these four employees improperly billed 12 hours to the GOES-R program, resulting in \$1,460.12 improperly charged to the government. We concluded that the contract employees who incorrectly billed the GOES-R program for their participation in the team activity did not believe their initial charges to be false or improper at the time they entered their timekeeping. Accordingly, we determined the initial timekeeping did not constitute a violation of the civil False Claims Act, 31 U.S.C. § 3729.

**Table 5. Total Amount Incorrectly Billed to the Government**

	<b>HOURS INCORRECTLY BILLED</b>
Employee 8	3 hours
Employee 9	3 hours
Employee 17	3 hours
Employee 19	3 hours
<b>TOTAL:</b>	<b>12 hours (\$1,460.12 in wages)</b>

We recognize that the contract companies responsible for the four employees listed above—Noblis, Booz Allen Hamilton, and Aerospace—subsequently “credited back” the amounts improperly billed to the government. However, these credits were made only after the OIG initiated investigation 13-0948-I, and it appears unlikely that GOES-R management or the contract companies would have recognized the improper billing absent the OIG review.

We also recognize that a significant number of employees who initially billed their time appropriately or otherwise made up their time during the same pay period were later asked by GOES-R management and/or contract management to adjust their entries to reflect leave or vacation for the event on May 23, 2013. In most cases, this was apparently done to remove doubt and avoid any appearance of impropriety. Asking employees to use leave or vacation time when they in fact properly accounted for the amount of time worked toward the GOES-R program, however, resulted in inaccurate billing for work performed, to the benefit of the federal government.

The apparent confusion among GOES-R Ground Segment staff regarding timekeeping for the team activity resulted in improper billing, yet the GOES-R management has not provided training to the Ground Segment staff to ensure similar issues do not reoccur. We recognize that contract companies have addressed proper timekeeping with the individual participants in the team activity, but we find that GOES-R management should provide training regarding proper timekeeping to the entire GOES-R staff to avoid reoccurrence.



# Chapter 4: Conclusion and Recommendations

## I. Conclusion

The results of this investigation are not intended to suggest that GOES-R management discontinue attempts to build unity or morale through appropriate events. However, events like the matinee viewing of the latest Star Trek movie held in May 2013 should not be conducted at the expense of taxpayers. Management must always consider proper timekeeping when promoting such events and provide clear guidance to the staff and relevant contractors prior to these events. Without clear guidance, similar confusion among staff is likely to occur and may again result in improper billing to the government.

## II. Recommendations

### A. Recommendation 1

NOAA should provide clear and appropriate guidance on proper timekeeping, in writing, to both agency and contract staff in advance of government-sanctioned team events in the future in order to prevent any possible confusion regarding duty status.

### B. Recommendation 2

NOAA should provide training to agency and contract staff to ensure all GOES-R employees are aware of the applicable regulations concerning accurate timekeeping for government-sanctioned team events and obligations to disclose fraud and false claims.