



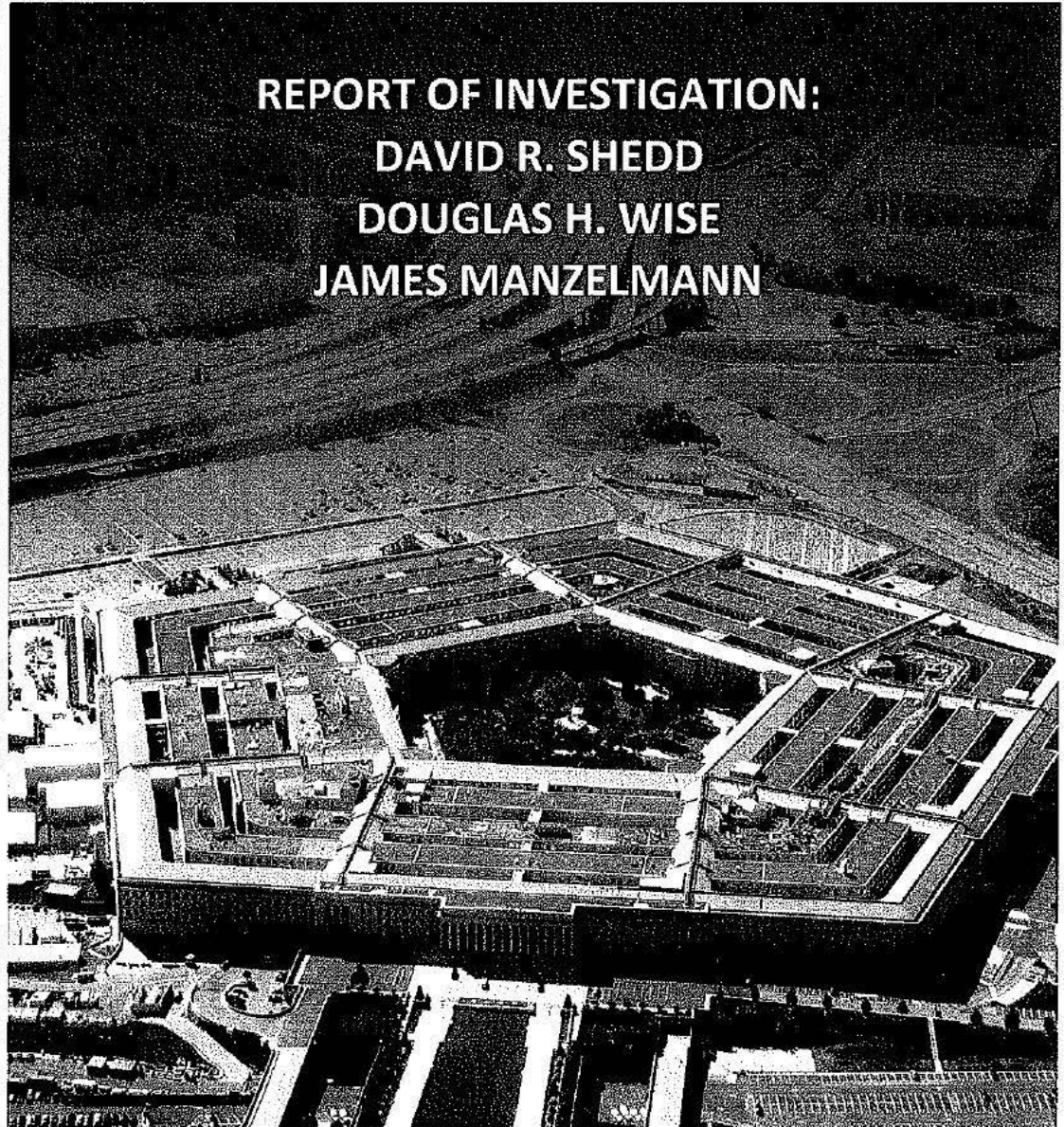
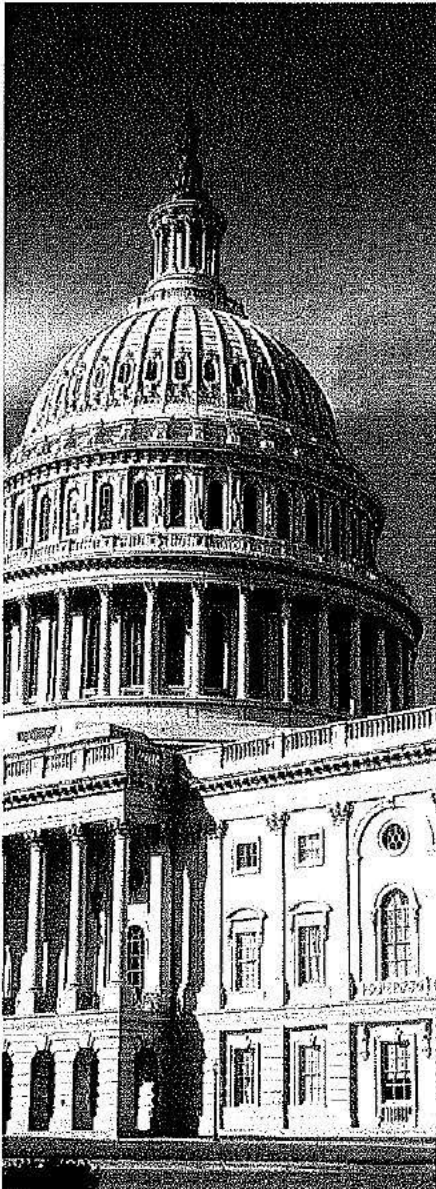
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INVESTIGATIONS OF SENIOR OFFICIALS

INSPECTOR GENERAL

U.S. Department of Defense

JULY 31, 2015



REPORT OF INVESTIGATION:

DAVID R. SHEDD

DOUGLAS H. WISE

JAMES MANZELMANN

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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JUL 31 2015

MEMORANDUM FOR INSPECTOR GENERAL

SUBJECT: Report of Investigation – Mr. David R. Shedd, Acting Director and Deputy Director, Defense Intelligence Agency (DIA); Mr. James Manzelmann, Director, Mission Services, DIA; and Mr. Douglas H. Wise, Deputy Director, DIA (Case 20141020-028223)

We recently completed an investigation to address allegations that Mr. Shedd misused a Government-owned vehicle and his subordinates' time, and improperly used non-contract air carriers for official travel. We also addressed an allegation that Mr. Manzelmann misused his position and Government property on one occasion. Additionally, we addressed an allegation that Mr. Wise improperly used non-contract air carriers and failed to use his Government Travel Charge Card (GTCC) during official travel.

We substantiated both allegations against Mr. Shedd. We did not substantiate the allegation against Mr. Manzelmann. We substantiated a single allegation against Mr. Wise regarding his failure to use a GTCC.

We offered Mr. Shedd and Mr. Wise the opportunity to comment on our initial conclusions. Mr. Shedd contested our preliminary findings and conclusions. After considering Mr. Shedd's response, we stood by our substantiated conclusions. Mr. Wise stated he had no reason to comment on the report. We incorporated their responses into our final report.

We recommend the Under Secretary of Defense for Intelligence consider appropriate corrective action with regard to Mr. Shedd and Mr. Wise.

Marguerite C. Garrison

Marguerite C. Garrison
Deputy Inspector General for
Administrative Investigations

**REPORT OF INVESTIGATION:
MR. DAVID R. SHEDD, MR. JAMES MANZELMANN, AND MR. DOUGLAS H. WISE,
SENIOR EXECUTIVE SERVICE**

JUL 31 2015

I. INTRODUCTION AND SUMMARY

We initiated this investigation to address allegations that Mr. David R. Shedd, while serving as the Acting Director and Deputy Director, Defense Intelligence Agency (DIA), misused a government-owned vehicle (GOV) and his subordinates' time, and improperly used non-contract air carriers for official travel. If substantiated, his conduct would violate Title 31, United States Code, Section 1344 (31 U.S.C. 1344), "Passenger carrier use"; Department of Defense (DoD) 5500.07-R, "Joint Ethics Regulation (JER)"; DoD 4500.36-R, "Management, Acquisition, and Use of Motor Vehicles"; Title 41, Code of Federal Regulations (CFR) Subpart B, "Common Carrier Transportation," Sections 301-10.106 and 301-10.107 (41 CFR 301-10.106 and 107); DoD 7000.14-R, "DoD Financial Management Regulation (FMR)," Volume 9; and "The Joint Travel Regulations (JTR) Uniformed Service Members and DoD Civilian Personnel."¹

We also addressed an allegation that Mr. James Manzelmann, Director for Mission Services, DIA, misused his position and Government property on a single occasion by directing a subordinate to schedule Mr. Shedd on a non-contract air carrier. If substantiated, his conduct would violate 41 U.S.C. Subpart B, DoD 7000.14-R, the JTR, and the JER, Subpart G, "Misuse of Position," and Section 2635.704, "Use of Government Property."

Additionally, we addressed an allegation that Mr. Douglas H. Wise, Deputy Director, DIA, improperly used non-contract air carriers. If substantiated, his conduct would violate 41 U.S.C. Subpart B, DoD 7000.14-R, and the JTR. During the course of our investigation, we received an additional allegation that Mr. Wise failed to use a Government Travel Charge Card (GTCC) during official travel. If substantiated, his conduct would violate DoD 7000.14-R and the JTR.²

We substantiated both allegations against Mr. Shedd. We did not substantiate the allegation against Mr. Manzelmann. We substantiated a single allegation against Mr. Wise regarding his failure to use a GTCC.

We conclude Mr. Shedd misused a GOV and his subordinates' time numerous times for travel on part of the route between his residence and his primary place of duty at DIA headquarters (DIAC) at Joint Base Bolling-Anacostia, Washington, D.C. In a sampling of

¹ Effective October 1, 2014, "The Joint Federal Travel Regulations," Volume 1 (JFTR), and "The Joint Travel Regulations," Volume 2 (JTR), were consolidated into one volume titled "The Joint Travel Regulations (JTR)." For the purpose of this investigation, we applied the current version of the JTR as its regulatory policy regarding this allegation was consistent with previous issuances.

² Mr. Shedd and Mr. Wise are (b) (3) (A) employees on Joint Duty Assignments to the Defense Intelligence Agency. A Memorandum of Understanding between the two organizations established that DoD policies and procedures would be applicable for their official travel.

Mr. Shedd's local travel, we found on an average of three times each week Mr. Shedd drove his privately-owned vehicle (POV) from his residence to one of two alternate offices. One alternate office was located (b)(6), (b)(7)(C) from his home at the Office of the Director of National Intelligence (ODNI), Tysons Corner, Virginia, known as (b)(3)(A) (LX). The other alternate office was (b)(6), (b)(7)(C) from his home at the Pentagon. We found a military member then drove Mr. Shedd in a GOV from either of the alternate offices to his primary office at Joint Base Bolling-Anacostia. Both alternate offices were located on a route between Mr. Shedd's residence and Joint Base Bolling-Anacostia.

We randomly sampled 43 days of Mr. Shedd's commute during a 3 and a half year period of Mr. Shedd's 4-year tenure at DIA. We interviewed witnesses and compared his official calendar and mode of travel with building access records for LX and the Pentagon. We found Mr. Shedd was the senior passenger in a GOV his subordinates drove during 83 trips in the sample period.³ We found 40 trips had an official purpose; however, we found no official purpose for the remaining 43 trips.⁴

The JER and 31 U.S.C. 1344 require that a GOV only be used for official purposes. Domicile-to-duty (DTD) transportation is only authorized if approved by the head of a Federal agency. DoD 4500.36-R prohibits the use of a GOV over all or any part of the route between domiciles and places of employment. The JER states an employee shall not encourage, direct, coerce, or request a subordinate to use official time to perform activities other than those required in the performance of official duties.

We determined that Mr. Shedd was not authorized DTD transportation and his use of a GOV and driver for 43 trips—52 percent of the 83-trip total—between his two alternate offices and the DIAC constituted DTD transportation. Mr. Shedd's use of a GOV for transportation between LX or the Pentagon to the DIAC reduced his one-way commute from (b)(6) miles to (b)(6) or (b)(6), (b)(7)(C), respectively.

We also determined that Mr. Shedd's use of a GOV and driver for transportation on 40 trips to and from restaurants and similar venues was not authorized under the circumstances we reviewed. Mr. Shedd did not sufficiently explain why he was required, on these occasions, to meet individuals over meals at restaurants to conduct business beyond his stated personal opinion the DIA cafeteria food is poor. Under the circumstances, the restaurant locations he chose did not meet the criteria to be considered his places of employment justifying transport via GOV and driver under DoD 4500.36-R, Appendix P4.1.49. Additionally, Mr. Shedd provided insufficient explanation for why, in these instances, meeting individuals at restaurants and similar venues was essential rather than meeting the individuals in the LX, Pentagon, or DIAC offices provided to him for conducting official business. Paragraphs C2.5.1 and C2.5.1.1 state the determination as to whether a particular use is for official purposes is a matter of administrative discretion to be exercised within applicable law and regulations. In making such a determination, consideration shall be given to all pertinent factors, including whether the

³ The term "trip" is used in this report to identify each instance Mr. Shedd used a GOV to travel from a starting point directly to a stopping point.

⁴ Our sampling methodology is explained further in Section IV of this report.

transportation is "essential to the successful completion of a DoD function, activity, or operation." Mr. Shedd violated the applicable standards for GOV and driver use because, on the 4 occasions for which he provided official purpose explanation, his stated justifications did not sufficiently establish that the use of these locations under the circumstances was "essential to the successful completion of a DoD function, activity, or operation." Similarly, we determined he violated the applicable standards on the 13 dates for which he offered no explanation or justification for using a GOV and driver.

We determined Mr. Shedd used a GOV and military member driver on 43 trips for essentially DTD transportation between LX or the Pentagon and the DIAC, and on 40 trips to and from restaurants and similar venues without sufficient explanation for why those locations on those occasions were essential to accomplishing the DIA mission. Under the circumstances, this resulted in unnecessary GOV and driver use that could be characterized as a personal limousine service based solely on reasons of rank, position, prestige, or personal convenience, which the JER specifically prohibits.

We conclude Mr. Shedd improperly used non-contract air carriers on five flights. We found that on the first flight, Mr. Shedd selected a non-contract carrier for the departing flight but provided no justification on the travel authorization. On the second flight, Mr. Shedd selected a non-contract carrier for the returning flight because he wanted a direct flight not offered by the contract carrier due to Mr. Shedd's concern for potential missed connections or delays. We found that on the third and fourth flights, Mr. Shedd flew round trip on non-contract carriers with the justification that meetings both prior to departure and immediately upon return necessitated the use of non-contract carriers. However, we found no evidence of such meetings. We found that on the fifth flight, Mr. Shedd used a non-contract carrier annotating a justification that a non-contract carrier was more expensive.

Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel. The JTR requires the justification for any exception to be on the travel document before travel begins, and DoD 7000.14-R states when the traveler signs the travel voucher, the traveler attests that the statements are true and complete.

We determined Mr. Shedd improperly used non-contract carriers on five flights without appropriate justification.

We conclude Mr. Manzelmann did not misuse his position or Government property by directing a subordinate to improperly schedule Mr. Shedd on a non-contract air carrier. We found that Mr. Shedd was scheduled to return from temporary duty (TDY) using a non-contract carrier because no seats were available on a contract carrier when the flight was originally scheduled—an appropriate exception to the JTR. We found that Mr. Shedd was scheduled to attend an official function immediately upon return from TDY. We found that on the day prior to his departure, seating became available on a contract carrier that returned later and conflicted with Mr. Shedd's attendance at the official function. We found that Mr. Manzelmann approved Mr. Shedd for travel on a non-contract carrier so that his attendance at the official function would not be jeopardized.

The JER states that an employee has a duty to protect and conserve Government property. We determined Mr. Manzelmann acted reasonably in directing the restoration of the flight on the non-contract carrier and did not waste Government resources.

We conclude Mr. Wise properly used a non-contract air carrier for round-trip travel from Dulles International Airport, Virginia, to Omaha, Nebraska, to attend a conference. We found the travel authorization stated that a non-contract carrier was required for both flights because that was the only carrier that met the requirements of the conference agenda.

Title 41 Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel. The JTR requires the justification for any exception to be on the travel document before travel begins, and DoD 7000.14-R states when the traveler signs the travel voucher, the traveler attests that the statements are true and complete.

We determined the justifications used for the selection of a non-contract carrier for both flights met the exceptions allowed by 41 CFR 301-10.107.

Finally, we conclude Mr. Wise failed to use his GTCC while conducting official travel. We found Mr. Wise was issued a GTCC on July 14, 2014. We found that on at least three official travel trips from August through October 2014, Mr. Wise used his personal credit card for \$3,106 of expenses for hotels, airport parking, and a rental car. Mr. Wise acknowledged this error and accepted full responsibility for the matter.

DoD 7000.14-R and the JTR require that DoD employees use the GTCC for all expenses while performing official travel.

We determined that Mr. Wise failed to use his GTCC for expenses such as hotels, airport parking, and a rental car, while on official travel.

Following our established practice, by letters dated June 1, 2015, we provided Mr. Shedd and Mr. Wise the opportunity to comment on the results of our investigation. In his response, dated June 15, 2015, Mr. Shedd disagreed with our conclusions. After reviewing the matters Mr. Shedd presented, we stand by our conclusions.⁵

Mr. Wise stated he had no reason to comment on the report. We stand by our conclusion regarding Mr. Wise.

We recommend the Under Secretary of Defense for Intelligence consider appropriate action regarding Mr. Shedd and Mr. Wise.

⁵ While we have included what we believe is a reasonable synopsis of Mr. Shedd's response, we recognize that any attempt to summarize risks oversimplification and omission. Accordingly, we incorporated Mr. Shedd's comments where appropriate throughout this report and provided a copy of his response to the Under Secretary of Defense for Intelligence together with this report.

We make no recommendation regarding Mr. Manzelmann.

This report sets forth our findings and conclusions based upon a preponderance of the evidence.

II. BACKGROUND

Mr. Shedd became the DIA Acting Director on August 7, 2014, following his tenure as the DIA Deputy Director, which began on September 20, 2010. Mr. Wise became the DIA Deputy Director on August 7, 2014. Mr. Manzelmann assumed duties as the DIA Director for Mission Services on January 5, 2013. The DIA conducts global intelligence operations to defend U.S. national security interests.

On October 20, 2014, the DIA IG referred the complaint regarding Mr. Shedd, Mr. Manzelmann, and Mr. Wise to this Office for review.⁶ On October 28, 2014, we initiated this investigation.

III. SCOPE

We interviewed Mr. Shedd, Mr. Manzelmann, Mr. Wise, and 12 witnesses, including Mr. Shedd's Executive Officer^{(b) (6), (b) (7)(C)}; Executive Assistants (EA) for both Mr. Shedd and Mr. Wise; the Special Assistant to Mr. Shedd; ^{(b) (6), (b) (7)(C)}, DIA Travel Office; and four military enlisted personnel who served as drivers for Mr. Shedd.⁷ We reviewed witness statements submitted to the DIA IG. We also reviewed emails, travel records, official calendars for Mr. Shedd during the period 2010-2014, GOV usage logs, LX and Pentagon access records, and other documents and standards.

IV. FINDINGS AND ANALYSIS

A. Did Mr. Shedd misuse a GOV and Government personnel for other than official purposes?

Standards

Title 31 U.S.C. 1344, "Passenger carrier use"

Subsection 1344(a)(1) requires that GOVs be used for official purposes only.

Subsection 1344(b)(9) authorizes GOV use for transportation between residence and place of employment for an officer or employee for whom the head of a Federal agency makes a

⁶ The Office of the DIA IG interviewed several witnesses upon receipt of the initial complaint to determine if the allegations had merit and provided these statements to this Office.

⁷ Mr. Shedd was served by two separate Executive Assistants with the same duty title. For the purpose of this report, we referred to one as an "Executive Assistant" and the second as "Special Assistant" for clarity.

determination that highly unusual circumstances present a clear and present danger, that an emergency exists, or that other compelling operational considerations made such transportation essential to the conduct of official business.

DoD 5500.07-R, "Joint Ethics Regulation (JER)," August 30, 1993, including changes 1-7 (November 17, 2011)

The JER provides a single source of standards of ethical conduct and ethics guidance for DoD employees. Chapter 2 of the JER, "Standards of Ethical Conduct," incorporates Title 5, CFR, Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch," in its entirety.

Subpart G, "Misuse of Position"

Section 2635.704, "Use of Government Property," states that an employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.

Section 2635.705 (b), "Use of a subordinate's time," states that an employee shall not encourage, direct, coerce, or request a subordinate to use official time to perform activities other than those required in the performance of official duties or authorized in accordance with law and regulation.

DoD 4500.36-R, "Management, Acquisition, and Use of Motor Vehicles," March 16, 2007

Section C.2.5, "Official Use of Vehicles," states that the use of all DoD motor vehicles, including leased vehicles, shall be restricted to official purposes only and that "when questions arise about the official use of a motor vehicle, they shall be resolved in favor of strict compliance with statutory provisions and this Regulation."

C2.5.1. The determination as to whether a particular use is for official purposes is a matter of administrative discretion to be exercised within applicable law and regulations. In making such a determination, consideration shall be given to all pertinent factors, including whether the transportation is the following:

C2.5.1.1. Essential to the successful completion of a DoD function, activity, or operation, and

C2.5.1.2. Consistent with the purpose for which the motor vehicle was acquired.

Section C2.5.2. DoD motor vehicles shall not be authorized for transporting DoD or other personnel over all or any part of the route between their domiciles and places of employment except as authorized in paragraph C2.5.4 and in Chapters 4 and 5.⁸

⁸ Mr. Shedd did not meet the requirements for an exception.

Section C2.5.10. Prohibits transportation by a GOV when the justification is based solely on reasons of rank, position, prestige, or personal convenience.

Appendix P4.1.49, "Place of Employment." Any place within the accepted commuting area where the person performs his/her business, trade, or occupation, even if the person is there for a short period. The term includes, but is not limited to, an official duty station, home base, headquarters, or any place where the person is assigned to work, including locations where meetings, conferences, and other official functions take place.

Facts

The complainant stated Mr. Shedd violated DoD "domicile to duty" policy for 3 years while serving as the DIA Deputy Director but terminated this practice when he became the Acting Director in August 2014. The complainant stated Mr. Shedd routinely parked his POV 30 miles from DIAC and was picked up in the mornings and dropped off after duty hours by his Government driver in a GOV.

Mr. Shedd resides in (b) (6), (b) (7)(C). While his primary duty office is DIAC, Joint Base Bolling-Anacostia, District of Columbia (b) (6) miles from his residence), he had access to alternate offices at LX and the Pentagon.⁹ LX is (b) (6) miles from his residence, and the Pentagon is (b) (6) miles from his residence.

The GOVs used by the DIAC are leased by the Government and maintained at Joint Base Bolling-Anacostia.

Testimony from Mr. Shedd's Drivers

We interviewed four military personnel who drove a GOV for Mr. Shedd. Each of the four drivers testified they never drove Mr. Shedd directly to or from his residence or knew of anyone who did. They each testified they picked up Mr. Shedd in a GOV an average of three times weekly, primarily from LX and occasionally from the Pentagon, and transported him to the DIAC. The drivers explained Mr. Shedd parked his POV at LX and worked at his alternate office there. One driver testified Mr. Shedd typically arrived at LX around 6:30 a.m., entered his office, and subsequently exited the building at 7:00 a.m. for transport to DIAC. The other three drivers stated they did not know when Mr. Shedd arrived at LX.

The four drivers offered three different pick-up times at LX: 6:30 a.m., 7:00 a.m., and 7:30-8:00 a.m., primarily as Mr. Shedd exited the building, not his POV, and they would transport him in a GOV to DIAC. Two drivers stated that on two or three occasions they picked him up directly as he exited his POV. All four drivers stated they would also transport Mr. Shedd back to LX or the Pentagon at the end of the duty day. Three of the drivers stated Mr. Shedd would typically return to work at LX or the Pentagon. One driver stated Mr. Shedd would proceed directly to his POV.

⁹ We confirmed Mr. Shedd had access to offices at both (b) (3) (A) (LX) and the Pentagon.

One driver testified that on three or four occasions he, along with Mr. Shedd, picked up (b)(6), (b)(7)(C) prior to transporting them to social functions; upon the events' conclusion, he transported them back to their POV at LX or the Pentagon.

Testimony from Mr. Shedd's Personal Staff

Mr. Shedd's Special Assistant (SA), (b)(6), (b)(7)(C) employee, stated that Mr. Shedd's practice of the occasional pick up at LX originated when Mr. Shedd assumed his duties in 2010. The SA stated that Mr. Shedd's predecessors did not use office space at LX but were sometimes picked up at the Pentagon. The SA testified, "they [predecessors] lived in different locations." The SA explained that on occasions when Mr. Shedd had meetings at LX or the Pentagon, she would indicate on the calendar, with Mr. Shedd's approval, for him to be picked up from those locations. The SA stated Mr. Shedd typically arrived at LX at 6:30 a.m., worked for 30-45 minutes checking his (b)(3) (A) email account, which could only be accessed from LX, and retrieved any classified documents he may have stored there before departing via GOV.

Mr. Shedd's executive officer, (b)(6), (b)(7)(C) offered similar testimony as the SA. He stated there was no regular pattern to the days Mr. Shedd would be picked up from any particular location. He explained Mr. Shedd's daily appointments at various locations determined the use of the GOV for transporting Mr. Shedd. He stated that on days Mr. Shedd had no morning meeting at LX, Mr. Shedd would typically work at LX for an hour checking his various email accounts and retrieving any classified documents he may have stored there. The executive officer continued that the command group drivers informed him several months earlier they had concerns regarding the regulatory requirements that governed the use of GOVs. He stated a staff officer from the DIA Office of General Counsel briefed the drivers on the regulations concerning the use of GOVs and provided an information paper on that topic as well.

Information Paper

The DIA General Counsel provided an information paper to Mr. Shedd, dated October 7, 2014, subject: "Official Use of Government Owned or Leased Vehicles." The paper explained the laws and DoD regulations applicable to the use of GOVs within DIA. The paper stated, in part, all DIA personnel, including senior leaders, are personally responsible for all portions of their daily commutes to their official duty locations, whether those locations are their permanent duty stations or some off-site locations at which bona fide and necessary official duties are actually performed on a particular day. The paper stated that under Federal statute, GOVs could only be used for official purposes and civilians who misuse GOVs are subject to suspension without pay for a minimum of 30 days. The paper also stated the use of an enlisted Service member for unauthorized purposes was prohibited.

The information paper presented several scenarios regarding the use of a GOV and driver. All of the scenarios established that the employee must perform bona fide and necessary duty at the off-site location on each trip to meet the regulatory requirements for the use of a GOV and driver. The paper also disclosed that for an employee and his spouse to depart via GOV and

driver from any off-site location to attend an official function, the employee must perform duties at the off-site location that day.

Mr. Shedd's GOV and Driver Usage

We developed a table comparing Mr. Shedd's official calendars from January 4, 2011, through July 21, 2014, with corresponding LX or Pentagon access records.¹⁰ We randomly sampled 43 days during this 1,295-day, or 3 and a half year period, in which the daily calendar entries reflected Mr. Shedd departed LX or the Pentagon via GOV and driver, typically at 7:00 a.m., but identified no initial morning duties to be performed by Mr. Shedd at either of the two locations. Our analysis found that Mr. Shedd made 83 trips in a GOV driven by a military member, which originated at LX or the Pentagon and terminated at the DIAC—or the reverse, originating at the DIAC and terminating at LX or the Pentagon (Appendices A and B).

The review comparing Mr. Shedd's weekly calendars with corresponding building access records reflected Mr. Shedd conducted official business at LX or the Pentagon en route to, or returning from, the DIAC on 40 of the 83 trips (Appendix A). The review also reflected Mr. Shedd did not conduct any official business en route to, or returning from, the DIAC on 43 of the 83 trips (Appendix B).

Our review of the 43-day sampling period also identified 17 dates, involving 40 trips, in which Mr. Shedd was transported in a GOV driven by a military member to and from restaurants or other similar venues that had no apparent official purpose (Appendix C). These trips are discussed subsequently in this report.

Mr. Shedd's Testimony

Mr. Shedd stated that upon assuming his duties with DIA in 2010, he received access to an office at LX, which allowed him to access (b) (3) unique websites unavailable at DIAC, to attend meetings, to store classified documents, and to work on weekends or during inclement weather. Mr. Shedd also stated he had an office at the Pentagon staffed with DIA employees. Mr. Shedd explained the DIA General Counsel had advised him that LX and the Pentagon were places of work. Mr. Shedd added the DIA General Counsel provided him the October 7, 2014, information paper concerning the use of GOVs. Mr. Shedd added the General Counsel also provided him a similar document when he first arrived at DIA in 2010. Mr. Shedd stated he was picked up by GOV at LX or the Pentagon on average two or three times per week and transported to DIAC. He added the other days he drove his POV to the DIAC. Mr. Shedd explained his daily schedule requirements determined his mode of transport. Mr. Shedd also testified he was required to swipe in at both LX and the Pentagon to access these respective offices.

We informed Mr. Shedd that our comparison of his daily calendar and corresponding LX access records disclosed he would typically enter around 6:30 a.m. and depart around 7:00 a.m. We asked Mr. Shedd what duties he performed during that time. Mr. Shedd explained he

¹⁰ January 4, 2011, through July 21, 2014 is 1,295 days or 3 years and 6 months.

accessed the (b) (3) (A) website, retrieved classified documents, and reviewed read-ahead slide presentations of briefings he would receive later that day.

We also informed Mr. Shedd that our review of his calendar and access records indicated occasions when he did not swipe in at LX or the Pentagon but traveled via GOV to DIAC. Mr. Shedd recalled about six occasions when the driver would arrive early, or he simply changed his mind about retrieving classified documents and went directly to DIAC. Mr. Shedd explained LX and the Pentagon were legitimate worksites, and it was "irrational" to believe that he had no discretion to bypass those locations on any given day and proceed directly to DIAC.

Mr. Shedd stated his use of a GOV and driver for social events such as meetings at restaurants were all "work" related and never of a personal nature. Mr. Shedd explained the food at the DIA cafeteria was poor, and restaurants were more appropriate venues for such occasions.

Mr. Shedd stated he was honored to have performed his duties for the past 33 years but added his work had generally been an "inconvenience" due to the lengthy workdays. Mr. Shedd concluded by testifying he was willing to drive his POV anywhere, and the determination to use a GOV was based on the official nature of the requirement. Mr. Shedd stated he had a clean conscience as to his use of GOVs "and by position and status that I had, by way of accomplishing the mission."

We provided our referenced table to Mr. Shedd and explained our sampling methodology. We requested Mr. Shedd review each entry and provide his written comments to us explaining what duties he performed on each particular day he used a GOV and driver, including the official nature of transportation to restaurants and other similar venues.

Mr. Shedd's Response on Duties Performed Justifying GOV Use

Mr. Shedd reiterated that he had fully functional offices at both LX and the Pentagon, and added the DIA General Counsel informed him these offices were official places of employment in his reporting capacity to both the Under Secretary of Defense, Intelligence, and the Director of National Intelligence. Mr. Shedd stated he regularly attended meetings on a variety of intelligence matters at both locations. He explained that his office at LX provided him access to the (b) (3) (A) unique information technology system and a classified storage facility. Mr. Shedd stated that access records for the Pentagon and LX were not necessarily accurate. He explained that the Pentagon security officers would occasionally recognize him and allow him through the turnstiles without swiping his access badge. Mr. Shedd recalled instances he entered LX from a different building access point, which may not have been included in the access records we reviewed.¹¹

Mr. Shedd stated he retained the flexibility to alter the time and location of his meetings throughout the day based on how best to meet the DIA's mission.

¹¹ The (b) (3) (A) office complex was divided into two sections known as (b) (3) (A) 1" and (b) (3) (A) 2." Each has separate entrance points. Our review of access records included both (b) (3) (A) 1 and (b) (3) (A) 2.

We also asked Mr. Shedd to explain the official nature of the 40 trips he made to and from restaurants or similar venues using a GOV and driver on 17 of the dates we sampled. A complete list of the 40 trips is at Appendix C. Mr. Shedd provided an explanation for the trips made on 4 of the dates but did not provide an explanation for the trips made on the remaining 13 dates.

Mr. Shedd's response to the four dates:

- February 28, 2011: Lunch at National Harbor with an unidentified person. Mr. Shedd stated this lunch concerned private sector cyber challenges related to his official responsibilities. However, in earlier sworn testimony, Mr. Shedd stated this lunch was a mentoring session for a DIA employee.
- April 10, 2013: Lunch with an unidentified person. Mr. Shedd stated he met with an individual to discuss science and technology developments.
- April 23, 2013: Driven from the DIAC to a restaurant at 11:30 a.m. and returned to the DIAC. Mr. Shedd stated he met with an individual for a mentoring discussion.
- February 26, 2014: Driven from LX at 6:45 a.m. for breakfast at a restaurant with an unidentified person. Mr. Shedd stated the person he met was the former head of a foreign national intelligence service.

Mr. Shedd did not provide an explanation for the trips made on the remaining 13 dates. The following description provides representational samples of the trips made on the 13 remaining dates:

- November 6, 2012: Driven from DIAC to an evening Deputy Director hosted social event and later driven back to LX. There was no record that he accessed LX that day.
- December 17, 2012: Driven from the DIAC at 12:00 p.m. to a restaurant for lunch with an individual. Driven to LX at 5:00 p.m. to pick up (b)(6), (b)(7)(C), driven to a restaurant at 5:45 p.m., and back to LX at 8:30 p.m.
- November 19, 2013: Driven from DIAC at 6:00 p.m. to an unidentified location for dinner, and driven to LX at 9:00 p.m. There was no record that he accessed LX that day.
- April 24, 2014: Driven from the DIAC at 6:00 p.m. for dinner at a restaurant and returned to LX at 8:00 p.m.

Discussion

We conclude Mr. Shedd misused a GOV and Government personnel numerous times for other than official purposes. We found in our sampling that on an average of three times each week, Mr. Shedd, who was not authorized DTD transportation, drove his POV from his residence in (b)(6), (b)(7)(C), primarily to an alternate office (b)(6), (b)(7)(C) away at LX, or occasionally, (b)(6), (b)(7)(C) to a second alternate office at the Pentagon. We found Mr. Shedd was then transported in a GOV driven by a military member for the remainder of his commute to his primary office at the DIAC, Joint Base Bolling-Anacostia. We found both LX and the Pentagon were located on a commuting route between Mr. Shedd's residence and the DIAC.

We found Mr. Shedd's weekly calendars and building access records identified an official purpose for 40 trips—48 percent of the 83 trip total—in that his building access records established he entered LX or the Pentagon to perform duties while en route between his residence and the DIAC.

Mr. Shedd's weekly calendars and building access records identified no official purpose for stopping at LX or the Pentagon and transferring to a GOV with driver during 43 trips—52 percent of the 83 trip total in our sampling. For these 43 trips, his building access records indicate he did not enter LX or the Pentagon while en route from his residence to, or returning to his residence from, the DIAC.

Mr. Shedd acknowledged receiving the October 7, 2014, DIA OGC memorandum regarding the use of GOVs and drivers. Mr. Shedd acknowledged receiving a similar document when he initially arrived at DIA in 2010. These documents established an employee must perform duties at a place of employment in order to use a GOV and driver and allowed no discretion by any management official to forego this requirement for schedule changes, personal convenience, or any other reason.

We also found Mr. Shedd was transported in a GOV driven by a military member on 40 trips to and from restaurants or other venues that were not authorized DIA workplaces justifying an official purpose and use of a GOV and driver.

The JER and 31 U.S.C. 1344 require that a GOV only be used for official purposes and require identification of specific personnel authorized DTD transportation. The JER prohibits the use of a GOV based solely on reasons of rank, position, prestige, or personal convenience. The JER and DoD 4500.36-R prohibit use of a GOV for DTD transportation unless authorized.

DoD 4500.36-R further prohibits the use of a GOV over all or part of the route between domiciles and places of employment. DoD 4500.36-R states that the use of all DoD motor vehicles, including leased vehicles, shall be restricted to official purposes only and that when questions arise concerning such use, they shall be resolved in favor of strict compliance with statutory provisions. Appendix P4.1.49, "Place of Employment," defines locations between which an employee may be authorized GOV and driver as an official duty station, home base, headquarters, or any place where the employee is assigned to work, including locations where meetings, conferences, and other official functions take place. The JER states an employee

shall not encourage, direct, coerce, or request a subordinate to use official time to perform activities other than those required in the performance of official duties.

We determined Mr. Shedd was not authorized DTD transportation and his use of a GOV and driver for 43 trips—52 percent of the 83 trip total—between LX or the Pentagon and DIAC was essentially DTD transportation. For these 43 trips, his building access records indicate he did not enter LX or the Pentagon while en route from his residence to, or returning to his residence from, the DIAC. Thus, he could not have complied with applicable standards requiring he perform official duties to justify GOV and driver to transport him the remainder of his commute from those locations to or from the DIAC. The effect of using a GOV for transportation between LX or the Pentagon to the DIAC reduced Mr. Shedd's one-way commute from (b) (6) miles to (b) (6) miles or (b) (6) miles, respectively. Mr. Shedd's unauthorized trips originating or ending at locations other than the DIAC resulted in additional GOV usage, as they required a military member to transport an empty GOV from or to the DIAC.

We also determined Mr. Shedd's use of a GOV and driver for transportation on 40 trips to and from restaurants and similar venues was not authorized because those locations did not meet the definition of "places of employment" between which he would otherwise be authorized GOV and driver use. Mr. Shedd was not assigned to meet individuals at restaurants or similar venues, and he was not attending conferences or representing DIA at social functions by official invitation at those locations. We provided Mr. Shedd a table identifying the 17 dates comprising 40 trips he made to and from restaurants and similar venues using a GOV and driver during the 43-day period we sampled. We invited Mr. Shedd to explain the official purpose requiring use of a GOV and driver for each trip. Mr. Shedd commented on only 4 of the 17 dates. He explained that on those occasions he met individuals at restaurants to discuss intelligence-related cyber security challenges, science and technology developments, had breakfast with the former head of a foreign intelligence agency, or engaged in a mentoring discussion.

Mr. Shedd provided no evidence that on these occasions he was assigned to meet individuals at restaurants over meals beyond his stated personal opinion the DIA cafeteria food is poor, nor did the locations meet the criteria to be considered his places of employment under DoD 4500.36-R, Appendix P4.1.49. Additionally, Mr. Shedd provided insufficient explanation for why meeting individuals at restaurants and similar venues in these instances was essential rather than meeting the individuals in the LX, Pentagon, or DIAC offices provided to him for conducting official business. Paragraphs C2.5.1 and C2.5.1.1 state the determination as to whether a particular use is for official purposes is a matter of administrative discretion to be exercised within applicable law and regulations. In making such a determination, consideration shall be given to all pertinent factors, including whether the transportation is "essential to the successful completion of a DoD function, activity, or operation." Mr. Shedd violated the applicable standards for GOV and driver use because, on the 4 occasions for which he provided official purpose explanation, his stated justifications did not sufficiently establish that the use of these locations under the circumstances was "essential to the successful completion of a DoD function, activity, or operation."

We reviewed the trips Mr. Shedd made on the 13 dates for which he provided no comment on the official purpose for using a GOV and driver. As he offered no justification for

GOV and driver use on those 13 dates, we applied DoD 4500.36-R, which states that "When questions arise about the official use of a motor vehicle, they shall be resolved in favor of strict compliance with statutory provisions and this Regulation." Accordingly, we determined his GOV and driver use on those dates was not authorized.

We determined Mr. Shedd used a GOV and military member driver on 43 trips for essentially DTD transportation between LX or the Pentagon and the DIAC, and on 40 trips to and from restaurants and similar venues without sufficient explanation for why those locations on those occasions were essential to accomplishing the DIA mission. Under the circumstances, this resulted in unnecessary GOV and driver use that could be characterized as a personal limousine service based solely on reasons of rank, position, prestige, or personal convenience, which the JER specifically prohibits.

Response to Tentative Conclusions

Following our established practice, by letter dated June 1, 2015, we provided Mr. Shedd the opportunity to comment on the preliminary results of our investigation. In his response, dated June 15, 2015, Mr. Shedd asserted we used flawed logic and that the report of investigation contained erroneous judgments based upon faulty assumptions and insufficient knowledge of his duties.

Response Regarding Domicile to Duty

In his response, Mr. Shedd wrote that the investigation failed to take into account the dynamic and fluid situation a senior leader of an Agency faces on a daily basis. Mr. Shedd explained he considered that it was within his purview to adjust his day-to-day schedule and "forego" the requirement to enter either alternate office at LX or the Pentagon while using a GOV and driver.

We agree with Mr. Shedd that it was within his purview to adjust his daily schedule to meet emerging priorities. However, regulatory guidance—and his own DIA General Counsel Information Paper—is clear—Mr. Shedd must "perform" duties at a place of employment to justify the use of a GOV and driver rather than his POV to transport him the remainder of his commute between authorized places of employment. In our analysis of the facts, we provided Mr. Shedd the broadest consideration of his compliance with this requirement, crediting him with having conducted some form of official business at LX or the Pentagon no matter how briefly the access records indicated he physically entered those locations while commuting between his residence and the DIAC. Accordingly, we determined 40 of the 83 trips more likely than not were official in nature and did not include those trips in our substantiated conclusion. However, regulatory guidance provides employees, regardless of their position or title, no discretion to waive this requirement. Mr. Shedd's frequent decisions to "forego" this requirement to perform duties at LX or the Pentagon before switching to a GOV and driver for the remainder of his travel to the DIAC essentially provided him DTD transportation over all or part of his daily commute for the remaining 43 trips on which we based our substantiated conclusion. We determined that on occasions that Mr. Shedd opted not to enter and perform duties at either alternate office, the applicable standards required him to use his POV over the

entire commuting distance between his residence and his primary place of employment at the DIAC.

Response Regarding Trips to Restaurants and Other Similar Venues

In his response, Mr. Shedd also asserted that all of the lunch or dinner meetings at restaurants and similar venues to which he was transported by GOV and military member driver were official business. Mr. Shedd wrote that he discussed a variety of unclassified topics with current or former intelligence officials, or "to gain insights from the private sector" in order to enhance DIA operations. We twice provided Mr. Shedd a table identifying the 17 dates comprising 40 trips he made to and from restaurants or similar venues using a GOV and driver during the 43-day sampling period. Mr. Shedd commented on only 4 of the dates and explained he discussed intelligence-related cyber security challenges, science and technology developments, had breakfast with the former head of a foreign intelligence agency, or engaged in a mentoring discussion.

Mr. Shedd did not sufficiently explain why he was required, on these occasions, to meet individuals at restaurants over meals beyond his stated personal opinion the DIA cafeteria food is poor. Under the circumstances, the restaurant locations he chose did not meet the criteria to be considered his places of employment justifying transport via GOV and driver under DoD 4500.36-R, Appendix P4.1.49. Additionally, Mr. Shedd provided insufficient explanation for why, in these instances, meeting individuals at restaurants and similar venues was essential rather than meeting the individuals in the LX, Pentagon, or DIAC offices provided to him for conducting official business. Paragraphs C2.5.1 and C2.5.1.1 state the determination as to whether a particular use is for official purposes is a matter of administrative discretion to be exercised within applicable law and regulations. In making such a determination, consideration shall be given to all pertinent factors, including whether the transportation is "essential to the successful completion of a DoD function, activity, or operation." Mr. Shedd violated the applicable standards for GOV and driver use because, on the 4 occasions for which he provided an official purpose explanation, his stated justifications did not sufficiently establish that the use of these locations under the circumstances was "essential to the successful completion of a DoD function, activity, or operation." Similarly, we determined he violated the applicable standards on the 13 dates for which he offered no explanation or justification for using a GOV and driver.

Mr. Shedd's use of a GOV and military member driver for transportation to restaurants and similar venues on these occasions resulted in unnecessary GOV and driver use that could be characterized as a personal limousine service based solely on reasons of rank, position, prestige, or personal convenience, which the JER specifically prohibits.

After carefully considering Mr. Shedd's response, we stand by our conclusion.

B. Did Mr. Shedd improperly use non-contract air carriers?

Standards

Title 41, Code of Federal Regulations, Subtitle F, "Federal Travel Regulation System," Chapter 301, "Temporary Duty (TDY) Travel Allowances," Subchapter B, "Allowable Travel Expenses," Subpart B, "Common Carrier Transportation,"

Section 301-10.106 states civilian DoD employees must always use a contract city-pair fare for scheduled air transportation unless one of the limited exceptions exists.

Section 301-10.107 notes that when the Government contract city-pair carrier offers a lower cost capacity-controlled coach class contract fare in addition to the unrestricted coach class contract fares, the traveler should use the lower cost capacity-controlled fare when it is available and meets mission needs. Agencies may authorize use of a fare other than a contract city-pair fare when:

- Space on a scheduled contract flight is not available in time to accomplish the purpose of travel or use of contract service would increase the total cost of the trip;
- The contractor's flight schedule is inconsistent with explicit policies of the Federal department or agency with regard to scheduling travel during normal working hours; or
- A non-contract carrier offers a lower fare to the general public that, if used, will result in a lower total trip cost to the Government.

**DoD 7000.14-R, "DoD Financial Management Regulation (FMR)," Volume 9,
July 2013**

Paragraph 0803 states the traveler is responsible for preparing the travel voucher. Even when someone else prepares the voucher, the traveler is responsible for the truth and accuracy of the information. When the traveler signs the form, the traveler attests that the statements are true and complete and is aware of the liability for filing a false claim.

The Joint Travel Regulations (JTR) Uniformed Service Members and DoD Civilian Personnel, October 1, 2014

Chapter 2, "Official Travel"

Part A, "General," paragraph 2000B, states, in part, that travelers are to be good stewards of Government funds and exercise prudence in travel, and must consider scheduling travel as far in advance as possible to take advantage of the best offered fare/rate.

Part B, "Travel Policy," paragraph 2115, states, in part, travel other than by a usually traveled route must be justified for any excess cost to be Government funded. Paragraph 2120, a

traveler may not be provided GSA (General Services Administration) contract city-pair airfares or any other airfares intended for official Government business for any portion of a route traveled for personal convenience.¹²

Chapter 3, "Transportation"

Part C, "Transportation Mode," paragraph 3225, "Transportation Mode Selection"

Subparagraph A, "Contract Air Service," city-pair airfare when offered should be used for official air travel.

Subparagraph B, "Non Contract Air Service," the use of non-contract U.S. certificated air service, when city-pair service is available, may be used with advanced authority and specific justification. Justification should be on the travel order or other travel documents before actual travel begins. In extenuating/emergency circumstances, traveler must obtain written approval from the appropriate Service designated official at the earliest possible time after completing the travel and attach it to the travel voucher.

Facts

The complainant alleged Mr. Shedd frequently used United Airlines, even if that airline was not the contract carrier, in order to receive business class seating upgrades. The complainant stated (b) (6), (b) (7)(C) once overheard Mr. Shedd's EA pressure the DIA (b) (6), (b) (7)(C) to schedule Mr. Shedd on a non-contract carrier.

The DIA (b) (6), (b) (7)(C) stated (b) (6), (b) (7)(C) was aware of multiple occasions when Mr. Shedd used non-contract carriers during official travel. (b) (6), (b) (7)(C) suggested Mr. Shedd did this to obtain frequent flyer seating upgrades on United Airlines but cited no specific evidence to support his assertion.

We requested the DIA (b) (6), (b) (7)(C) identify the specific trips on which (b) (6), (b) (7)(C) believed Mr. Shedd flew on non-contract carriers without appropriate justification. The (b) (6), (b) (7)(C) identified four trips that we determined required further investigation. (b) (6), (b) (7)(C) also identified nine trips on which Mr. Shedd appropriately used a contract carrier.

Mileage Plus is United Airlines' frequent flyer program. Mileage Plus members who travel the required number of qualifying miles or segments may earn premier status of silver, gold, platinum, or Premier 1K. Premier 1K members have complimentary access to Economy Plus seating for themselves and up to eight travel companions at check-in or booking based on Premier level. Mr. Shedd is a "Premier 1K" frequent flyer with United Airlines, which is their highest status and which provides the most preferred seat assignment benefits.

¹² The General Services Administration (GSA) annually awards competitive contracts to airlines, known as "city-pair," based upon the best overall value to the Government. These "city-pair" fares are considerably lower than comparable commercial fares.

The Travel Approval Process

Mr. Shedd's EA (b) (6), (b) (7)(C) testified she coordinated Mr. Shedd's air travel. The EA stated she routinely scheduled travel using a contract carrier. She explained when developing travel plans, she typically developed options and presented them to Mr. Shedd, to include the use of non-contract carriers as appropriate for schedule requirements. The EA explained she created Mr. Shedd's travel authorizations in the Defense Travel System (DTS) including the remarks justifying the use of non-contract carriers. She stated Mr. Shedd never pressured her to use a non-contract carrier, including United Airlines, and that mission requirements were critical in selecting flights.¹³

We reviewed the four travel authorizations that the (b) (7)(C), (b) (6) asserted improperly used non-contract carriers and identified a single approving official, (b) (6), (b) (7)(C) who worked in the DIAC. The approving official testified he had served as the approving official for Mr. Shedd's entire tenure at DIA. The official testified (b) (6), (b) (7)(C) never voiced any concerns to (b) (6), (b) (7) that Mr. Shedd was acting improperly in his selection of airlines. The official testified (b) (6), (b) (7) felt free to voice any concerns (b) (6) had regarding Mr. Shedd's travel. The official testified (b) (6), (b) (7) disagreed with the assertion that Mr. Shedd improperly used non-contract carriers and explained mission requirements drove the process.

GSA records identify the specific contract carrier for a given route in a given year. However, they do not identify the specifics of a past flight in terms of flight dates and departure or arrival times. We asked the DIA Travel Office supervisor if it were possible to determine what specific flights were available to a user at the time of booking. After consultation with the DIA Commercial Travel Office, she stated such information was not available. A Defense Travel Management Office (DTMO) representative corroborated the DIA Travel Office supervisor's statement.

Four Trips

Washington, D.C., to Rome, Stuttgart, and Zurich—November 30–December 6, 2013

DTS records indicate (b) (6), (b) (7)(C) created a travel authorization on November 3, 2013, for Mr. Shedd to fly from Washington, D.C., to Rome, Stuttgart, and Zurich. The DTS travel authorization pre-audit review stated, "CP-C [commercial plane carrier] exceeds threshold," indicating the air carrier selected was not a contract carrier. The EA entered the following justification for the use of a non-contract carrier for the return flight:

GSA contract carrier is not being utilized and alternate non-GSA contract flights are being used to ensure DD/DIA [Deputy Director] is able to attend t[sic] must attend meeting upon return from travel ..., DD/DIA is not willing to risk missing the meeting

¹³ The Defense Travel System (DTS) enables DoD travelers to create electronic travel documents, schedule air travel, and route the documents to appropriate officials for action. When a traveler selects a flight from DTS that is not a GSA city-pair and a GSA city-pair is available, DTS inserts a "pop-up" screen message that informs the traveler that the selection must be justified during pre-audit.

because of delayed flights or missed connections. Operational Requirements prevent DD from being able to return to IAD [Dulles] earlier than Dec 6th necessitating use of direct flight.

GSA records indicated the contract carrier for the departing flight was US Airways at a cost of \$699 and the returning contract carrier was American Airlines at a cost of \$502, for a total cost of \$1,201. Both the US Airways and American Airlines flights involved connecting flights.¹⁴

The authorizing official approved the travel authorization on November 29, 2013.

Mr. Shedd's tickets, issued November 29, 2013, disclosed he flew on November 30, 2013, from Washington, D.C., to Rome on United Airlines, which was not the contract carrier. The ticket also disclosed he returned from Zurich, Switzerland, to Washington, D.C., on December 6, 2013, on United Airlines, also not the contract carrier, at a round-trip price of \$1,800. Both tickets indicated Mr. Shedd flew non-stop with economy class seating.

The EA testified Mr. Shedd required a non-contract departing flight because he had meeting requirements in Rome immediately upon arrival, which the use of the contract carrier did not support. The EA explained the failure to justify the requirement for a departing non-contract carrier was an error on her part. The itinerary for Mr. Shedd's schedule on his day of arrival in Rome, Sunday, December 1, 2014, disclosed he arrived at 7:45 a.m., had a working dinner that evening at an unidentified time and location with two individuals the EA identified as members from the Italian intelligence services and the US defense attaché, and returned to his hotel at 10:00 p.m. The itinerary also disclosed that on Thursday, December 5, 2013, the day prior to his scheduled return to Washington, D.C., Mr. Shedd was engaged with official requirements until 10:35 p.m. The itinerary indicated Mr. Shedd arrived in Dulles on Friday, December 6, 2013, at 3:25 p.m.

The EA stated the meeting requirement justifying the returning non-contract flight was attendance on Friday, December 6, 2013, at a (b) (3) (A) Holiday Reception. Mr. Shedd's calendar indicated the reception lasted from 6:00 p.m. to 8:00 p.m. The (b) (3) (A) Office of Inspector General confirmed the (b) (3) (A) Holiday Reception was an official event financed with Government funds.

Mr. Shedd stated he did not know why there were no comments in DTS to justify the use of a non-contract carrier for departure. Mr. Shedd stated they had to use a non-contract carrier for the departing flight in order to have a working dinner with the director of the Italian equivalent of the (b) (3) (A). Mr. Shedd acknowledged that the use of a non-contract carrier for the return flight was to facilitate his attendance at the (b) (3) (A) Holiday Reception. Mr. Shedd explained this was an official event that he was expected to attend. Mr. Shedd stated the purpose of the function was to meet with foreign intelligence counterparts assigned to the Washington, D.C., area. Mr. Shedd added this was a relationship building function, and his position would have been weakened had he not attended. Mr. Shedd recalled that no contract carrier arrived in time

¹⁴ GSA city-pair flights are based upon the base fare, exclusive of taxes and other fees. Accordingly, all fares discussed in this report reflect only the base fare price for consistency.

for him to prepare for and attend the function. Mr. Shedd signed the travel voucher on December 30, 2013, affirming the accuracy of the travel documents.

Washington, D.C., to Mexico City—April 13-15, 2014

DTS records reflect a travel authorization created on April 9, 2014, for Mr. Shedd to travel from Washington, D.C., to Mexico City, Mexico, April 13-15, 2014. The authorization included the following justification for the use of a non-contract carrier for the round-trip flight:

Mr. Shedd has work engagements on Sunday [April 13] that preclude arriving at the airport for the GSA contract flight. Further the flight selected arrives earlier into Mexico City, permitting Mr. Shedd to have an evening meeting with the DATT [Defense Attaché]. Additionally, Mr. Shedd has work engagements Tuesday afternoon/evening [April 15] that require returning by 1600; the contract carrier does not return early enough. The DD [Deputy Director] is aware of the slight increased cost (approximately \$90 pp [per person]) and has determined that the cost vs. benefit of attending the work functions is fully justified.

GSA records indicated the round-trip contract carrier was Delta Airlines, non-stop, at a cost of \$600. Mr. Shedd's tickets, issued April 9, 2014, disclosed he flew direct round-trip flights on April 13 and 15, 2014, with economy class seating on United Airlines. The round-trip fare was \$700.

Mr. Shedd's calendar for Sunday, April 13, or Tuesday, April 15, 2014, did not indicate any engagements. Mr. Shedd's access records for LX or Pentagon did not indicate that he entered those facilities on either date.

Mr. Shedd's itinerary dated April 11, 2014, reflected Mr. Shedd and three staff members were scheduled to arrive in Mexico City at 9:00 p.m.; be met by the U.S. Naval Defense Attaché, a Navy captain, at 9:30 p.m.; and travel at 10:40 p.m. to their hotel. The itinerary also reflected Mr. Shedd's party arrived in Washington, D.C., on Tuesday, April 15, 2014, at 3:35 p.m. but did not reflect any later events. Mr. Shedd's calendar for April 15 also did not include meetings or events after his return.

The EA stated she did not recall what Mr. Shedd's work commitments were on Sunday that required a later departure. The EA testified she believed the contract carrier was not a direct flight and the non-contract carrier was a direct flight that maximized their efficiency. The EA testified they met with intelligence officials Sunday night until around 1:00 a.m.

Mr. Shedd stated he had no work requirement on Sunday prior to departure. Mr. Shedd testified the work requirement was the necessity to meet Sunday night in Mexico City with his U.S. intelligence counterparts to prepare for discussions with their Mexican counterparts the next morning. Mr. Shedd signed the travel voucher affirming the accuracy of the travel statements on April 21, 2014.

Washington, D.C., to Berlin—October 5-9, 2014

DTS travel records reflect a travel authorization created on September 29, 2014, for Mr. Shedd to travel from Washington, D.C., to Berlin, Germany, October 5-9, 2014. The DTS pre-audit review stated, "CP [commercial plane] exceeds threshold," indicating the airfare selected exceeded DTS authorization. The EA entered the following remarks to justify the use of a non-contract carrier: "Air fare from IAD [Dulles] is that of a non-GSA contract carrier—therefore increasing the cost."

GSA records indicate American Airlines was the contract carrier for both the departing and returning flights at a cost of \$550 each way, or \$1,100 total, with connecting flights. Mr. Shedd's ticket invoice, issued September 30, 2014, disclosed Mr. Shedd departed on a United Airlines flight on October 5, 2014, at a cost of \$1,291 and returned on American Airlines at a cost of \$550. The invoice indicates Mr. Shedd was assigned economy seating on both flights.

The EA conceded the remarks she entered on the DTS travel authorization to justify the use of a non-contract carrier were insufficient. The EA recalled the contract carrier arrived midday, and they needed to arrive earlier because they had a full schedule of meetings immediately upon arrival in Berlin.

The itinerary for the trip disclosed Mr. Shedd and the EA arrived in Berlin at 7:55 a.m., on October 6, 2014, and began meetings at 9:30 a.m. ending at 4:30 p.m. October 7, 2014, was a travel day to return to Washington, D.C. The itinerary indicated no additional travel to another city.

Mr. Shedd testified the requirement was to get to Stuttgart, not Berlin, so he could give a presentation to an event hosted by the Commander of the U.S. European Command.¹⁵ Mr. Shedd signed the travel voucher on October 20, 2014, affirming the accuracy of the travel documents.

Washington, D.C., to London—April 2-5, 2014

DTS records reflect a travel authorization created on March 29, 2014, for Mr. Shedd to travel from Washington, D.C., to London, England, April 2-5, 2014. The DTS travel authorization pre-audit remarks stated "CP-C exceeds threshold" indicating the airline selected was not a contract carrier. The EA entered the following remarks to justify the use of a non-contract carrier:

Must attend a Wednesday evening [April 2, 2014] work event and must return home Saturday morning [April 5, 2014] early enough for mid-day work commitments. All GSA Contract City Pair flights on American for 4&5 April were sold out when travel was booked.

¹⁵ We determined Mr. Shedd confused this TDY with that of a TDY to Stuttgart, Germany.

The authorizing official approved the authorization on March 31, 2014.

GSA records indicated the contract carrier for the return flight from London to Dulles was also American Airlines at a cost of \$395.

Mr. Shedd's tickets, issued on April 1, 2014, disclosed he departed on the contract carrier, American Airlines, from Washington, D.C., to London, England, on Wednesday, April 2, 2014, at 10:35 p.m., at a cost of \$419, with economy class seating. The ticket also disclosed Mr. Shedd returned on a non-contract carrier, United Airlines, on Saturday, April 5, 2014, arriving at Dulles at 11:20 a.m., at a cost of \$1,213, with upgraded economy plus seating.

Mr. Shedd's calendar identified an event on Saturday, April 5, 2014, "Cherry Blossom Festival Open House," at the then DIA Director's quarters at Fort McNair, Washington, D.C. The DIA IG confirmed with the DIA protocol office this was an official event financed with Government funds.

In a memorandum for record dated April 2, 2014, subject: "Usage of a Non-GSA Contract City Carrier," (b)(6), (b)(7)(C) documented his recollection of the events surrounding Mr. Shedd's return flight on a non-contract carrier. In the memorandum, he wrote no contract carrier was available at the time the EA booked flights. (b)(6), (b)(7)(C) continued that because of the cost difference—\$611 on the contract carrier compared to \$1,215 on the non-contract carrier—for a flight that arrived only 90-minutes later, (b)(6) continued to search for an opening on a contract flight. (b)(6), (b)(7)(C) wrote that on Tuesday, April 2, 2014 (Mr. Shedd's departure day), a seat became available on the contract carrier for the return flight. (b)(6), (b)(7)(C) informed the EA (b)(6) had rescheduled Mr. Shedd on the contract carrier. (b)(6), (b)(7) stated the EA declined that flight stating that Mr. Shedd had already approved the flight, and the original United Airlines flight should be reinstated. (b)(6), (b)(7)(C) continued that later that afternoon, Mr. Manzelmann requested that Mr. Shedd's original return flight on United Airlines be reinstated.

The EA testified the Cherry Blossom Festival Open House was an important representational event that required Mr. Shedd's attendance. The EA explained when she originally scheduled the flights, no contract carrier seats were available so she booked the return flight on a non-contract carrier. She continued that seats on the contract carrier became available at the last minute. The EA stated (b)(6), (b)(7)(C) then changed the return flight to a contract carrier. The EA testified she did not recall discussing the event with Mr. Manzelmann.

In a series of emails between the EA and (b)(6), (b)(7)(C) dated April 1, 2014, (b)(6), (b)(7)(C) informed the EA (b)(6) found seats on a contract carrier that would arrive only 90 minutes later on Saturday, April 5, 2014. The EA responded that flight would not be suitable, explaining that Mr. Shedd had scheduled a work obligation based on the 11:20 a.m. arrival time that could not be moved. (b)(6), (b)(7)(C) wrote (b)(6) could not authorize the Commercial Travel Office to issue the ticket on United Airlines due to the additional cost of \$600 per ticket over the contract carrier. (b)(6), (b)(7)(C) stated this would be difficult to explain in the event the travel office was audited.

Subsequently, at 1:19 p.m. on April 1, 2014, the EA forwarded (b)(6), (b)(7)(C) email to Mr. Manzelmann. The EA informed Mr. Manzelmann of the last minute change in the return flight schedule. The EA stated Mr. Shedd made scheduling decisions based on the original flight. The EA stated Mr. Shedd was aware of the increased costs and wanted to remain on the original United Airlines flight to meet his work obligations on Saturday, April 5, 2014.

Mr. Manzelmann explained to us that he spoke telephonically with the EA after receiving her April 1, 2014, email, and then forwarded the EA's email to (b)(6), (b)(7)(C) on April 1, 2014, at 4:13 p.m. Mr. Manzelmann wrote in the email to (b)(6), (b)(7)(C) "If the DD [Mr. Shedd] needs to be back at DNI office [Director of National Intelligence, LX] can we do the earlier flight."

On April 1, 2014, Mr. Manzelmann informed the EA he had requested (b)(6), (b)(7)(C) book the earlier flight based on Mr. Shedd's meeting at LX.

In a series of emails between Mr. Manzelmann and Mr. Shedd, and courtesy copying the EA, dated April 5 and 6, 2014, Mr. Manzelmann asked Mr. Shedd if he made the earlier United Airlines flight. Mr. Shedd replied it worked out perfectly, and they returned in time to attend a CIA-sponsored lunch by 12:30 p.m.¹⁶

Mr. Shedd testified the Cherry Blossom Festival Open House was an official function paid for with Government funds. He explained the event was an important networking and collaboration function that required his attendance. Mr. Shedd stated he did not recall any issue with the return flight, including any involvement by Mr. Manzelmann. Mr. Shedd signed the travel voucher on April 18, 2014, affirming the accuracy of the travel documents.

Concluding Remarks

Mr. Shedd stated he had frequent flyer membership with three or four airlines, including American Airlines and Delta. Mr. Shedd explained he had not used his frequent flyer memberships in a long time and remarked that he had even lost miles because he had not used them. Mr. Shedd testified he had never instructed anyone to schedule him exclusively on United Airlines. Mr. Shedd explained that all of his travel arrangements are driven by mission requirements in his role as the Deputy Director or Acting Director of DIA.

Discussion

We conclude Mr. Shedd improperly used non-contract air carriers on five flights. We discuss each of the flights in the subsections below. We also found the EA stated she never felt pressured to schedule Mr. Shedd on any particular airline. The Authorizing Official offered similar testimony. The EA stated mission requirements drove airline selection with first priority toward the use of contract carriers. We further found that Mr. Shedd signed the travel vouchers for each of the five flights affirming the accuracy of the information submitted on the travel authorizations.

¹⁶ We found no evidence of any nexus between the (b)(3) luncheon and the Cherry Blossom Festival Open House.

Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel. The JTR states any exception must be certified by the traveler or certifying official on the travel order or authorization. DoD 7000.14-R states the traveler is responsible for the accuracy of information on a travel voucher even if the traveler did not prepare the voucher.

Washington, D.C., to Rome, Stuttgart, and Zurich—November 30–December 6, 2013

We found that on the first flight from Washington, D.C., to Italy and later to Switzerland, Mr. Shedd selected a non-contract carrier but provided no justification on the travel authorization. On the return flight from that same trip, Mr. Shedd selected a non-contract carrier because he wanted a direct flight, not offered by the contract carrier, due to his concern for potential missed connections or delays. We determined Mr. Shedd improperly used non-contract carriers for both the departing and returning flights from Washington, D.C., and Switzerland at an excess cost to the Government of \$599. The departing flight travel authorization contained no justification for the use of a non-contract carrier. The justification provided for the non-contract carrier for the returning flight stated Mr. Shedd preferred a direct flight so as not to risk “delayed flights” or “missed connections.” Title 41 CFR 301-10.107 does not allow exceptions based upon these preferences.

Washington, D.C., to Mexico City—April 13–15, 2014

We found that on the third and fourth flights from Washington, D.C., to Mexico City and return, Mr. Shedd flew round trip on non-contract carriers. We found he used the justification that meetings both prior to departure and immediately upon return necessitated the use of non-contract carriers. However, we found no evidence of such meetings. Mr. Shedd testified the requirement was to meet upon arrival in Mexico City and offered no explanation as to why the contract carrier could not have been used. We determined Mr. Shedd improperly used non-contract carriers for both the departing and returning flights at an excess cost to the Government of \$100. The departing travel authorization stated Mr. Shedd had work requirements on Sunday prior to departure and on Tuesday upon return that justified the use of a non-contract carrier. We found no evidence of Mr. Shedd’s work requirements that justified the use of non-contract carriers.

Washington, D.C., to Berlin—October 5–9, 2014

We found that on the fifth flight, from Washington, D.C., to Berlin, Mr. Shedd used a non-contract carrier annotating a justification in DTS that a non-contract carrier was more expensive. We found Mr. Shedd used a contract carrier for his return from Berlin. We determined Mr. Shedd improperly used a non-contract carrier for his flight to Berlin at an excess cost to the Government of \$741. Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions. The justification that the non-contract carrier cost more was not an authorized exception.

Washington, D.C., to London—April 2-5, 2014

We further found that Mr. Shedd used a contract carrier from Washington, D.C., to London but used a non-contract carrier on return. We found Mr. Shedd used the initial justification that no contract carriers were available. We found that a contract carrier then became available but its arrival time conflicted with an official function Mr. Shedd planned to attend immediately upon return. We determined Mr. Shedd properly used a non-contract carrier for the return flight. Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel. The travel authorization correctly stated that return flights were sold out, which was an authorized exception. When a return contract flight became available, the justification was provided that the return flight conflicted with Mr. Shedd's attendance at an official function. We determined this justification met the criteria as an authorized exception.

Response to Tentative Conclusion

Following our established practice, by letter dated June 1, 2015, we provided Mr. Shedd the opportunity to comment on the preliminary results of our investigation. In his response, dated June 15, 2015, Mr. Shedd asserted that mission requirements dictated the basis for any decision to forego contract carriers. Mr. Shedd wrote that our report of investigation "made determinations based on administrative/clerical oversights, and not on what was operationally relevant, and in reality, what actually occurred." Mr. Shedd offered the example that our report inferred that he improperly used a non-contract carrier flying from London to Washington, D.C., on April 5, 2014, in order to attend an official event—the Cherry Blossom Festival, in an unofficial capacity. We note our report of investigation in fact determined that Mr. Shedd's justification for the use of a non-contract carrier in this instance met the criteria as an authorized exception. Mr. Shedd also wrote that the use of contract carriers on the five flights would have caused him to remain in TDY status for an extended duration and adversely impacted his responsibilities. Mr. Shedd continued that on each of the five flights he attempted to "minimize his TDY time in order to maximize his time" for his duties in Washington, D.C. Mr. Shedd offered no evidence disputing the facts outlined in our report of investigation concerning his use of non-contract air carriers.

Mr. Shedd wrote that he categorically rejected any conclusion of wrong-doing concerning his use of a GOV and non-contract air carriers. Mr. Shedd continued that our report of investigation was based on faulty assumptions—without identifying what assumptions he was referring to—and insufficient knowledge concerning his duties. We note that in our interview with Mr. Shedd and through his response to our tentative conclusions, we offered him multiple opportunities to justify his actions in the context of his official duty requirements.

After carefully considering Mr. Shedd's response, we stand by our conclusion.

C. Did Mr. Manzelmann misuse his position and Government property?

Standards

The standards used in Allegation B also apply to this allegation.

DoD 5500.07-R, "Joint Ethics Regulation (JER)," August 23, 1993, including changes 1-7 (November 17, 2011)

The JER provides a single source of standards of ethical conduct and ethics guidance for DoD employees. Chapter 2 of the JER, "Standards of Ethical Conduct," incorporates Title 5, CFR, Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch," in its entirety.

Subpart G, "Misuse of Position," Section 2635.704, "Use of Government Property," states that an employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.

Section 2635.704(b)(2) states authorized purposes are those purposes for which Government property is made available to members of the public or those purposes authorized in accordance with law or regulation.

Facts

The facts presented above regarding Mr. Shedd's TDY from Washington, D.C., to London, April 2-5, 2014, also apply to this allegation.

In a statement to the DIA IG, dated October 6, 2014, (b)(6), (b)(7)(C) stated (b)(6) refused to schedule Mr. Shedd on the April 5, 2014, non-contract return flight from London to Washington, D.C., because a contract carrier was available. (b)(6), (b)(7)(C) stated that Mr. Manzelmann then requested that (b)(6) approve the travel on the non-contract flight. (b)(6), (b)(7)(C) wrote that (b)(6) informed Mr. Manzelmann (b)(6) was "putting (b)(6), (b)(7) self on the line" for approving travel that was not with a contract carrier, and (b)(6) would document the approval.

The DIA supervisory specialist who oversaw the DIA Travel Office corroborated (b)(6) October 6, 2014, statement. The supervisor explained less expensive seating on the return flight for the contract carrier became available on April 1, 2014, the day prior to Mr. Shedd's scheduled travel. (b)(6), (b)(7) added Mr. Shedd's EA requested Mr. Manzelmann intervene to keep Mr. Shedd on the original return flight. The supervisor added they complied with Mr. Manzelmann's request but documented the issue in the April 2, 2014, memorandum for record by (b)(6), (b)(7)(C).

Mr. Manzelmann stated his duties included oversight of the DIA Transportation Office. Mr. Manzelmann recalled that Mr. Shedd had already departed on TDY to London when he received a telephone call from the EA. Mr. Manzelmann stated the EA informed him that the

travel office had changed Mr. Shedd's return flight on Saturday from a United Airlines flight to an American Airlines flight that returned later. Mr. Manzelmann explained the EA informed him that the later arrival time would cause Mr. Shedd to miss already scheduled midday meetings at LX with senior intelligence officials. Mr. Manzelmann explained that Mr. Shedd, who was then the Deputy Director, was thought to be selected as the Acting Director, and assumed the Saturday meetings might concern that appointment.

Mr. Manzelmann testified that he telephoned (b)(6), (b)(7)(C) to discuss the matter. Mr. Manzelmann continued that (b)(6), (b)(7)(C) stated since the return date was on Saturday—a non-duty day—there was no concern about a later arrival time. Mr. Manzelmann explained he informed (b)(6), (b)(7)(C) that Mr. Shedd had work-related requirements at LX, and they needed to get him back as originally planned. Mr. Manzelmann stated that getting Mr. Shedd to his duty appointment was the overriding factor in his decision.

Discussion

We conclude Mr. Manzelmann did not misuse his position or Government property. We found Mr. Shedd was scheduled to depart on Wednesday, April 2, 2014, from Washington, D.C., to London, England, using a contract carrier and to return at 11:20 a.m., Saturday, April 5, 2014, on a non-contract carrier due to the non-availability of a contract flight. We found that on April 1, 2014, (b)(6), (b)(7)(C) identified available seating on a contract carrier returning around 1:00 p.m., Saturday, April 5, 2014, which (b)(6), (b)(7)(C) then offered the EA. We further found the EA informed (b)(6), (b)(7)(C) the later arrival time conflicted with Mr. Shedd's scheduled work requirements and requested reinstatement of the original non-contract carrier. (b)(6), (b)(7)(C) declined to reinstate the non-contract carrier, prompting the EA to request Mr. Manzelmann intervene.

We found that Mr. Manzelmann believed Mr. Shedd's meetings with ODNI leadership would be jeopardized with the later contract-carrier arrival. His email to (b)(6), (b)(7)(C) affirmed this belief. Mr. Manzelmann also testified he was aware of the increased cost but reasoned the determining factor was the requirement to get Mr. Shedd to his scheduled meetings. Finally, we found that Mr. Manzelmann directed (b)(6), (b)(7)(C) to reinstate Mr. Shedd on the original non-contract carrier flight.

Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel. The JER states that employees should protect and conserve Government property, which includes funding, and not allow its use for other than authorized purposes.

We determined that Mr. Manzelmann, acting on information that a later arrival time would conflict with Mr. Shedd's scheduled meetings, acted reasonably in directing the restoration of the non-contract carrier, and did not waste Government resources.

D. Did Mr. Wise improperly use non-contract air carriers?

Standards

The standards used in Allegation B also apply to this allegation.

Facts

In a statement to the DIA IG investigator dated October 6, 2014, (b)(6), (b)(7)(C) stated that Mr. Wise, who assumed duties as the Deputy Director in August 2014, was improperly using non-contract air carriers.

We asked (b)(6), (b)(7)(C) to identify the specific occasions on which (b)(6), (b)(7)(C) believed Mr. Wise had improperly used non-contract carriers. (b)(6), (b)(7)(C) identified only one occasion out of seven trips taken by Mr. Wise—a TDY trip from Washington, D.C., to Omaha, Nebraska, October 15-16, 2014.

Washington, D.C., to Omaha, Nebraska—October 15-16, 2014

DTS records disclosed Mr. Wise traveled from Washington, D.C., to Omaha, Nebraska, on October 15, 2014, and returned from Omaha to Washington, D.C., on October 16, 2014. The DTS pre-audit for both the departing and return flight stated, "Air Fare selected is not a GSA City Pair." The remarks justifying the selection of a non-contract carrier for both flights stated, "Only flight that met requirements of the conference agenda."

GSA records disclosed that Delta Airlines was the contract carrier at a round-trip fare of \$496 from Dulles International Airport or US Airways from Ronald Reagan National Airport at a round-trip fare of \$618.

DTS records and the conference agenda disclosed that Mr. Wise, who resides in (b)(6), (b)(7)(C), departed from Dulles International Airport at 8:06 a.m. on Wednesday, October 15, 2014, on United Airlines, and arrived at the Omaha airport that same day at 11:23 a.m. The conference agenda indicated the event was held at Offutt Air Force Base, Nebraska. The agenda further disclosed that Mr. Wise opened the conference with a Town Hall session at 1:00 p.m., and the conference continued until 7:00 p.m. that evening.¹⁷ The agenda indicated the conference continued the next day, Thursday, from 7:30 a.m. until 4:15 p.m. The records also disclosed that Mr. Wise departed the Omaha Airport on United Airlines at 6:50 p.m. on Thursday, October 16, 2014, and arrived at 12:00 a.m. at Dulles International Airport and returned to his residence in (b)(6), (b)(7)(C). The United Airlines round-trip fare was \$678.

Mr. Wise's EA stated her practice in coordinating air travel was to select a contract carrier. The EA testified she selected a non-contract carrier for this particular trip because the contract flights did not allow Mr. Wise to arrive in time to meet the conference agenda. The EA stated she then scheduled Mr. Wise on a non-contract return carrier because the DTS program

¹⁷ MapQuest indicated that Offutt Air Force Base was 18 miles and 26 minutes from the airport.

would not allow her to schedule a contract carrier, although she did not recall the specifics of the transaction. The EA explained she subsequently informed Mr. Wise she had scheduled his flights and did not mention that she had not selected a contract carrier—only stating the flights met the requirements of the conference agenda.

We asked a DTMO staff member if Delta Airlines offered any flights returning from Omaha to Dulles on October 17, 2014. The representative wrote that it was not possible to determine specific historical flight schedules. The representative stated that the current Delta schedule indicated the last flight from Omaha to Dulles departed at 5:25 p.m.

Mr. Wise stated he did not believe the conference agenda had anything to do with the selection of an air carrier and added he had not seen that justification. Mr. Wise recalled his EA asked if he desired to return to Dulles, and he replied he did, as Dulles was only ⁹/₁₀ miles from his residence. Mr. Wise explained he would be returning late in the evening on a weeknight and needed to be at work early the next morning. Mr. Wise signed the travel voucher on October 28, 2014, affirming the accuracy of the travel documents.

Discussion

We conclude Mr. Wise properly used a non-contract air carrier for the trip to and from Omaha. We found the EA annotated on the travel authorization that a non-contract carrier was required for both flights because that was the only carrier that met the requirements of the conference agenda. The EA's testimony supported the rationale for the justifications annotated on the travel authorization. The current carrier schedules indicate the last contract carrier flight departs Omaha at 5:25 p.m. We further found that Mr. Wise signed the travel authorization affirming the accuracy of the document.

Title 41 CFR Section 301-10.106 requires DoD employees to use contract carriers; Section 301-10.107 allows for exceptions, including if space on a scheduled contract flight is not available in time to accomplish the purpose of the travel.

We determined the justifications used for the selection of a non-contract carrier for both flights met the exceptions allowed by 41 CFR 301-10.107. We also determined that it was more likely than not that a non-contract carrier was required for the return flight. The conference adjourned at 4:15 p.m., the drive to the airport was 30 minutes, and the last contract carrier probably departed around 5:25 p.m.

E. Did Mr. Wise fail to use his GTCC while on official travel?

Standards

DoD 7000.14-R, "DoD Financial Management Regulation (FMR)," Volume 9, July 2013

Paragraph 0803 states the traveler is responsible for preparing the travel voucher. Even when someone else prepares the voucher, the traveler is responsible for the truth and accuracy of

the information. When the traveler signs the form, the traveler attests that the statements are true and complete and is aware of the liability for filing a false claim.

Paragraph 030101 states DoD policy that the Government Travel Charge Card (GTCC) will be used by all DoD personnel to pay for all costs related to official Government travel. Official Government travel is defined as travel under competent orders while performing duties pertaining to official Government assignments such as TDY.

Paragraph 030102 states that the GTCC policies apply to all DoD personnel (civilian and military).

Paragraph 030103 provides that commanders and supervisors at all levels shall ensure compliance with the regulation.

Paragraph 030501 states that unless otherwise exempt, all DoD personnel are required to use the GTCC for all authorized expenses relating to travel.

The Joint Travel Regulations (JTR), Uniformed Service Members and DoD Civilian Employees, October 1, 2014

Chapter 2, "Official Travel," Part G: "Gov't Travel Charge Card (GTCC) Use"

Section 2500, "DoD Policy," states it is DoD general policy that the GTCC be used by all personnel to pay for all costs incidental to official business travel, unless otherwise specified.

Section 2515, "GTCC Use and Restrictions," states that charging personal travel expenses to a GTCC is misuse. A DoD traveler who misuses a GTCC is subject to administrative and/or disciplinary action.

Facts

(b)(6), (b)(7)(C) indicated that on TDY trips, Mr. Wise failed to use his GTCC for travel expenses. (b)(6), (b)(7)(C) stated (b)(6) had informed Mr. Wise's executive assistants that the use of the GTCC was mandatory and noticed that recently Mr. Wise had begun to use it.

Travel records indicated that Mr. Wise was issued a GTCC on July 14, 2014, shortly after assuming duties at DIA. Our review of Mr. Wise's travel receipts identified three TDY trips—August 10-11, August 29-September 6, and October 15-16, 2014, in which Mr. Wise used his personal credit card for charges totaling \$3,106.39. The charges were for expenses such as hotels, airport parking, and a rental car.

Mr. Wise testified he accepted full responsibility for not using his GTCC. He explained he was not required to use a GTCC in his previous capacity with the CIA, and he did not obtain a GTCC until he arrived at DIA. Mr. Wise stated he mistakenly believed he was required to use the GTCC for airfare but not for other travel expenses.

Discussion

We conclude Mr. Wise failed to use his GTCC while on official travel. We found that Mr. Wise was issued a GTCC on July 14, 2014. We found that on at least three official travel trips from August through October 2014, Mr. Wise used his personal credit card for \$3,106 of official travel expenses for hotels, airport parking, and a rental car. We found that Mr. Wise acknowledged this error and accepted full responsibility for the matter.

DoD 7000.14-R and the JTR state it is DoD policy that employees use the GTCC for all expenses while performing official travel.

We determined that Mr. Wise failed to use his GTCC for expenses while on official travel.

Response to Tentative Conclusion

Following our established practice, by letter dated June 1, 2015, we provided Mr. Wise the opportunity to comment on the preliminary results of our investigation. In his response, dated June 1, 2015, Mr. Wise wrote he had no reason to comment on our report. Accordingly, we stand by our conclusion.

V. CONCLUSIONS

- A. We conclude Mr. Shedd misused a GOV and Government personnel for other than official purposes.
- B. We conclude Mr. Shedd improperly used non-contract air carriers.
- C. We conclude Mr. Manzelmann did not misuse his position or Government property.
- D. We conclude Mr. Wise properly used non-contract air carriers.
- E. We conclude Mr. Wise failed to use his GTCC while on official travel.

VI. RECOMMENDATIONS

- A. The Under Secretary of Defense for Intelligence consider appropriate action regarding Mr. Shedd and Mr. Wise.
- B. We make no recommendation regarding Mr. Manzelmann.

Appendix A. Official GOV Trips

Our review, which sampled 43 days during a 1,295-day period, compared Mr. Shedd's official calendar and building access records from January 4, 2011, through July 21, 2014, reflected Mr. Shedd conducted official business en route to, or returning from, the DIAC on 40 of the 83 trips.

Appendix A. 40 "Official" Trips

- Appendix A-1: 17 trips from LX2 en route to DIAC
- Appendix A-2: 21 trips from DIAC to LX2
- Appendix A-3: 2 trips from DIAC returning to the Pentagon

Appendix A-1: 17 "Official" Trips from LX2 en route to DIAC: Accessed LX2 Prior to Departure

Item #	Date	Calendar Reflects	Access Records Reflect
1	March 8, 2011	0700 depart LX2 w/driver for DIAC; (Page 28)	Enter 0635, exit 0704 (29 minutes); (Page 15)
2	March 22, 2011	0700 depart LX2 w/driver for DIAC; (Page 30)	Enter 0634, exit 0710 (36 minutes); (Page 16)
3	April 26, 2011	Depart LX2 w/driver for DIAC; (Page 35)	Enter 0638, exit 0723 (45 minutes); (Page 18)
4	November 13, 2012	0700 depart LX2 w/driver for DIAC; (Page 116)	Enter LX2 0628, exit 0701 (33 minutes); (Page 49)
5	November 14, 2012	0700 depart LX2 w/driver for DIAC; (Page 116)	Enter LX2 0629, exit 0706 (37 minutes); (Page 49)
6	December 3, 2012	0700 depart LX2 w/ driver for DIAC; (Page 119)	Enter 0627, exit 0712 (45 minutes); (Page 49)
7	December 7, 2012	0700 depart LX2 w/driver for DIAC; (Page 119)	Enter 0630, exit 0715 (45 minutes); (Page 50)

Appendix A. Official GOV Trips

Item #	Date	Calendar Reflects	Access Records Reflect
8	December 17, 2012	Depart LX2 w/driver for DIAC; (Page 121)	Enter 0627, exit 0638 (11 minutes)(Page 51)
9	April 10, 2013	0700 depart LX2 w/driver for DIAC; (Page 137)	Enter 0636, exit 0707 (41 minutes); (Page 57)
10	August 5, 2013	0700 depart LX2 w/driver for DIAC; (Page 154)	Enter 0626, exit 0704 (38 minutes); (Page 64)
11	September 19, 2013	0645 depart LX2 w/driver to Capitol Hill; (Page 160)	Enter 0629, exit 0658 (29 minutes) (Page 66)
12	March 4, 2014	0700 depart LX2 w/driver for DIAC; (Page 184)	Enter 0636, exit 0700 (24 minutes); (Page 73)
13	May 1, 2014	Depart LX2 w/driver for DIAC; (Page 188)	Enter 0634, exit 0716 (42 minutes);(Page 74)
14	June 9, 2014	Depart LX2 w/driver for DIAC; (Page 198)	Enter 0635, exit 0706 (31 minutes); (Page 77)
15	June 20, 2014	0700 depart LX2 w/driver for DIAC; (Page 199)	Enter 0635, exit 0717 (42 minutes); (Page 77)
16	June 26, 2014	0700 depart LX2 w/driver for DIAC; (Page 200)	Enter 0621, exit 0708 (47 minutes); (Page 77)
17	July 21, 2014	Depart LX2 w/driver for DIAC; (Page 204)	Enter 0633, exit 0657 (24 minutes); (Page 77)

Appendix A. Official GOV Trips

Appendix A-2: 21 "Official" Trips from DIAC returning to LX: Accessed LX upon return

Item #	Date	Calendar Reflects	Access Records Reflect
1	March 8, 2011	1030 depart DIAC for LX2 afternoon meetings (Page 28)	Enter 1109, exit 1916 (Page 15)
2	March 22, 2011	1730 depart w/driver for LX2 (Page 30)	Enter 1845, exit 2018 (Page 16)
3	April 26, 2011	0945 depart w/driver for LX1 1800 depart w/driver for LX2 (Page 35)	Enter 1028, exit 2007 (Page 18)
4	September 7, 2011	2030 depart w/driver for LX2 (Page 54)	Enter 2017, exit 2049 (Page 25)
5	November 13, 2012	1230 depart with driver for LX2-afternoon meetings at LX2 (Page 116)	Enter 1253, exit 1820 (Page 49)
6	November 20, 2012	1700 depart w/driver for LX2 for 1800 meeting. (Page 117)	Enter 1616, exit 1713 (Page 49)
7	December 3, 2012	1715 depart DIAC w/driver for either Pentagon or Ft Meyer for 1800 10th anniversary of USDI 2100 depart w/driver for LX2 (Page 119)	Enter 1627, exit 1712 (Page 49)
8	December 7, 2012	1900 depart w/driver for LX2 (Page 119)	Enter 1624, exit 1935 (Page 50)
9	December 12, 2012	1315 depart DIAC for LX2 meetings; (Page 120)	Enter 1336, exit 1744 (Page 50)
10	December 14, 2012	1730 depart (DIAC) w/driver for LX2 (Page 120)	Enter 1836, exit 1936 (Page 51)
11	December 17, 2012	2030 depart w/driver for LX2 (Page 121)	Enter 2120, exit 2223 (Page 51)

Appendix A. Official GOV Trips

Item #	Date	Calendar Reflects	Access Records Reflect
12	January 11, 2013	1700 depart w/driver for LX2; 1800 depart LX2 w/driver for Chevy Chase (b)(6), (b)(7) for dinner with Italian Defense Attaché; 2100 return to LX2 (Page 124)	Enter 1759, exit 1803 (Page 52)
13	February 5, 2013	1830 depart w/driver for LX2 (Page 128)	Enter 1802, exit 1941 (Page 54)
14	March 5, 2013	1700 depart w/driver for LX2 (Page 132)	Enter 1802, exit 1941 (Page 55)
15	February 26, 2014	1700 depart w/driver for LX2 (Page 183)	Enter 1917, exit 1956 (Page 73)
16	March 4, 2014	2000 depart w/driver to LX2 (Page 184)	Enter 2040, exit 2044 (Page 73)
17	March 28, 2014	1630 depart w/driver LX2; (Page 187)	Enter 1741, exit 1924 (Page 74)
18	April 28, 2014	1530 depart w/driver for LX2 (Page 192)	Enter 1606, exit 1924 (Page 75)
19	June 9, 2014	2000 depart with driver for LX2 (Page 198)	Enter 2010, exit 2042 (Page 77)
20	June 20, 2014	1500 depart w/driver for LX2; (Page 199)	Enter 1541, exit 1545 (Page 77)
21	July 21, 2014	1645 depart w/driver for LX2 (Page 204)	Enter 1743, exit 1822 (Page 77)

Appendix A. Official GOV Trips

Appendix A-3: 2 "Official" trips from DIAC returning to the Pentagon: Accessed Pentagon Upon Return

Item #	Date	Calendar Reflects	Access Records Reflect
1	June 20, 2011	1700 depart DIAC w/driver for Pentagon (Page 43)	Enter 1707, exit 1922 (Page 4)
2	May 29, 2013	1500 depart DIAC w/driver for 1530 meeting at Pentagon. (Page 144)	Enter 1520, exit 1642 (Page 11)

Appendix B. Unofficial Trips

Our review sampled 43 days during a 1,295 day period and compared Mr. Shedd's official calendar and building access records from January 4, 2011, through July 21, 2014, reflected Mr. Shedd did not conduct any official business en route to, or returning from, the DIAC on 43 of the 83 trips.

Appendix B: 43 "Unofficial" Trips

- Appendix B-1: 17 trips from LX2 en route to DIAC
- Appendix B-2: 13 trips from DIAC returning to LX2
- Appendix B-3: 8 trips from the Pentagon en route to DIAC
- Appendix B-4: 5 trips from DIAC returning to the Pentagon

Appendix B-1: 17 "Unofficial" Trips from LX2 en route to DIAC; Did Not Access LX2 Prior to Departure

Item #	Date	Calendar Reflects	Access Records Reflect
1	September 7, 2011	0645 depart LX2 w/driver for DIAC; (Page 54)	No morning entry (Page 25)
2	November 6, 2012	0700 depart LX2 w/driver for DIAC; (Page 115)	No morning entry (Page 48)
3	November 16, 2012	0645 depart LX2 w/driver; (Page 116)	No morning entry (Page 48)
4	November 20, 2012	0700 depart LX2 w/driver for DIAC; (Page 117)	No morning entry (Page 49)
5	December 12, 2012	Depart LX2 w/driver for DIAC; (Page 120)	No morning entry (Page 50)
6	December 14, 2012	0700 depart LX2 w/driver for breakfast w/an individual @McLean Hilton; 0745 depart w/driver for DIAC; (Page 120)	No morning entry (Page 51)
7	January 11, 2013	0700 depart LX2 w/driver for DIAC; (Page 124)	No morning entry (Page 52)
8	February 5, 2013	0645 depart LX2 w/driver for DIAC; (Page 128)	No morning entry (Page 54)
9	March 5, 2013	0700 depart LX2 w/driver for DIAC; (Page 132)	No morning entry (Page 55)
10	April 23, 2013	Depart LX2 w/driver for DIAC; (Page 139)	No morning entry (Page 58)

Appendix B. Unofficial Trips

Item #	Date	Calendar Reflects	Access Records Reflect
11	November 19, 2013	0645 depart LX2 w/driver for DIAC; 1800 depart w/driver for dinner; 2100 depart w/driver for LX2 (Page 169)	No record of entry. (Page 69)
12	February 26, 2014	0645 depart LX2 w/driver for breakfast meeting at Willard Hotel; 0830 depart w/driver for DIAC; (Page 183)	No morning entry (Page 73)
13	March 28, 2014	0700 depart LX2 w/driver for DIAC; (Page 187)	No morning entry (Page 74)
14	April 24, 2014	Depart LX2 w/driver for DIAC; (Page 191)	No record of entry. (Page 75)
15	April 28, 2014	Depart LX2 w/driver for DIAC; (Page 192)	No morning entry; (Page 75)
16	May 29, 2014	Depart w/driver for DIAC; (Page 196)	No record of entry. (Page 76)
17	July 7, 2014	0700 depart LX2 w/driver for DIAC, (Page 202)	No record of entry (Page 77)

Appendix B. Unofficial Trips

Appendix B-2: 13 "Unofficial" Trips from DIAC returning to LX2: Did not Access LX2 Upon Return

Item #	Date	Calendar Reflects	Access Records Reflect
1	November 6, 2012	1745 depart w/driver for Deputy Director hosted social event; driver returned he and (b)(6), (b)(7)(C) to LX2 (Page 115)	No record of entry. (Page 48)
2	November 14, 2012	2000 depart w/driver for LX2 (Page 116)	No afternoon entry. (Page 49)
3	November 16, 2012	1600 depart Pentagon w/driver for LX2 (Page 116)	No record of entry. (Page 48)
4	April 10, 2013	2030 depart w/driver for LX2 (Page 137)	No afternoon entry. (Page 57)
5	April 23, 2013	1800 depart w/driver for LX2 (Page 139)	No record of entry. (Page 58)
6	August 5, 2013	2030 depart w/driver for LX2 (Page 154)	No afternoon entry. (Page 64)
7	September 19, 2013	2100 depart w/driver for LX2 (Page 160)	No afternoon entry. (Page 66)
8	November 19, 2013	2100 depart w/driver for LX2 (Page 169)	No record of entry. (Page 69)
9	May 1, 2014	1700 depart w/driver to LX2 (Page 188)	No afternoon entry. (Page 74)
10	April 24, 2014	2030 depart w/driver for LX2 (Page 191)	No record of entry. (Page 75)
11	May 29, 2014	2130 depart w/driver for LX2 (Page 196)	No record of entry. (Page 76)
12	June 26, 2014	2030 depart w/driver for LX2 (Page 200)	No afternoon entry. (Page 77)
13	July 7, 2014	0700 depart LX2 w/driver for DIAC; 1215 depart w/driver for lunch, return w/driver to DIAC; 1730 depart w/driver for LX2 (Page 202)	No record of entry. (Page 77)

Appendix B. Unofficial Trips

Appendix B-3: 8 "Unofficial" Trips from the Pentagon en route to DIA: No Prior Access the Pentagon

Item #	Date	Calendar Reflects	Access Records Reflect
1	January 4, 2011	0645 depart Pentagon for DIAC (Page 19)	No record of entry. (Page 2)
2	January 13, 2011	0645 p/u at unidentified location en route to DIAC; 1600 depart w/driver for Pentagon; no reflection of meetings at Pentagon (Page 20)	No record of entry Pentagon or LX. (Page 4, 2)
3	February 28, 2011	0645 depart Pentagon for DIAC; 1700 GOV to Pentagon; no indication of meetings at Pentagon (Page 27)	No record of entry. (Page 3)
4	May 31, 2011	Depart Pentagon w/driver for DIAC; 2030 depart w/driver for Pentagon; no indication of any meetings at Pentagon (Page 40)	No record of entry. (Page 4)
5	June 20, 2011	0700 depart Pentagon w/driver for DIAC; 1700 depart DIAC w/driver for Pentagon (Page 43)	No morning entry. (Page 4)
6	March 27, 2013	0645 depart Pentagon w/driver for DIAC (Page 135)	No morning entry. (Page 10)
7	May 29, 2013	Depart Pentagon parking w/driver for DIAC (Page 144)	No morning entry. (Page 11)
8	September 17, 2013	0700 depart Pentagon parking w/driver for DIAC (Page 160)	No record of entry. (Page 11)

Appendix B. Unofficial" Trips

Appendix B-4: 5 "Unofficial" Trips from DIAC returning to the Pentagon: No Access the Pentagon

Item #	Date	Calendar Reflects	Access Records Reflect
1	January 4, 2011	1745 depart w/driver to (Pentagon); no indication of meetings at Pentagon (Page 19)	No record of entry. (Page 2)
2	January 13, 2011	1600 depart w/driver for Pentagon; no reflection of meetings at Pentagon (Page 20)	No record of entry. (Page 52)
3	February 28, 2011	1700 GOV to Pentagon, no indication of meetings at Pentagon (Page 27)	No record of entry. (Page 3)
4	May 31, 2011	2030 depart w/driver for Pentagon; no indication of meetings at Pentagon (Page 40)	No record of entry. (Page 4)
5	September 17, 2013	1700 depart w/driver for Pentagon (Page 160)	No record of entry. (Page 11)

Appendix C. Unofficial Trips to and from Other Venues

Appendix C: "Unofficial" Trips to and from Other Venues

Appendix C: 17 Dates of 40 "Unofficial" trips to and from restaurants and similar venues

Item #	Date	Calendar Reflects	Access Records Reflect	Mr. Shedd's Summarized Response as Appropriate// IO Note
1	February 28, 2011	1100 depart w/driver for lunch with an individual at Rosa Mexicana (Page 27)	No record of entry. (Page 3)	The meeting at the National Harbor's Rosa Mexicana constituted a discussion on private sector related cyber challenges related to my official responsibilities. Two trips total.
2	November 6, 2012	1745 w/driver for Deputy Director hosted social event (Page 115)	No record of entry. (Page 48)	No response. Two trips total.
3	November 13, 2012	1945 depart LX2 w/driver for "Food for Thought," driver returns afterward to LX2 (Page 116)	Enter LX2 0628, exit 0701; Enter 1253, exit 1820. (Page 49)	No response. Two trips total.
4	November 14, 2012	1745 depart w/driver for dinner at 1830 with unidentified person; 2000 depart w/driver for LX2 (Page 116)	Enter LX2 0629, exit 0706; no other entry for the day. (Page 49)	No response. Two trips.
5	December 14, 2012	0700 depart LX2 w/driver for breakfast w/ (b) (6), (b) (7) (C) @McLean Hilton; 0745 depart w/driver for (DIAC); 1730 depart (DIAC) w/driver for LX2 (Page 120)	Enter 1836, exit 1936. (Page 51)	No response. Two trips.

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Appendix C. Unofficial Trips to and from Other Venues

Item #	Date	Calendar Reflects	Access Records Reflect	Mr. Shedd's Summarized Response as Appropriate// IO Note
6	December 17, 2012	1200 depart w/driver for lunch w/an individual at an Italian restaurant; afternoon events at DIAC; 1700 depart w/driver for LX2; 1730 depart LX2 w/driver for "City House"; 2030 depart w/driver for LX2 (b) (7)(C), (b) (6) (Page 121)	Enter 0627, exit 0638; Enter 2120, exit 2223. (Page 51)	No response. Five trips: to and from lunch (2); to LX2 to pick up (b) (7)(C), (b) (6) (1); to and from "City House" (2).
7	January 11, 2013	1130 depart w/driver for lunch w/Northrup Grumman rep at Old Ebbitt Grill, 1300 return to DIAC w/driver, 1700 depart w/driver for LX2; 1800 depart LX2 w/driver for Chevy Chase (b) (6), (b) (7)(C) for dinner with Italian Defense Attache; 2100 return to LX2 (Page 124)	Enter 1759, exit 1803. (Page 52)	No response. Five trips: to and from lunch (2); to LX2(1); to and from Chevy Chase (2);
8	April 10, 2013	1130 depart w/driver for Teds lunch (Page 137)	Enter 0636, exit 0707; no further data. (Page 57)	Discussions during the day at locations noted on the calendar for official purposes – Science & Technology developments (Ted's Bulletin Restaurant)/Two trips
9	April 23, 2013	1130 depart w/driver for lunch Old Ebbitt w/an individual (Page 139)	No record of entry/exit. (Page 58)	Mentor discussion with former Chief of Staff to DCIA/Two trips
10	August 5, 2013	1800 depart w/driver for Cosmos Club w/ w/i person (Page 154)	Enter 0626, exit 0704; no further entries. (Page 64)	No response. Two trips
11	September 19, 2013	1200 depart w/driver for lunch and return DIAC (Page 160)	Enter 0629, exit 0658. (Page 66)	No response. Two trips.

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Appendix C. Unofficial Trips to and from Other Venues

Item #	Date	Calendar Reflects	Access Records Reflect	Mr. Shedd's Summarized Response as Appropriate// IO Note
12	November 19, 2013	1800 depart w/driver for dinner (Page 169)	No record of entry. (Page 69)	No response. Two trips.
13	February 26, 2014	0645 depart LX2 w/driver for breakfast meeting at Willard Hotel (Page 183)	Enter 1917, exit 1956. (Page 73)	Breakfast with the former head of Mexican national intelligence. Two trips.
14	April 24, 2014	1800 depart w/driver for J&G dinner (Page 191)	No record of entry/exit. (Page 75)	No response. Two trips.
15	May 29, 2014	1730 depart w/driver for Army Navy Club Annual Foreign Area Officer Assn. Black Tie Dinner; 2130 depart w/driver for LX2 (Page 196)	No record of entry/exit. (Page 76)	No response. Two trips.
16	June 9, 2014	1715 depart w/driver for dinner at Tony and Joes, 1815; 2000 depart with driver for LX2 (Page 198)	Enter 0635, exit 0706; Enter 2010, exit 2042. (Page 77)	No response. Two trips.
17	July 7, 2014	1215 depart w/driver for lunch, return w/driver to DIAC (Page 202)	No record of entry. (Page 77)	No response. Two trips.

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