

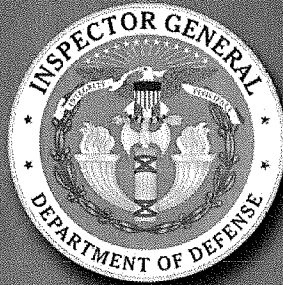
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H10116727365

May 2, 2012

Inspector General

United States
Department of Defense



REPORT OF INVESTIGATION
LIEUTENANT GENERAL PATRICK J. O'REILLY
US ARMY
DIRECTOR, MISSILE DEFENSE AGENCY

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

MAY 2 2012

MEMORANDUM FOR ACTING INSPECTOR GENERAL


SUBJECT: Report of Investigation Concerning Lieutenant General Patrick J. O'Reilly,
U.S. Army, Director, Missile Defense Agency (Report No H10116727365)

We recently completed an investigation to address allegations that while serving as the Director, Missile Defense Agency, Lieutenant General (LTG) Patrick J. O'Reilly engaged in a leadership style that was inconsistent with standards expected of senior Army leaders, in violation of DoD 5500.7-R, "Joint Ethics Regulation (JER)," and Army Regulation (AR) 600-100, "Army Leadership."

As indicated in the attached report of investigation, we substantiated the allegation. Multiple witnesses testified that LTG O'Reilly yelled and screamed at subordinates in both public and private settings, such as video teleconferences and staff meetings. We also found he demeaned and belittled employees, and in at least one incident, demanded that a subordinate use profane language to admit to an alleged error made by the subordinate. LTG O'Reilly's leadership style and actions resulted in the departure of several senior staff members, and caused his senior officials to hesitate to speak up and raise issues during meetings with him. We determined that LTG O'Reilly's behavior and leadership were inconsistent with the JER's emphasis on primary ethical values of fairness, caring, and respect for all DoD employees; and with AR 600-100's requirement to treat subordinates with dignity, respect, fairness, and consistency; build cohesive teams; empower subordinates; inspire confidence; and foster a healthy command climate.

We provided LTG O'Reilly the opportunity to comment on our tentative conclusion. In his response, dated March 5, 2012, LTG O'Reilly disagreed with our conclusion, questioned the objectivity and accuracy of witness testimony, and denied he engaged in many of the practices described in the report. LTG O'Reilly did not dispute our determination regarding the effects his actions had on MDA senior officials. LTG O'Reilly also requested we interview four additional witnesses, which we did. Their testimony did not cause us to alter our conclusion. We incorporated LTG O'Reilly's response into our final report.

We recommend the Secretary of the Army consider appropriate corrective action with regard to LTG O'Reilly.


Marguerite C. Garrison
Deputy Inspector General
for Administrative Investigations

Attachment:
As stated

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REPORT OF INVESTIGATION:
LIEUTENANT GENERAL PATRICK J. O'REILLY, U.S. ARMY

I. INTRODUCTION AND SUMMARY

We conducted an investigation to address allegations that Lieutenant General (LTG) Patrick J. O'Reilly, Director, Missile Defense Agency (MDA), Office of the Secretary of Defense, Washington DC, engaged in a leadership style that was inconsistent with DoD 5500.7-R, "Joint Ethics Regulation (JER)," and Army Regulation (AR) 600-100, "Army Leadership."¹

We substantiated the allegation. We conclude that LTG O'Reilly engaged in a leadership style that was inconsistent with the JER and AR 600-100. Multiple witnesses testified that LTG O'Reilly yelled and screamed at subordinates in both public and private settings such as video teleconferences (VTC) and staff meetings. We also found he demeaned and belittled employees, and in at least one incident, demanded that a subordinate use profane language to admit to an alleged error made by the subordinate.

The JER emphasizes primary ethical values, including fairness, caring, and respect, that should guide all DoD employees. The JER also outlines the expectation that Government employees should treat others with dignity and respect. AR 600-100 requires every Army leader to treat subordinates with dignity, respect, fairness, and consistency; build cohesive teams; empower subordinates; inspire confidence; and foster a healthy command climate.

We determined that LTG O'Reilly's behavior and leadership were inconsistent with these expectations. LTG O'Reilly failed to treat subordinates with dignity and respect, and failed to demonstrate the underlying leadership principles that inspire motivation, confidence, enthusiasm, and trust in subordinates, and foster a healthy command climate. Further, we determined that LTG O'Reilly's leadership style and actions resulted in the departure of several senior staff members, and caused his senior officials to hesitate to speak up and raise issues during meetings with him.²

By letter dated February 2, 2012, we provided LTG O'Reilly the opportunity to comment on a preliminary report of investigation. In his response, dated March 5, 2012, LTG O'Reilly disagreed with our preliminary conclusion, which he stated was inconsistent with his 33-year record of effective leadership. LTG O'Reilly also challenged the objectivity and accuracy of

¹ The incoming complaint contained additional allegations against Lieutenant General (LTG) O'Reilly. After preliminary inquiry, we determined that these allegations did not merit further investigation. They are discussed further in Section III of this report.

² In this report, senior officials include current and former Missile Defense Agency (MDA) personnel who are general or flag officers, members of the Senior Executive Service (SES), and SES-equivalent civilian personnel.

witness testimonies and stated the testimony we presented amounted to “subjective perceptions.” According to LTG O’Reilly, witnesses’ versions of events were “extrapolations of inaccurate perceptions of isolated incidents.” He requested we interview four additional witnesses, which we did.

Further, LTG O’Reilly denied in his response that he yelled or screamed at anyone; insulted or verbally abused anyone; used abusive or berating words; called anyone names or described anyone in a derogatory or profane manner; threatened anyone; used inappropriate language; demanded that a subordinate use profane language; or told a member of the SES to leave [the MDA]. Finally, LTG O’Reilly did not dispute our determination that his leadership style and actions caused his senior officials to hesitate to speak up and raise issues during meetings with him. However, he stated he initiated practices such as weekly meetings with his senior leaders to ensure they communicated openly and effectively with him.

After carefully considering his response, reexamining the evidence, and obtaining additional testimony, we stand by our conclusion. There was a preponderance of evidence to establish that LTG O’Reilly engaged in a leadership style which was inconsistent with DoD and Army standards.

II. BACKGROUND

LTG O’Reilly served in numerous positions within MDA throughout his career. Prior to being selected as the Director in November 2008, he served in several other positions within the organization dating back to the 1990’s.

MDA’s mission is to develop, test, and field an integrated, layered, ballistic missile defense system to defend the United States, its deployed forces, allies, and friends against all ranges of enemy ballistic missiles in all phases of flight.

The MDA formerly maintained its headquarters in Arlington, Virginia. In July 2011, the MDA realigned the majority of its functions to Huntsville/Redstone Arsenal, Alabama, and established a Headquarters Command Center at Ft. Belvoir, Virginia, as part of the implementation of the 2005 Base Realignment and Closure (BRAC) law. The MDA also has locations in Los Angeles, California; Colorado Springs, Colorado; Fort Greely, Alaska; and the Kwajalein Atoll, Marshall Islands.

III. SCOPE

We interviewed LTG O’Reilly and 33 other witnesses with knowledge of matters at issue. We also reviewed standards that apply to the events in question. In his response to our preliminary report, LTG O’Reilly suggested we interview four additional witnesses, and Section IV of this report now reflects the relevant testimony of all 37 witnesses interviewed, 24 of whom are current and former MDA senior officials. We note that two of the four additional witnesses LTG O’Reilly suggested were not yet assigned or had only recently been assigned to MDA when we interviewed LTG O’Reilly. They commented on their observations of LTG O’Reilly but

were not in a position to comment on events which occurred prior to the time we commenced our investigation.

We determined during a preliminary inquiry that the following allegations, which we received during the investigation, did not warrant further investigation. We consider them to be not substantiated.

b(6), b(7)(C)



IV. FINDINGS AND ANALYSIS

Did LTG O'Reilly engage in a leadership style that was inconsistent with the JER and AR 600-100?

Standards

DoD 5500.7-R, Joint Ethics Regulation, August 30, 1993, including changes 1-6 (March 23, 2006)

The JER provides a single source of standards of ethical conduct and ethics guidance for DoD employees.

Chapter 12, "Ethical Conduct," states that DoD employees should consider ethical values when making decisions as part of official duties. In that regard, the JER sets forth primary ethical values of "fairness," "caring," and "respect" as considerations that should guide interactions among DoD employees. It elaborates on those characteristics as follows:

- Fairness involves open-mindedness and impartiality. Decisions must not be arbitrary, capricious, or biased. Individuals must be treated equally and with tolerance.

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- Caring involves compassion, courtesy, and kindness to ensure that individuals are not treated solely as a means to an end.
- Respect requires that employees treat people with dignity. Lack of respect leads to a breakdown of loyalty and honesty.

AR 600-100, "Army Leadership," dated March 8, 2007

This regulation defines Army policy for leadership as influencing people by providing purpose, direction, and motivation, while operating to accomplish the mission and improve the organization. Chapter 2, Section 2-1 states, in part, that every leader will:

- Ensure the physical, moral, personal, and professional wellbeing of subordinates;
- Build cohesive teams and empower subordinates;
- Build discipline while inspiring motivation, confidence, enthusiasm, and trust in subordinates;
- Treat subordinates with dignity, respect, fairness, and consistency; and
- Foster a healthy command climate.

Facts

The complainant alleged LTG O'Reilly created and cultivated an extremely hostile work environment. The individual stated LTG O'Reilly verbally abused and threatened his staff, and that his behavior resulted in the loss of key staff.

LTG O'Reilly's Management and Leadership Style

A majority of the witnesses testified that LTG O'Reilly is very intelligent, even brilliant, and possessed a high degree of acquisition program management expertise. Comments from five current and former MDA senior officials included:

- Very good at processes;
- An intellectually gifted critical thinker who, in many cases, knew the business of his subordinates better than they did;
- A well-intended leader who tried to provide clear guidance;

- Committed to the mission, very intense....very direct;
- Extremely driven and dedicated, with tremendous corporate knowledge, unprecedented expertise, and extreme technical knowledge.

Witnesses testified these attributes served LTG O'Reilly well in an extremely challenging job. One senior official noted that based on what he accomplished and the circumstances under which he accomplished them, LTG O'Reilly ranked fairly high as a leader. Another employee testified LTG O'Reilly was as smart as any of the previous directors for whom the employee had served.

One senior official testified that LTG O'Reilly had a difficult job and under his leadership, missile defense was actually becoming operational. The senior official described LTG O'Reilly's management style as "very directive, very, very pointed." The witness further testified that LTG O'Reilly set high standards and was hard on people. The witness continued that most of them adapted, but those that could not, left the agency.

Other witnesses described LTG O'Reilly as demanding, process-oriented, and critical in a positive way. One witness described LTG O'Reilly's leadership style as "interested in finding things that need improvement and then getting them improved." A witness testified LTG O'Reilly's style was effective to a degree and that MDA fared well with external stakeholders. The same witness told us that on numerous occasions LTG O'Reilly demonstrated compassion and care when employees or family members were coping with illness. The witness added that LTG O'Reilly did not view his people as a "means to an end."

One senior official noted that while LTG O'Reilly may have had a tendency to shoot the messenger, the witness did not find his style to be abusive and added, "he may be what the Agency needs." He tried to do it all himself and had to know everything that everybody was doing. Another senior official testified LTG O'Reilly's work ethic was second to none and that he cared about the customer and the warfighter.

However, many witnesses testified they disapproved of LTG O'Reilly's leadership style. A senior official testified that LTG O'Reilly achieved a lot during his tenure but added that "hating the method" tempered respect for the accomplishments.

Comments from eight other witnesses included:

- The worst manager I've ever worked for in 26 years of federal service;
- As a leader, as a director, whatever, he's the worst;
- In terms of leadership, bottom;
- Absolutely last.... out of all the general officers I've served under;

- Without a doubt ... the worst leader I have ever worked for, the worst;
- He has probably been 180 degrees out from everything I've learned about leadership;
- How not to act;
- What doesn't kill you makes you stronger; and
- Not the command climate I would have set.

LTG O'Reilly described his leadership style as engaged and hands-on. He explained that he has three roles: agency head, acquisition executive, and program manager responsible for the direct execution of all missile defense programs. In order to accomplish these roles he interacts very directly with facts and details.

He stated that his interaction with the senior officials within MDA is distinctively different than that of his two predecessors. Missile defense is the largest DoD development program, and when he became Director there were 42 program managers reporting directly to him. To meet this challenge and fulfill the three roles he performs, he instituted several changes. He began conducting acquisition program baseline execution reviews. He established four program executive positions, and created an executive management board and executive management council. He continued the practice of holding stand-up meetings with all colonel/GS-15 equivalents and above. Overall, he significantly increased the level of interaction between him and the program and product managers. Some of these actions were not popular, and some staff members thought he was a micromanager.

LTG O'Reilly described his meetings as systematic, frequent, and highly structured. To operate otherwise would mean he would lose connectivity with his far flung organization. It was not easy, but it worked very well, and his senior officials determined with him that this was the best process to achieve the right level of interaction between him and his leaders. To demonstrate flexibility, he reduced the frequency of the stand-up meetings to three times per week. Also, when his senior officials requested to have his Deputy and Executive Directors convene an "Executive Management Council – Minus," he agreed.

Interpersonal skills

In spite of the comments regarding LTG O'Reilly's intelligence and expertise, witnesses testified these traits did not translate into effective interpersonal and communications skills. Two senior officials testified LTG O'Reilly had either no or "incredibly poor" people skills, while a third former senior official gave him "low grades" in interpersonal skills. A witness told us LTG O'Reilly had "no people skills whatsoever." One of these witnesses added that LTG O'Reilly gave the impression that he has "no respect for his workforce, that they are almost a bunch of robots that just come to work and get the job done, that they don't have a life outside of work or a family outside of work and that their time is not really that valuable."

One witness testified LTG O'Reilly was not a people person. He was most comfortable in technical situations, reviewing documents and technical specifications, or conducting a walk-through at a manufacturing plant. He was less comfortable in social situations. Another senior official stated LTG O'Reilly could go from being a charming person, when around officials senior to him, to "reaming people out" in a matter of minutes. Four other current and former senior officials provided similar testimony regarding LTG O'Reilly's charming and cordial demeanor around those senior to him. One added that LTG O'Reilly "plays up very well," but actually had "zero to no people skills." Another witness described LTG O'Reilly as a "terrific actor" who could be gracious and complimentary in front of external stakeholders, but who would quickly turn around and treat his staff badly. The witness described LTG O'Reilly as "Dr. Jekyll and Mr. Hyde."

Abusive Communications and Displays of Anger

A Program Director testified that LTG O'Reilly yelled and screamed at individuals on many occasions. The witness saw this during VTCs and in face to face meetings, regardless of who was present. A senior official also recalled "a lot of yelling and screaming." According to this witness, LTG O'Reilly berated and abused his staff if he did not like something. A third witness described LTG O'Reilly as verbally abusive, demeaning, and given to the use of inappropriate language.

A senior official agreed that LTC O'Reilly yelled or even screamed at people. He himself was on the receiving end of yelling and profanity from LTG O'Reilly multiple times. He told us he had "never experienced anything like this." Even if he did not yell, he sometimes delivered feedback in an abrasive or derogatory manner. At one point he prepared a letter of resignation but did not submit it, having come to accept that what LTG O'Reilly said was not as personal as it seemed.

Another senior official testified LTG O'Reilly had a "flash temper which came to light periodically, and his choice of words were not always the best." He recalled a meeting about implementing the Secretary of Defense's efficiencies initiatives. LTG O'Reilly lost his temper and was "screaming and ranting" at the several senior officials present that they were not following his orders, and that he (LTG O'Reilly) could have the senior officials court-martialed.

One witness testified that often it was not what LTG O'Reilly said, but how he said it. "It's tone and volume and, like I say, caustic, sarcastic, loud, abusive." A former Program Director stated LTG O'Reilly would yell on occasion, but also cited his word choice, which the witness described as "very cutting and just berating to people." Another witness testified that LTG O'Reilly had an "attitude of instilling fear in people."

Finally, a senior official testified that LTG O'Reilly gets animated but does not yell at people and does not use the "f-bomb." He told us, "It is not a pleasant conversation...but he is

not raising his voice yelling at them.” Another senior official testified to her belief that LTG O’Reilly “goes out of his way not to cuss.”³

LTG O’Reilly testified that he does not shout at subordinates or at least he does not believe he shouts at them. He clarified that when he used a VTC he spoke loudly so he could be clearly heard. He indicated there were a number of miscommunications while using the VTC so he spoke loudly to project his voice. He also asserted that he directs his comments at situations, not people.

Witnesses recalled a specific incident where LTG O’Reilly yelled at a subordinate in a public place in February 2010. MDA personnel arranged for lodging at the JW Marriott Starr Pass Resort in Tucson, Arizona, for an executive steering committee meeting, which involved a Japanese delegation. Due to travel delays, LTG O’Reilly and other personnel arrived around 2 a.m. the morning it was scheduled to begin.

A witness testified that after checking in at the front desk and while walking towards the elevator they heard someone screaming “at the top of their lungs.” The yelling was so distracting that the witness thought hotel security would be called. The area where the incident took place was some distance away, but the witness could hear the yelling from the lobby. The witness then observed LTG O’Reilly yelling at an MDA employee. LTG O’Reilly was upset that the employee made reservations at the resort and yelled, “I see no remorse on your face!” The witness overheard LTG O’Reilly demanding the MDA employee to admit to a mistake by saying, “I fucked up.” The yelling continued for several minutes.

Another witness testified there was yelling in the hallway, then observed LTG O’Reilly yelling at an MDA employee:

He was berating him and when we came around the corner he continued to berate the person.... The major part was, “You fucked up, you tell me you fucked, you admit you fucked up.” LTG O’Reilly was in a public place, a corridor leading to an elevator. [LTG O’Reilly] kept on that tirade for approximately five or ten minutes.

The witness involved in the incident testified LTG O’Reilly met him about half way between the parking garage and the front desk in the hallway of the hotel. LTG O’Reilly was extremely upset, yelling and pointing his finger, and demanding to know who selected the resort. LTG O’Reilly said, “This is fucking unacceptable to me” and demanded an explanation. LTG O’Reilly told the employee that a senior DoD official had counseled him (LTG O’Reilly) about staying at resorts.

³ We note these two witnesses were among the four LTG O’Reilly suggested we interview after he read our preliminary report, and that they arrived at MDA only shortly before or after we interviewed LTG O’Reilly as the subject of this investigation.

The witness testified that he attempted to explain to LTG O'Reilly that the site had been selected because the Japanese delegation had asked to be placed in the same hotel as LTG O'Reilly. Space availability, location, and the fact the hotel had a restaurant, which could host a dinner with the Japanese delegation, were factors. The employee also attempted to explain to LTG O'Reilly that the hotel rates were within per diem.

The witness recalled hearing LTG O'Reilly say, "This is fucking unacceptable," then he twice told the witness, "I want you to tell me that you fucked up." The witness testified that they do not use profanity, but LTG O'Reilly forced the employee to state, "I fucked up." The witness estimated that the incident lasted between 10 to 15 minutes and LTG O'Reilly never apologized for the incident. However, after the meeting ended later that day, LTG O'Reilly did thank the employee for arranging the meeting and gave the employee a Director's coin.

LTG O'Reilly recalled the incident and testified he had previously informed MDA personnel that staying in resorts and similar locations created a negative perception and that MDA personnel would not stay at a hotel that used the word "resort" in its title. There had been an article in the Washington Times about an MDA offsite. The article was not accurate, but nonetheless had created a perception of waste. The Secretary of Defense had discussed the importance of appearance and stressed that Governmental organizations should not hold meetings at resorts.

LTG O'Reilly further testified he was "dead tired" after arriving at approximately 2 a.m., after many hours of flight delays. He asked why they were at a resort, and received no explanation from his staff. After he checked in, he again demanded to know why they were at a resort. He stated that the conversation did not begin as a heated discussion, but he became frustrated that he was not getting an answer or acknowledgement that his staff had violated his directions. It was then that he lost his temper. He wanted the employees to acknowledge that they did something wrong and that he saw it as something fairly serious given the history of MDA events appearing in newspaper columns. He acknowledged that he was cursing, but testified he did not remember directing an employee to say, "I fucked up."

He stated that later that day he apologized to the employee and the supervisor who witnessed the incident. When he apologized, the two employees indicated that they had made a mistake and told him that he did not need to apologize.

In his response to our preliminary report, LTG O'Reilly further described this incident, which he stated took place in a private and secluded area of the resort. During the last minutes of a 10-20 minute conversation, he lost his composure, yelled, and cursed at two employees. He did not demand that the employees should use profanity and was surprised when one of them said she, "fucked up." He immediately apologized.

In a separate incident, a senior official testified that they were late getting LTG O'Reilly to sign a letter for an upcoming award fee period. Although another senior official was in the office with them, LTG O'Reilly "absolutely blew a gasket" and for 5 minutes cursed "like a 1940s sailor." The witness acknowledged missing an important deadline, but testified they

understood then that they would not be able to stay with MDA because they did not respect such behavior. They recalled that the next day LTG O'Reilly came close to apologizing. However, when the witness told LTG O'Reilly that they (the witness) were their own toughest critic, LTG O'Reilly stated, "You are so full of shit" and walked away. In his response to our preliminary report, LTG O'Reilly denied making this statement.

In a third incident, a witness testified that after a Ballistic Missile Defense Verification Test in June 2010, LTG O'Reilly "screamed" at and disparaged the Executive Officer (XO) and Deputy Director. The witness felt the test was very successful. He recalled LTG O'Reilly called other senior officials and "screamed" at them, loud enough to be heard in the adjoining room. He yelled that the staff did not know what they were doing, they had not followed the plan, they were not prepared, and he was the only individual who knew how to do the task. However, each individual believed he or she had done exactly what LTG O'Reilly had told them to do. The XO, who had served in that capacity on three different occasions, attempted to quit, and told LTG O'Reilly the next day that his (LTG O'Reilly's) actions were inappropriate.

A senior official testified that a telephone line that was supposed to have been "open" during the test was not open in the room that LTG O'Reilly wanted. LTG O'Reilly responded with a "fairly long, very loud, profane exchange." LTG O'Reilly's XO was initially on the receiving end of the exchange, but then LTG O'Reilly turned his attention to the senior official and engaged in a loud, profanity-laced conversation.

Another senior official told us he witnessed the test but not LTG O'Reilly's actions afterward. However, shortly after the test, "people are running around with their hair on fire," because something had upset LTG O'Reilly. The witness told us LTG O'Reilly followed up a successful test, a "high five moment," by "throwing the f-bomb" because the post-test process did not meet expectations.

LTG O'Reilly described this event in his response to our preliminary report. He participated in the test via VTC from his headquarters, and lost communications with the flight test team at a critical juncture. After the test was over, he called the test team to discuss the communications issue and determined his XO was at fault. He privately counseled the XO on this event as well as several other events which occurred in the succeeding months. The XO became "increasingly argumentative" and eventually LTG O'Reilly reassigned him to other duties. LTG O'Reilly explained that this XO and the officer who preceded him accused him (LTG O'Reilly) on "multiple occasions" of insulting them.

Public, Personal Attacks, and Name-calling

Several witnesses testified that LTG O'Reilly tended to criticize senior staff members in front of peers or subordinates, sometimes attacking them on a personal rather than professional level. A senior official told us LTG O'Reilly is very direct in meetings and does not wait to have difficult conversations. He provides feedback on the spot.

Two other senior officials testified that LTG O'Reilly berated people, including senior officials, during staff meetings or VTCs. Another senior official testified that at a senior staff meeting in February 2009, LTG O'Reilly called a former Program Director "out and out stupid." Another staff member testified they witnessed LTG O'Reilly yelling, screaming, belittling or berating staff "on dozens of occasions." The witness experienced it and testified that the only answer LTG O'Reilly wanted to hear was, "Yes, sir, I'll do better next time."

Another witness testified that LTG O'Reilly "personally attacks [his subordinates], almost without boundaries" over "anything from serious to miniscule type of issues." LTG O'Reilly berated an Army colonel for a typographical error on a chart. He "just shredded the fellow in front of this audience of about 200 folks." The same witness stated that LTG O'Reilly denigrated employees saying, "You're doing the country a disservice. You don't know what you're talking about. You're unethical." A senior official stated LTG O'Reilly would deride people by attacking their integrity, technical knowledge, and knowledge base for the program for which the individual was responsible. The questioning was on a personal rather than professional level, with comments such as, "You're too stupid to know that."

A witness testified, "When the General lights you up, he lights you up where we're standing." A different witness added that it was part of LTG O'Reilly's leadership style to openly and publicly criticize individuals for their performance.

Another witness described LTG O'Reilly's leadership style as "condescending, sarcastic, abusive." It was "management by blowtorch and pliers." The witness likened LTG O'Reilly to a "wife beater," meaning that he would "beat you in private, but -- you know, where the public can't see." A senior official used the term, "The Beaten Wife Syndrome" to describe the situation, wherein LTG O'Reilly would "berate you, make you feel like you're the dirt beneath his feet," then pay a compliment to rebuild the employee, and later repeat the cycle.

A senior official testified that LTG O'Reilly was not abusive, but acknowledged that she had allowed LTG O'Reilly to make her "feel like a cadet." She discussed her feelings with LTG O'Reilly and the situation improved.

Seven witnesses testified LTG O'Reilly would publicly question the integrity of senior officials and sometimes even call them liars. One senior official testified, "He will blatantly tell you that he thinks you're either lying or that you're keeping the truth from him." Two senior officials testified that LTG O'Reilly called a lot of people liars. Another senior official testified that LTG O'Reilly "questioned our integrity numerous times and claimed that he's the only one that has integrity." If LTG O'Reilly found an error in a package which a senior official had approved, he asserted the individual had not read the package and that the person lacked integrity.

Another senior official recalled an incident when LTG O'Reilly stopped a briefing and told the former Program Manager [REDACTED] that he (LTG O'Reilly) "didn't believe a word [the former Program Manager] was saying." According to the witness, LTG O'Reilly publicly challenged the former Program Manager's integrity, and

in doing so, believed LTG O'Reilly undermined the Program Manager's effectiveness. It was a "cheap shot." Another witness also recalled LTG O'Reilly telling this former Program Manager, "You're lying to me."⁴ However, when questioned, the former Program Manager did not recall that LTG O'Reilly called him a liar.

A senior official testified he'd seen staff members tell LTG O'Reilly one thing and then do something else. If this happened, LTG O'Reilly said it was an integrity issue, but did not call employees liars or tell them "you're lying to me."

LTG O'Reilly testified that he could not remember ever calling an employee, including the former Program Manager, a liar. He questioned the integrity of data presented, but not the integrity of the presenter. He did not mean for the staff to interpret his disbelief in the data to mean that he thought his people were lying to him.

Six witnesses testified LTG O'Reilly called staff members idiots, either to their faces or behind their backs. A senior official testified to hearing LTG O'Reilly use the word "idiot" to describe three different senior staff members or senior officials, and the term "fucking idiot" to describe a fourth employee. Another senior official testified to overhearing LTG O'Reilly say "[y]ou're a fucking idiot" to an Executive Assistant.

LTG O'Reilly testified that he did not remember calling anyone an idiot or otherwise using words to label someone as deficient since he became the Director. He used the word "fuck" three or four times, but he never directed the epithet at an individual.

One senior official provided a written record of assignments and tasks given to the senior official during staff meetings. The record included these entries:

- February 17, 2009: In a private meeting in LTG O'Reilly's office, LTG O'Reilly "proceeded to curse me out and angrily, irrationally tell me how inept I was and that he could 'fucking choke me.'"
- June 19, 2009: At a senior staff meeting, LTG O'Reilly called staff members "a bunch of god damned idiots." LTG O'Reilly also stated the witness was "just a moron who he'd gladly choke."
- July 13, 2009: In a private meeting in LTG O'Reilly's office, LTG O'Reilly called the witness a "dumb fuck" who needed to get their "shit together."
- July 27, 2009: At a senior staff meeting, LTG O'Reilly called the witness an "ignorant ass."

⁴ This witness further testified that LTG O'Reilly had in fact once called him (the witness) a liar.

This senior official also testified that once in 2009 LTG O'Reilly called the witness from Huntsville and was upset because the senior official had not provided a read-ahead package in a timely manner. LTG O'Reilly said, "If I could get my hands through the phone right now I'd choke your fucking throat." Another witness confirmed that LTG O'Reilly said that if it were possible to "come through the VTC" he (LTG O'Reilly) would "strangle" the senior official. Other witnesses could not recall specifics, but did testify that LTG O'Reilly lacked confidence in the senior official and attacked the individual on several occasions. A former Program Director testified LTG O'Reilly demeaned this senior official, called the individual a liar, and treated the individual like an idiot. Another witness testified LTG O'Reilly was hard on this senior official because the senior official made honest observations during meetings. Another senior official testified he had tremendous respect for the senior official in question, and recalled that LTG O'Reilly often treated the official more harshly than was warranted.

LTG O'Reilly testified he did not recall telling the senior official that he would choke him, and did not believe he called him a "dumb fuck." He noted that the senior official in question used language like that, but he himself would not use that language. He did not swear at the senior official, but there were times when he grew frustrated because the same mistakes were made over and over. He stated that when he became the Director, people were not accustomed to a having a Director tell them that their performance was not good. When he (LTG O'Reilly) became frustrated and tempted to curse, he would try to make comments such as, "[t]his is fucking bad" or something similar to that.

One witness described a former Program Manager as one of LTG O'Reilly's "favorite chew toys." Ten other witnesses used various descriptors for LTG O'Reilly's treatment of the former Program Manager, including demeaning, berating, sarcastic, and belittling. LTG O'Reilly reportedly attacked the former Program Manager frequently in front of others by yelling or "screaming" at the individual and questioning the former Program Manager's ethics and competence. He "shredded" or "took apart" the individual. One senior official told us LTG O'Reilly berated the former Program Manager so badly that it [REDACTED]

In contrast, another senior official testified that LTG O'Reilly played "stump the chump" very well but was not abusive toward the former Program Manager.

The former Program Manager testified LTG O'Reilly often criticized the former Program Manager in public, but did not belittle the individual. LTG O'Reilly's criticism was "pretty intense" because on 3 or 4 occasions the witness had failed to meet expectations. LTG O'Reilly did not scream or yell, but there was "an intensity behind the criticism ... and on the edge of anger that is being communicated across the teleconference."

LTG O'Reilly testified that after the former Program Manager repeatedly presented questionable data, he told the former Program Manager that he did not have the requisite experience; he did not question the former Program Manager's personal integrity and he did not shout. LTG O'Reilly testified that he spoke loudly during VTCs to ensure he was understood.

In his response to our preliminary report, LTG O'Reilly reiterated that some senior staff members were unaccustomed to having their work questioned when it included faulty logic, unsupported conclusions, or other deficiencies. It was in this context that he called into question the integrity of work products, not the employees themselves. He stated he never insulted or verbally abused anyone. He did not call them liars, idiots, or stupid. He did not threaten to choke anyone and did not use profanity in meetings.

One of the senior officials LTG O'Reilly suggested we interview, who was in a position to observe LTG O'Reilly before and after this investigation began, testified LTG O'Reilly is extremely demanding, which is something to which he (the witness) was accustomed. He told us LTG O'Reilly harshly counseled many personnel, and that the reason for the counseling was often discovered to be unfounded. LTG O'Reilly sometimes counseled in an abrasive, loud, and derogatory manner. The senior official added that in the "past year, year-and-a-half," LTG O'Reilly has worked hard to temper his actions and has made significant progress. However, the change has been "episodic" and the harsh manner sometimes reoccurs.

MDA Command Climate

Witnesses testified that LTG O'Reilly's leadership style resulted in a command climate of fear and low morale.

An employee testified that "unfortunately" LTG O'Reilly's leadership style was extremely effective in the short-term. The intimidation helped ensure people were prepared and had their facts straight. In the long-term, LTG O'Reilly's style was detrimental because staff members could not withstand that type of pressure for long periods. "Very smart, very sophisticated" leaders and engineers left MDA because of the intimidation. Morale was "extremely low" because of LTG O'Reilly's leadership.

Three witnesses testified LTG O'Reilly created a climate of fear. A fourth witness described the climate as "toxic." Staff tended to stay away from LTG O'Reilly when possible. They did not want to bring him news or request decisions. People were afraid to go and tell him things.

Five witnesses likened the atmosphere to walking on eggshells. One of them described near constant pressure that was "almost palpable" and which influenced the entire agency. The witness saw a "very significant" decline in morale after LTG O'Reilly became Director. He "broke the spirit" of the employees. A sixth witness declared LTG O'Reilly created the most hostile work environment the witness had seen in 30 years of service, and a seventh testified, "[t]he morale's in the tank. I've been with the government 28 years, and I have never seen morale of a work environment like this is."

We received consistent testimony that as a result of his management style, even senior officials stopped communicating with LTG O'Reilly. Two witnesses testified there was an attitude of relief if LTG O'Reilly targeted another staff member on any particular day. A senior

official described it as, “[i]t’s not going to be my day. You know, I’m sorry to see them get it, but at least it’s not me today.”

Another witness testified that staff members stopped offering opinions or information that differed from LTG O’Reilly’s, and sometimes did not respond at all. They instead chose to say, “Yes, sir.” The witness stated that “he gets no feedback from his staff anymore because they’re not going to take the ass whipping that he gives out.”

Another senior official testified people stopped reporting information, and another stated people did not want to give LTG O’Reilly an answer he did not want to hear, because it was likely they were going to get their “head chopped off.” One senior official described meetings at which not one of a dozen senior officials would say a word, because they would “get shot in the face or get [their] head blown off....So none of us will speak up anymore.”

Another witness testified to thinking long and hard about bringing issues to LTG O’Reilly, and then waiting until ready to have your “head blown off.” Yet another witness testified that they observed senior officials fail to speak up or answer questions about various issues. Still another testified that principal staff would say, “Pass, sir,” at staff meetings. They testified to their belief that it was because people did not want to be told their idea was stupid, and the staff’s hesitation to bring up concerns negatively impacted the mission.

A senior official testified LTG O’Reilly made some people so nervous that they declined to pitch in because they did not want LTG O’Reilly to hold them responsible. They would not “jump on that hand grenade.” The same witness concluded that LTG O’Reilly “has done some very fine things that have enabled the mission of MDA, but it has come at an expense.” A senior official stated that managers executing critical programs became “paralyzed with fear” and afraid to act.

Two other senior officials acknowledged that staff members failed to speak up or even tell the truth because they were afraid of LTG O’Reilly’s reaction. One of these officials told us the current climate is, “You don’t tell the boss the truth if it’s bad.” Another senior official disputed the notion that LTG O’Reilly did not get the truth, but acknowledged that LTG O’Reilly tends to shoot the messenger when it is not necessary.

In his response to our preliminary report, LTG O’Reilly claimed he inherited a very negative command climate, and had to make several very unpopular decisions. First, BRAC implementation meant a large majority of his staff had to move involuntarily or resign. In addition, he sought to increase efficiency and economy by eliminating 1300 support contractor positions and re-competing remaining contract requirements. He also instituted rigorous program reviews and canceled major projects to ensure MDA executed the current administration’s strategy for missile defense. LTG O’Reilly stressed that decisions such as these “negatively biased the perceptions of my leadership style with many personnel in MDA.”

We note that in his response, LTG O'Reilly did not question witnesses' assertions that his leadership style created fear and an unwillingness to communicate openly. We also note LTG O'Reilly stated he took action to improve communications.

Senior Official Retention

The complaint stated LTG O'Reilly's leadership and management style had a negative effect on senior official retention. Nineteen current and former MDA employees testified that LTG O'Reilly caused a number of senior officials to depart MDA because of his leadership style. Among the individuals most frequently mentioned were Mr. John Daniels, Mr. Albert Hemphill, Mr. Randy Stone, Ms. Patricia Gargulinski, Ms. Sheryl McNair, and Ms. Katrina McFarland.

Four of those senior officials corroborated they departed MDA at least in part because of LTG O'Reilly. Mr. Daniels, former Program Director for Sensors, testified he "could no longer support O'Reilly. That is the reason I left." Mr. Hemphill, former Director for Operations, testified he left "because I just was fed up and had enough and had to get out." Mr. Stone, former Director of Quality, Safety and Mission Assurance, testified that he would still be at MDA if LTG O'Reilly was not the Director. Ms. Gargulinski, former Program Director for Target and Counter-Missions, testified she had had an interest in the private sector and had previously considered leaving MDA. However, she probably would have stayed if LTG O'Reilly had departed. In addition to these four senior officials, the MDA General Counsel stated on September 13, 2011 that she was leaving MDA "100%" because of LTG O'Reilly's "abusive management style."

Ms. McNair testified she departed MDA because of BRAC. Ms. McFarland emphatically denied leaving MDA because of LTG O'Reilly. She departed to become the President of the Defense Acquisition University.

LTG O'Reilly testified that after two and a half years as Director, 15 of 19 SES officials were still at MDA. He stated Ms. Mary Lacey was promoted to the Deputy Assistant Secretary of the Navy for Research and Development. Ms. McFarland became the President of the Defense Acquisition University. Ms. Gargulinski left because she got an excellent offer with industry.

LTG O'Reilly told us (b)(7)(C). LTG O'Reilly heard talk that (b)(6), (b)(7)(C).

LTG O'Reilly indicated that (b)(6), (b)(7)(C)

Discussion

We conclude that LTG O'Reilly engaged in a leadership style that was inconsistent with the JER and AR 600-100 by failing to treat his subordinates with dignity and respect. We found that LTG O'Reilly routinely shouted and yelled at his subordinates in senior staff meetings and VTCs. LTG O'Reilly also criticized subordinates in the presence of other subordinates and in public venues. The comments were usually the result of what LTG O'Reilly considered to be performance failures by these subordinates. We found, of particular note, that LTG O'Reilly, in a public setting, made inappropriate comments to a subordinate, and demanded that the subordinate use vulgar and offensive language to acknowledge an alleged wrong committed by the employee.

The JER emphasizes primary ethical values for all DoD employees, including fairness, caring, and respect and treating others with dignity and respect. AR 600-100 requires every Army leader to treat subordinates with dignity, respect, fairness, and consistency; build cohesive teams; empower subordinates; inspire confidence; and foster a healthy command climate.

We determined that LTG O'Reilly failed to treat subordinates with dignity and respect, and by doing so, created an unhealthy command climate. Testimony from current and former MDA employees describe an organization where employees do not feel valued and are subjected to personal attacks from LTG O'Reilly. Further, we determined that LTG O'Reilly's behavior resulted in the departure of several senior staff members and caused subordinates to refrain from speaking up about their concerns or issues affecting MDA.

Response to preliminary report

By letter dated February 2, 2012, we provided LTG O'Reilly the opportunity to comment on a preliminary report of investigation. In his response, dated March 5, 2012, LTG O'Reilly disagreed with our preliminary conclusion, which he stated was inconsistent with his 33-year record of effective leadership. LTG O'Reilly also challenged the objectivity and accuracy of witness testimonies and stated the testimony we presented amounted to "subjective perceptions." According to LTG O'Reilly, witness' versions of events were "extrapolations of inaccurate perceptions of isolated incidents." He requested we interview four additional witnesses, which we did.

Further, LTG O'Reilly denied in his response that he yelled or screamed at anyone; insulted or verbally abused anyone; used abusive or berating words; called anyone names or described anyone in a derogatory or profane manner; threatened anyone; used inappropriate language; demanded that a subordinate use profane language; or told a member of the SES to leave [the MDA]. Finally, LTG O'Reilly did not dispute our determination that his leadership style and actions caused his senior officials to hesitate to speak up and raise issues during meetings with him. However, he stated he initiated practices such as weekly meetings with his senior leaders to ensure they communicated openly and effectively with him.

We grant that witness perceptions of LTG O'Reilly's leadership style and interpersonal skills are inherently subjective. Multiple witnesses provided negative assessments of LTG O'Reilly in these areas. We also acknowledge that opinions regarding whether his words and delivery were abusive or demeaning are also subjective, and that witnesses may have interpreted LTG O'Reilly's actions differently than LTG O'Reilly himself interpreted them. For example, numerous witnesses testified to what they believed was abusive treatment by LTG O'Reilly. They told us LTG O'Reilly "yelled" or "screamed," called staff members liars, and openly questioned their personal integrity during meetings.

However, we maintain that witness testimony about specific things LTG O'Reilly said or did is inherently objective, as is testimony regarding the effect that LTG O'Reilly's words and deeds had on the person who provided the testimony. For example, numerous witnesses contradicted LTG O'Reilly's assertion that he never used inappropriate or profane language, and all eyewitnesses to the incident in Tucson, save LTG O'Reilly, contradicted his assertion that he never demanded a subordinate use profane language. In addition, LTG O'Reilly himself cited instances of staff members complaining to him that he (LTG O'Reilly) had called them stupid. Also, multiple witnesses testified that fear of how LTG O'Reilly might react impeded the flow of information, and four senior officials as well as one senior staff member told us LTG O'Reilly's leadership was the main factor or a contributing factor in their decision to leave MDA.

After carefully considering his response, reexamining the evidence, and obtaining additional testimony, we stand by our conclusion. Given the testimony LTG O'Reilly and 37 witnesses provided, 24 of which are current or former MDA senior officials, there was a preponderance of evidence to establish that LTG O'Reilly engaged in a leadership style which was inconsistent with DoD and Army standards.

V. OTHER MATTERS

In his response to our preliminary conclusion, LTG O'Reilly stated the IG, DoD, "failed to establish controls in accordance with DoDD 5505.6 to protect the confidentiality and sensitivity of material associated with this investigation, thus key members of my leadership team who daily witnessed my leadership style learned of this investigation and have repeatedly notified me that they were not interviewed by the IG investigators."⁵ LTG O'Reilly described incidents which indicated one or more witnesses may have discussed the allegations against him, and their testimony to us, with other employees or members of the media.

We considered LTG O'Reilly's statement that witnesses were discussing the allegations or their testimony. We found no evidence that this investigation or the reliability of witness testimony were compromised. During the investigation, we requested all witnesses, including LTG O'Reilly, not to discuss this investigation and their interview with others. We note,

⁵ Department of Defense Directive (DODD) 5506.6, "Investigations of Allegations Against Senior Officials of the Department of Defense," September 17, 2010

however, that our ability to force witnesses to comply is limited. Further, though LTG O'Reilly's response implies that witnesses we did not interview sought him out and identified themselves, two of the additional witnesses he requested we interview told us they had not discussed the issue with him. The other two stated it was LTG O'Reilly who first asked them whether we had interviewed them for this investigation.

VI. CONCLUSIONS

LTG O'Reilly engaged in a leadership style that was inconsistent with the JER and AR 600-100.

VII. RECOMMENDATIONS

We recommend the Secretary of the Army consider appropriate corrective action with regard to LTG O'Reilly.