

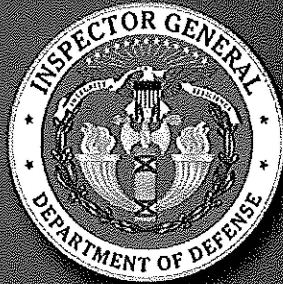
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Report No. 20121205-003105

March 25, 2013

# Inspector General

United States  
Department of Defense



## REPORT OF INVESTIGATION:

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

NAVAL CRIMINAL INVESTIGATIVE SERVICE (NCIS)

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

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

MAR 25 2013

MEMORANDUM FOR PRINCIPAL DEPUTY INSPECTOR GENERAL


SUBJECT: Report of Investigation - (b)(6), (b)(7)(C)  
(b)(6), (b)(7)(C) Naval Criminal Investigative Service (NCIS), (b)(6), (b)(7)(C)  
(b)(6), (b)(7)(C) NCIS (Report No. 20121205-003105)

We recently completed an investigation to address allegations that (b)(6), (b)(7)(C)  
(b)(6), (b)(7)(C) NCIS, (b)(6), (b)(7)(C) mismanaged the NCIS mobility program, including improper management directed transfers, and wasted Government resources in implementing the program.

We did not substantiate the allegations. We found that (b)(6), (b)(7)(C)  
(b)(6), (b)(7)(C) conveyed to the Secretary of the Navy (b)(6), (b)(7)(C) detailed vision for using the NCIS mobility program to improve mission effectiveness. We found that (b)(6), (b)(7)(C) directed (b)(6), (b)(7)(C) to implement the mobility program consistent with that vision, and that (b)(6), (b)(7)(C) did so. We found that total employee transfers, including management directed transfers, increased substantially in Fiscal Year 2012. However, we also found that the average transfer cost for management directed transfers was substantially less than transfer costs for voluntary transfers.

We evaluated our findings against DoD, Department of the Navy, and NCIS regulations governing mobility programs for civilian employees, as well as against the Joint Ethics Regulations. We determined (b)(6), (b)(7)(C) decisions were consistent with regulation and the expenditure of Government resources in implementing the mobility program was not extravagant, careless, or needless. We determined (b)(6), (b)(7)(C) implemented a published mobility program, executed an established transfer process, and reasonably considered all factors when effecting management directed transfers of NCIS special agents.

We make no recommendations in this matter.

  
Marguerite C. Garrison  
Deputy Inspector General  
Administrative Investigations

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## REPORT OF INVESTIGATION:

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

**I. INTRODUCTION AND SUMMARY**

We initiated this investigation to address allegations that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Naval Criminal Investigative Service (NCIS), and (b)(6), (b)(7)(C), NCIS, mismanaged the NCIS mobility policy by affording certain personnel preferential treatment when making transfer decisions, and wasted Government resources by effecting those transfer decisions.<sup>1</sup>

We did not substantiate the allegations. We conclude that (b)(6), (b)(7)(C) did not mismanage the NCIS mobility program or provide preferential treatment to NCIS special agents. We found (b)(6), (b)(7)(C) briefed senior Department of the Navy (DON) officials and NCIS personnel on (b)(6), (b)(7)(C) vision to improve mission effectiveness by matching “the right agent, with the right job, at the right time.” In fiscal year 2012 (FY 2012), 51 special agents were involved in a select transfer process under the mobility program, a significant increase from previous years. With rare exception, (b)(6), (b)(7)(C) implemented the mobility program without input from (b)(6), (b)(7)(C). The regulations authorize organizations to establish formal programs prescribing mandatory mobility of civilian employees to enhance employee career development and improve mission effectiveness. We determined that (b)(6), (b)(7)(C) implemented a published mobility program and reasonably considered all factors when effecting select transfers of special agents.

We conclude that (b)(6), (b)(7)(C) did not waste Government resources by utilizing select transfers in the mobility program. We found that roughly 20% of special agents transfer each year and that transfers and select transfers increased during FY 2012. (b)(6), (b)(7)(C) testified that evolving mission requirements, mission failures, and special agent career development necessitated the increased number of select transfers. The JER requires that leaders exercise prudence to ensure expenditures of Government resources are not extravagant, careless, or needless. We determined (b)(6), (b)(7)(C) properly considered mission requirements and budgetary constraints when effecting select transfers of special agents. Further, the average select transfer cost was less than half the average non-select transfer cost.

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

**II. BACKGROUND**

The NCIS mission is to investigate and defeat criminal, terrorist, and foreign intelligence threats to United States Navy and Marine Corps assets ashore, afloat and in cyberspace. Before

<sup>1</sup> The incoming complaints contained several additional allegations. Based on our investigation we determined those allegations did not merit further investigation, and discuss them in Section III of this report.

1992, NCIS was known as the Naval Investigative Service. In 1992, the Secretary of the Navy (SECNAV) mandated a name change to NCIS and established the agency's first civilian Director.

Currently, there are approximately 1,100 special agents employed by NCIS. Special agents are assigned across the United States, at sea, and in 40 countries overseas. Generally, NCIS special agents perform duties within five competencies: criminal investigations, counter-intelligence (CI), counter-terrorism (CT), protective service operations, and fraud. Within those broad categories are specialties such as family and sexual violence, and research and technology protection.

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

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

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

### III. SCOPE

In April 2012, the DoD Hotline referred a complaint involving (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) to Investigations of Senior Officials (ISO) for review. ISO initially forwarded the matter to the Naval Inspector General (NAVINSGEN) for action; however, ISO resumed responsibility for the investigation in July 2012.

We interviewed (b)(6), (b)(7)(C) and 44 other witnesses. We reviewed materials provided by the complainant, including an electronic file with hundreds of documents. We also reviewed written statements from NCIS employees, five years of documents relating to transfers provided by the NCIS Human Resources Office (hereafter referred to as Code 10), documents provided by many of the witnesses, and thousands of emails retrieved from NCIS user accounts.

The incoming complaint and witness testimony included other allegations against (b)(6), (b)(7)(C). Based on the evidence, we determined that no further investigation was warranted for the reasons set forth below.

#### *Improper Benefits or Gifts*

A witness testified that (b)(6), (b)(7)(C) received improper benefits or gifts while on travel. We interviewed 36 witnesses concerning the allegation. Other than the person who raised the issue, no other witness corroborated the allegation. (b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) had no knowledge of (b)(6), (b)(7)(C) accepting any gifts or improper benefits. (b)(6), (b)(7)(C) denied the allegation. Accordingly, we determined additional investigation was not warranted.

#### *Nepotism*

A witness testified that NCIS improperly provided preference to relatives of NCIS employees. We identified two possible instances of perceived preferences involving

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



In the first instance, (b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) had no involvement (b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) did not tell (b)(6), (b)(7)(C) was applying for a job with NCIS and (b)(6), (b)(7)(C) did not become aware (b)(6), (b)(7)(C) was seeking employment until the hiring process was well underway. NCIS documents showed (b)(6), (b)(7)(C) applied for the position prior to (b)(6), (b)(7)(C) and that an independent hiring panel unanimously recommended (b)(6), (b)(7)(C) as a best qualified candidate for employment. Accordingly, we determined additional investigation was not warranted.

The second instance involved the (b)(6), (b)(7)(C) Witnesses testified (b)(6), (b)(7)(C) was permitted to remain in the Washington, DC, area longer than other special agents, (b)(6), (b)(7)(C). However, (b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) was temporarily excluded from mobility requirements due to extenuating circumstances, including an agreement approved outside of NCIS by senior DON officials. In FY 2013, the special agent became eligible for promotion and confirmed (b)(6), (b)(7)(C) mobility if promoted or reassigned. Accordingly, we determined additional investigation was not warranted.

#### *Unlawful Restriction*

A witness asserted that (b)(6), (b)(7)(C) NCIS employees not to raise issues with DoD IG. According to the witness, this occurred during an NCIS Headquarters all-hands meeting attended by up to 30 individuals in February 2012.

We asked several witnesses who were present at the all-hands meeting about the alleged comment. One witness recalled (b)(6), (b)(7)(C) saying (b)(6), (b)(7)(C) wanted issues handled within NCIS rather than outside the agency. The witness recalled (b)(6), (b)(7)(C) mentioning DoD IG during the meeting. However, the witness could not recall what (b)(6), (b)(7)(C) was referring to when (b)(6), (b)(7)(C) made the comment. Another witness stated (b)(6), (b)(7)(C) encouraged personnel to address issues with their chain of command. (b)(6), (b)(7)(C) acknowledged routinely asking personnel to use their chain of command, but denied telling them not to contact DoD IG. Accordingly, we determined additional investigation was not warranted.

#### *Fraudulent Age Waiver*

A witness alleged that (b)(6), (b)(7)(C) submitted a fraudulent age waiver request for an NCIS minority candidate. The witness asserted the 2011 submission and a 2012 draft re-submission exaggerated the candidate's qualifications. The witness also stated specific references in the letters to non-age related considerations were not accurate. We found no evidence the waiver was incorrect with respect to the candidate's age. Additionally, the draft 2012 waiver was modified after the witness identified concerns to NCIS leadership. Moreover, NCIS did not submit the 2012 waiver and did not hire the candidate. Accordingly, we determined additional investigation was not warranted.

#### **IV. FINDINGS AND ANALYSIS**

- A. Did (b)(6), (b)(7)(C) mismanage NCIS's formal mobility programs and provide preferential treatment to specific employees?

##### Standards

**DoD 5500.07-R, "Joint Ethics Regulation (JER)," dated 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, Code of Federal Regulations (CFR), Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch," in its entirety.

Subpart A, "General Provisions," Section 2635.101, "Basic obligation of public service," states that public service is a public trust. Section 2635.101(b) (8) states employees shall act impartially and not give preferential treatment to any private organization or individual.

Chapter 12, Section 12-401e, states that open-mindedness and impartiality are important aspects of fairness. DoD employees must be committed to justice in the performance of their official duties. Decisions must not be arbitrary, capricious or biased. Individuals must be treated equally and with tolerance.

**DoD Instruction (DoDI) 1400.24, "Civilian Mobility Program," February 17, 2006 (Certified Current as of December 1, 2010)**

A Civilian Mobility Agreement means an employee, at the discretion of management, is subject to change of permanent duty station. DoD components may establish civilian mobility programs to enhance career progression and/or improve mission effectiveness. DoD components may initiate formal civilian mobility programs prescribing mandatory mobility of civilian employees as a condition of employment only when informal and voluntary programs cannot support essential mobility requirements. DoD components may use civilian mobility programs to require selected relocations in support of mission-related needs.

Management shall consider employees' geographical preferences for permanent duty station changes, but geographical preferences are not binding on management. When practical, management shall assign employees covered by mobility programs to geographical areas of their preference.

Unless a move is required to meet essential mission requirements or other approved exceptions to an established mobility program, management shall give at least 90 days' advance notice of a relocation requirement.

**Department of the Navy Civilian Human Resource Manual, Subchapter 300.2,  
"Civilian Mobility Program" (January 17, 2003)**

Management shall use informal mobility programs when sufficient mobility is possible through voluntary means.

Management may establish formal programs prescribing mandatory mobility of civilian employees as a condition of employment when necessary to enhance employee career development or improve mission effectiveness.

Management must consider the impact formal mobility programs have on organization efficiency, employee retention, and budgetary requirements.

Management may base selection for relocation on one or a combination of criteria, including mission requirements; employee skills, knowledge, and abilities; employee progression needs and geographic preference (employee geographic preferences must be considered, but are not binding on management); length of time at a particular location; and budgetary requirements.

When an employee covered by a mandatory mobility program is directed to relocate under the program, the employee is required to accept relocation as a condition of employment. If an employee declines relocation, management can remove the employee under adverse action procedures for failure to comply with the mobility program.

Mobility programs shall contain provisions for granting exceptions to mobility requirements when adherence to mobility requirements would cause hardship or inequity to an activity, command, or employee.

Facts

Multiple complainants alleged (b)(6), (b)(7)(C) effected select transfers of special agents in a manner inconsistent with the NCIS mobility program.

*NCIS Mobility Program*

NCIS has a formal mobility policy implementing DoD and DON civilian employee mobility regulations. NCIS 1, "Special Agent Career Program," Chapter 13, states that operational requirements are the key component of the mobility program. NCIS 1 provides that, given the geographic diversity of NCIS assignments and frequent mission related exigencies, mobility is a condition of employment for NCIS special agents. NCIS 1 also says that management may require a select transfer of an employee in the absence of a qualified volunteer.<sup>2</sup>

<sup>2</sup> During the course of the investigation witnesses testified variously as being subjected to select, compelled, or forced transfers. We refer throughout this report to such transfers as "select transfers." For purposes of our analysis, we have defined a select transfer as a transfer to a geographic area a special agent did not bid on (i.e., volunteer for), including when a special agent submitted no bid at all.

Consistent with NCIS 1, individual mobility agreements state that NCIS maintains a flexible workforce prepared to respond to mission requirements throughout the world and that one or more overseas (OCONUS) assignments and periodic Continental U.S. (CONUS) transfers are the norm. All special agents execute a mobility agreement when they join NCIS and recertify their mobility prior to every promotion. The mobility agreement provides that, to the maximum extent possible, employees should plan and volunteer for transfers. The agreements also say that management should consider the personal and career impact mobility has on NCIS employees and afford employees the opportunity to plan and volunteer for transfers to the maximum extent possible.

NCIS 1 prohibits the use of the mobility program for disciplinary reasons and provides for exemptions from mobility. NCIS special agents may request exemptions from mobility on Humanitarian/Hardship (H/H) grounds if a severe hardship exists. If approved, an H/H mobility exemption supports a transfer to a different location or precludes NCIS from transferring an individual from his or her duty location for a specified period of time. Approved mobility exemptions historically were for one year increments.<sup>3</sup>

In October 2012, (b)(6), (b)(7)(C) approved a revision to the H/H exemption criteria and emphasized the one year duration of approved exemptions from mobility. The revised policy requires applicants to submit an exemption request before being notified of a transfer selection, absent clear and compelling reasons.

#### *NCIS Transfer Process*

NCIS has a defined process for special agent transfers. On average, approximately 20 percent of special agents transfer each year. Vacancies are created by personnel rotating from overseas assignments, promotions, and attrition. OCONUS transfers take priority over CONUS transfers, as approximately one-third of NCIS agents are assigned overseas at any given time.

The special agent transfer process commences after the completion of the yearly GS-15, GS-14, and supervisory special agent (SSA) promotion boards. After those vacancies are assessed and determined, Code 10 validates vacancies in non-supervisory special agent billets. NCIS transfers GS-15 employees first, followed by GS-14 transfers, SSA transfers, and non-supervisory special agent transfers.<sup>4</sup>

Senior leaders participating in the placement of special agents include the Assistant Directors (AD) for NCIS's two geographically focused directorates, Atlantic Operations and Pacific Operations (depending on where the vacant position is located), as well as program

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<sup>3</sup> Our investigation determined that prior NCIS management officials did not consistently enforce this requirement to submit a new request. Instead, they often permitted special agents with mobility exemptions on file to extend the exemptions application beyond one year, sometimes indefinitely, without further review.

<sup>4</sup> NCIS does complete off-cycle transfers throughout the year to resolve emergent and unplanned transfer needs. However, the majority of each year's transfers occur within the primary GS-15, GS-14, SSAs, and non-supervisory special agents transfer cycles.



managers for directorates for Global Operations, National Security, and Criminal Investigations. Once the validation process is complete, Code 10 promulgates a message advertising billets and establishing a deadline for special agents to submit bids.<sup>5</sup>

When the defined bidding period ends, Code 10 creates a spreadsheet containing the names and respective bids of all special agents submitting one or more bids. Code 10 shares this spreadsheet with personnel representing the affected geographical offices and the program managers involved in the vacancy validation process. A working group of senior NCIS leaders convenes to evaluate the spreadsheet.

(b)(6), (b)(7)(C) testified that the working group fulfilled a role in ensuring NCIS leadership obtained input from leaders in the field, program managers, and assistant directors to ensure the right candidates are assigned to the right position. (b)(6), (b)(7)(C) stated,

[The] Headquarters role is all about organize, train, man, equip, [and] make sure right people, right skill sets, right places. So we expect the ADs to work with their programs and identify who the person is with the right skill set going to the job. I mean, a complex organization, even though we only have about 1,200 special agents in the agency, we've got over 160 offices operating in 60 different countries on a daily basis. So, I mean, you can imagine the matrix that we have when we have to move people around.

So, you know, you're trusting people to really get into the weeds based on endorsements from supervisors, based on assessments of the program. Our program managers are supposed to know who the, you know, people are with these skill sets and maybe ask additional questions. Is this the right person to go in that job? And they usually have a pretty good idea based on their training, their background, you know, experiences. We know that we meet this kind of skill set in this location.

The working group makes preliminary selections to fill vacant billets for the respective special agent grades. Code 10 forwards the list of selections to the NCIS Principal Executive Assistant Director (PEAD) for review. Following the PEAD review, the Deputy Director reviews and approves a transfer list. The Deputy Director may brief the Director on specific transfers or transfer issues on the approved transfer list. However, the Deputy Director is the decision authority. After the Deputy Director approves the transfers, Code 10 publishes the list of approved transfers.

#### *Prior Leadership's Implementation of NCIS Mobility Program*

Although special agents have been subjected to select transfers throughout the history of NCIS, NCIS leaders adopted different approaches to this issue. Under previous leadership, the

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<sup>5</sup> Non-supervisory special agents are required to submit formal bid memorandums and endorsements for each vacancy they seek to fill.

NCIS mobility policy focused on voluntary bids for vacant positions. Select transfers of special agents occurred, but were rare.

Under the (b)(6), (b)(7)(C) of NCIS, for example, the NCIS mobility policy was known as the "Mobility and Stability Policy." The (b)(6), (b)(7)(C) believed select transfers of agents heightened their anxiety and depleted the special agent corps of experienced and valuable agents. As a result, the NCIS mobility policy placed volunteerism before mission effectiveness.

NCIS 1 in effect under the (b)(6), (b)(7)(C) of NCIS reflected the policy and stated "[t]ransfers will be competitive and, to the maximum extent possible, voluntary." It also included a requirement to "re-advertise vacancies for which no qualified bidders are selected" prior to implementing select transfers. Previous NCIS leadership would issue a second vacancy announcement or leave the affected position vacant if no one submitted a bid in response to the vacancy announcement. In the event a position remained vacant, neighboring NCIS field offices would have to cover the duties associated with the vacant billet.

The (b)(6), (b)(7)(C) of NCIS held a similar special agent-centric view of the NCIS mobility program. A separate DoD IG investigation substantiated that the (b)(6), (b)(7)(C) manipulated the transfer process for special agents subject to off-cycle transfers by accommodating their personal situations. (b)(6), (b)(7)(C) defense was that his predecessors had authorized similar arrangements for a number of years prior (b)(6), (b)(7)(C)

#### *Current Leadership's Implementation of NCIS Mobility Program*

(b)(6), (b)(7)(C) served at NCIS headquarters and in other leadership positions, where (b)(6), (b)(7)(C) observed (b)(6), (b)(7)(C) predecessors' implementation of the mobility program and the effect their use of the program had on NCIS agents and the NCIS mission. (b)(6), (b)(7)(C) testified that during the selection process, (b)(6), (b)(7)(C) stated, "I wanted the right person in the right place at the right time, with the right talents for mission requirements."

(b)(6), (b)(7)(C) believed that NCIS needed to aggressively implement the mobility program to enhance mission effectiveness, special agent career progression, and to meet the Navy's evolving mission. It was (b)(6), (b)(7)(C) experience that prior leaders left too many billets vacant and filled others with less than ideal candidates.

(b)(6), (b)(7)(C) began to implement (b)(6), (b)(7)(C) vision by addressing operational requirements and needs over special agents' personal preferences for assignment. (b)(6), (b)(7)(C) to modify the manner in which vacant positions would be filled, to include increasing the use of select transfers of special agent personnel as needed.

Witnesses testified (b)(6), (b)(7)(C) were transparent regarding their mobility philosophy and confirmed that they encouraged special agents to manage their own career development by bidding for vacant positions early and often. (b)(6), (b)(7)(C)

publicized the changes to the mobility program through a series of all-hands and town hall meetings at NCIS field offices, podcasts, and messages to the force via the chain of command.

(b)(6), (b)(7)(C) and other NCIS leaders testified that they were determined to address a number of deficiencies associated with the previous mobility program that affected NCIS mission effectiveness. Those deficiencies included the following:

### *Distribution of Agents*

Witnesses testified that special agents assigned to attractive duty locations tended to remain there for as long as possible to maintain personal or family stability. These locations historically did not have a large number of vacancies for which special agents elsewhere could apply. This resulted in little or no turnover and, consequently, an overabundance of relatively experienced special agents. Conversely, less attractive locations had more vacancies, less volunteers, and were difficult to staff. Oftentimes, these locations were in isolated areas or in communities with other perceived disadvantages.

(b)(6), (b)(7)(C) offered the Norfolk field office as an example of a relatively attractive field office. Witnesses testified that in addition to the variety of case work, the Norfolk community offered a low cost of living and good quality of life for agents and their families. We interviewed several senior special agents who had been assigned there for over a decade and did not want to leave the area. (b)(6), (b)(7)(C) noted that, as a result, the Norfolk field office was historically manned by a large cohort of very experienced special agents and positions often were not available for special agents to bid on during transfer cycles.

(b)(6), (b)(7)(C) and other witnesses also offered Hawaii as an example of a less attractive field office. Witnesses commented that the high cost of living and reputation for a poor public school system made Hawaii less attractive. Consequently, despite the Navy's large and diverse presence in the Pacific, NCIS offices in Hawaii historically were manned by less experienced special agents.

(b)(6), (b)(7)(C) and others testified that the lack of distribution of experienced SAs was due to, at least in part, previous decisions to avoid select transfers. (b)(6), (b)(7)(C) noted that the imbalance created by homesteading adversely affected transfer decisions, particularly given the mandate to provide priority to agents returning from OCONUS assignments. Additionally, (b)(6), (b)(7)(C) believed homesteading did not offer agents the opportunity to develop additional skills and expertise.

### *Special Agent Expertise*

(b)(6), (b)(7)(C) highlighted instances in which NCIS struggled to meet a growing demand for specialists to meet evolving mission requirements (e.g., fraud investigations) due to limitations inherent in the previous mobility program. According to several witnesses, including (b)(6), (b)(7)(C) one common dysfunction of the previous mobility program involved previous leadership assigning special agents to vacant positions because they bid on the vacancies, rather than considering other more qualified special agents who did not submit bids.

(b)(6), (b)(7)(C) was determined to fill vacancies with the most qualified special agent, and, if necessary, use a select transfer to meet (b)(6), (b)(7)(C) placing "the right person in the right job at the right time, with the right talents for the mission requirements."

(b)(6), (b)(7)(C) and other leaders attributed a number of recent NCIS critical mission failures to a poor distribution of experienced special agents among field offices. Additionally, (b)(6), (b)(7)(C) and other leaders believed mission effectiveness was diminished by special agents failing to incorporate the most recent techniques and tools for investigative processes due, in part, to remaining in one location for an extended number of years.

### *Objective Selection Criteria*

(b)(6), (b)(7)(C) and other NCIS leaders established that previous leadership did not employ objective criteria in the assignment of special agents, and rarely used select transfers. (b)(6), (b)(7)(C) identified several objective criteria relied upon in (b)(6), (b)(7)(C) decision-making process for agent transfers. These included a special agent's time on station, expertise and experience, grade, and leadership abilities. (b)(6), (b)(7)(C) reiterated that the transfer process, to include the use of select transfers, was effected impartially, equitably, and in the best interests of NCIS and the Navy.

Transfer cycles for GS-14 and GS-15 agents receive more personal attention from senior management officials than transfer cycles for SSAs and non-supervisory special agents. NCIS records revealed that (b)(6), (b)(7)(C) made changes to the working group's recommendations in only nine proposed FY 2012 supervisory special agent transfers.<sup>6</sup> Those changes reflected (b)(6), (b)(7)(C) views on placing the most qualified candidate in the vacant position. (b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) involvement with the working group, more often than not, entailed providing general guidance as opposed to specific redirection on individual transfers.

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) was not involved in approving specific transfers of agents other than in rare instances (e.g., senior leader reassignments). (b)(6), (b)(7)(C)

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

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

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) made all transfer decisions with the needs of the Navy and NCIS foremost in (b)(6), (b)(7)(C) mind, including career progression needs of individuals, mission requirements, and succession planning. (b)(6), (b)(7)(C) expressly denied making any transfer-related decision in an effort to increase attrition or for any other improper motive. (b)(6), (b)(7)(C) added that (b)(6), (b)(7)(C) had to make the hard choice to transfer several of those special agents, and that (b)(6), (b)(7)(C) did so because (b)(6), (b)(7)(C) believed they had the best combination of skill, training, and experience to fill particular positions. (b)(6), (b)(7)(C) emphasized that many of the special agents affected by (b)(6), (b)(7)(C) mobility decisions, especially those who elected to retire rather than accept reassignment, were colleagues (b)(6), (b)(7)(C) respected and had served with since (b)(6), (b)(7)(C) earliest days in NCIS.

<sup>6</sup> The proposed supervisory special agent transfers which (b)(6), (b)(7)(C) changed included voluntary and select transfers of agents. NCIS records revealed that 47 of the 332 special agents who transferred in FY 2012 were supervisory special agents at the time of their transfer.



*Transfer Data and Representative Examples*

Full implementation of (b)(6), (b)(7)(C) vision began with the FY 2012 transfer cycle, beginning with GS-15 agents and working down to non-supervisory special agents. Table A, below, shows NCIS end strength over the last four fiscal years and transfers in relation to agency end strength.

<b>Table A. Agent End Strength and Transfers by Fiscal Year</b>				
<b>NCIS Agent</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Non-Supervisory Agents	903	782	760	673
Supervisory Agents	344	412	407	404
<b>Total</b>	<b>1247</b>	<b>1194</b>	<b>1167</b>	<b>1077</b>
Total Transfers	163	278	194	332
Transfers as % of End Strength	13%	23%	17%	31%

NCIS records show that roughly 20 percent of NCIS special agents transfer each year. (b)(6), (b)(7)(C) testified that the largest group of transfers resulted from the need to place special agents returning from OCONUS assignments. OCONUS tours are normally 3 years and cannot exceed 5 years. Witnesses testified that NCIS gave assignment priority to the returning agents with respect to positions in CONUS. Vacancies in OCONUS billets were filled primarily from within CONUS.

Table B, below, details NCIS attrition data from FY 2009 through FY 2012.

<b>Table B. Attrition - NCIS Agents by Fiscal Year</b>								
<b>Action</b>	<b>FY 2009</b>	<b>Percent†</b>	<b>FY 2010</b>	<b>Percent†</b>	<b>FY 2011</b>	<b>Percent†</b>	<b>FY 2012</b>	<b>Percent†</b>
Transfers	32	2.6%	20	1.7%	19	1.6%	29	2.7%
Resignation	13	1.0%	10	0.8%	14	1.2%	15	1.4%
Voluntary Retirement	32	2.6%	30	2.5%	26	2.2%	43	4.0%
Mandatory Retirement	10	0.8%	11	0.9%	9	0.8%	16	1.5%
Removal	0	0%	0	0%	0	0%	2	0.2%
*Other	0	0%	2	0.2%	1	0.1%	0	0%
<b>Total</b>	<b>87</b>	<b>7.0%</b>	<b>73</b>	<b>6.1%</b>	<b>69</b>	<b>5.9%</b>	<b>105</b>	<b>9.7%</b>
*Death, Disability, Retirement, etc.								
† Shown as % of FY End Strength for FY 2009-FY 2012								

Witnesses testified that NCIS reasonably could expect retirements of special agents to increase in FY 2012 and subsequent years, because NCIS hired no new agents during a 5-year period in the 1990s. As a result, a relatively large number of senior agents were eligible to retire precisely as NCIS began implementing its revised mobility policy.

(b)(6), (b)(7)(C) acknowledged that NCIS not only transferred more special agents in FY 2012, but also selected more special agents for select transfers. Some special agents elected to retire from the agency rather than accept a transfer, while others left NCIS to work for

agencies that were less mobile. (b)(6), (b)(7)(C) noted that (b)(6), (b)(7)(C) expected NCIS to achieve its manning goals in subsequent years through normal attrition processes and, therefore, that the revised mobility policy was not considered as a tool to reduce the special agent force.

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) expected an increase in attrition given the pushback from those who had “grown roots and grown comfortable” in their existing duty locations. (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) each testified that a number of younger special agents with promising careers left to work for other, less mobile organizations. Additionally several experienced special agents resigned or retired before their mandatory retirement date. (b)(6), (b)(7)(C) expressed a hope for a greater acceptance of increased mobility for the benefit of NCIS and the Navy. Notwithstanding the increased attrition, (b)(6), (b)(7)(C) affirmed the revised mobility policy as the right course of action for the future of NCIS and its special agent corps.

### *Select Transfers in FY 2012*

Witnesses testified they believed that NCIS leadership mismanaged the mobility policy by selecting individuals for transfer knowing they would retire or resign, selecting individuals for transfer to unadvertised billets, and selecting individuals for transfer to position when they did not bid on any positions or when they bid on different positions.

Table C, below, illustrates the disposition of the FY 2012 select transfers.<sup>7</sup>

<b>Table C. Fiscal Year 2012 Select Transfers</b>	
Resignation	5
Retirement	11
Transfer to Advertised Billet	27
Transfer to Nonadvertised Billet	4
Other	4
<b>Total</b>	<b>51</b>

In evaluating the 51 select transfers for FY 2012, we determined the facts presented in the scenarios below are fairly representative and indicative of the select transfers.

#### 1. Select Transfers Resulting in Resignation/ Retirement

Sixteen of the special agents chosen for a select transfer elected to resign or retire from the agency. None of the special agents who retired submitted a bid for a vacant position. One of

<sup>7</sup> NCIS records showed that management took other action concerning four special agents chosen for select transfer in FY 2012. NCIS did not move three special agents based on mobility exemptions. NCIS took disciplinary action against a fourth special agent for failing to comply with the select transfer.

the special agents who resigned submitted a bid for several vacant positions, but was not accepted.

NCIS had several vacancies in Bahrain in the FY 2012 transfer cycle, including a CT billet and a CI billet. Two special agents stationed in Norfolk were chosen to fill the vacant CT and CI positions, but elected to retire.

One of the special agents testified (b)(6), (b)(7)(C) joined NCIS in 1989, and had been stationed in the Norfolk area since 1992. (b)(6), (b)(7)(C) career background was predominately in general crimes, CI, and CT. NCIS records showed (b)(6), (b)(7)(C) was listed as number seven on the time-in-place list.<sup>8</sup> The witness was selected for a CI position. (b)(6), (b)(7)(C) decided to retire in Norfolk rather than move to Bahrain.

NCIS records showed 10 bidders for the CI position in Bahrain. Three of those bidders were selected for other positions they bid on. Three others were not endorsed by their supervisors for transfer. One bidder had less than 2 years on station at the time of the bid, and the final three bidders had less than 3 years' total service with NCIS.

The second special agent testified (b)(6), (b)(7)(C) joined NCIS in 1987, and had been stationed in the Norfolk area since 1996. (b)(6), (b)(7)(C) career background was general crimes. NCIS records showed (b)(6), (b)(7)(C) was listed as number 17 on the time-in-place list. The witness was selected for a CT position. (b)(6) decided to retire in Norfolk rather than move to Bahrain.

There were 11 bidders for the vacant CT position in Bahrain. Three of those bidders were selected for other positions they bid on. Three others were not endorsed by their supervisors for transfer and the final five bidders had less than 3 years' total service with NCIS.

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) was familiar with the specific facts relating to the vacant CT position in Bahrain. (b)(6), (b)(7)(C) stated the criteria of time in place in one location, mission effectiveness, and the special agent's relative experience all applied to this scenario. (b)(6), (b)(7)(C) added that a critical issue associated with enabling agents to remain in place in a given area for extended time periods was the impact such a decision had on other agents who may seek to transfer to that area.

## 2. Select Transfer to Nonadvertised Positions

Four special agents chosen for select transfer were assigned to positions that NCIS did not advertise. Of the four agents, two were GS-14 supervisory special agents and two were GS-13 non-supervisory special agents. Each of the GS-13 special agents had submitted bids for other vacant positions in the FY 2012 transfer cycle.

The two GS-14 agents did not bid on any vacancies. They were directed to exchange positions. One agent was the Assistant Special Agent in Charge (ASAC) at the NCIS Northwest

<sup>8</sup> NCIS maintains time-in-place lists of all agents and the assignment date to their duty location, including separate lists for GS-15, GS-14, supervisory special agents, and special agents. A special agent listed as number one on the time-in-place list for his/her grade (e.g. supervisory special agent, GS-13) had been on station for the longest period of time.

field office (NWFO) in Washington State, and the other was assigned to NCIS headquarters in Virginia. The NWFO agent had been on station since 2007, and was listed as number 15 on the time-in-place list. The agent assigned to NCIS headquarters had been on station since 2001, and was listed as number 2 on the time-in-place list.

NCIS did not issue a vacancy announcement for either billet. Both special agents testified that the transfers seemed to defy logic and questioned the rationale for transfers to non-advertised positions.

(b)(6), (b)(7)(C) testified that the transfers were necessitated primarily due to leadership issues involving the NWFO special agent. (b)(6), (b)(7)(C) added that management used the time-in-place list to assist in determining the special agent to replace the NWFO special agent as the ASAC in the NWFO. (b)(6), (b)(7)(C) stated that attrition was not a consideration in making the transfer decision; instead, (b)(6), (b)(7)(C) considered succession planning, mission effectiveness, and time-in-place for both special agents as the criteria for the transfer decisions.

All of the affected special agents accepted their transfers and moved as ordered.

### 3. Select Transfers to Advertised Positions

Twenty seven special agents chosen for select transfers to advertised positions accepted their transfer orders and moved. Sixteen of the 27 bid on advertised vacancies. Eleven of the 27 did not bid on any vacancies.

#### *Select Transferee Bid on other Positions*

One of the special agents who bid on other locations was chosen for select transfer from the Contingency Response Field Office (CRFO), in Glyncoe, Georgia, to Camp Lejeune, North Carolina. (b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) was aware of the change in philosophy for personnel assignments prior to (b)(6), (b)(7)(C) transfer, and knew of (b)(6), (b)(7)(C) vision to place the right person in the right job. (b)(6), (b)(7)(C) described this as one of the "talking points whenever they (b)(6), (b)(7)(C) meet with people."

The special agent testified that (b)(6), (b)(7)(C) joined NCIS in 2008, and had been stationed at CRFO since joining NCIS. (b)(6), (b)(7)(C) added that (b)(6), (b)(7)(C) experience had been primarily in general crimes. (b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) had served in a counterintelligence position in (b)(6), (b)(7)(C) last CRFO assignment while in Afghanistan.

The special agent testified (b)(6), (b)(7)(C) bid on five vacancies in the FY 2012 transfer cycle, all in the vicinity of Jacksonville, Florida (the NCIS Southeast Field Office), including positions at the Federal Law Enforcement Training Center, in Glyncoe, GA. (b)(6), (b)(7)(C) added (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) stated that in May 2012, NCIS select transferred (b)(6), (b)(7)(C) to a vacant fraud billet at Camp Lejeune, NC, and did not fill several of the vacant positions in the Jacksonville office.



NCIS records showed that the special agent had submitted bids for five vacant positions in the Southeast Field Office, and that the NCIS senior leader working group made the determination to assign (b)(6), (b)(7)(C) to the vacancy at Camp Lejeune. (b)(6), (b)(7)(C) approved the assignment.

(b)(6), (b)(7)(C) and other NCIS leaders described the Southeast Field Office as one of the NCIS offices that had been over manned with experienced agents. Further, (b)(6), (b)(7)(C) testified that mission changes enabled NCIS to reduce the presence of special agents in that office while, simultaneously, adding special agent billets in other locations (e.g., Guam) to meet the Navy's evolving mission.

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

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

### *Select Transferee Did Not Bid on Vacancies*

NCIS records showed that 11 of the 27 select transferees who accepted their orders and moved did not bid on any vacancies. NCIS records and witness testimony revealed two primary conditions under which NCIS select transferred these agents: (1) NCIS filled the vacancy with a special agent who did not bid, despite one or more other bidders for the vacancy; and (2) NCIS select transferred an agent to a position for which no one submitted a bid. The first one was by far the most common occurrence.

(b)(6), (b)(7)(C) testified about a select transfer (b)(6), (b)(7)(C) approved prior to the FY 2012 transfer cycle to describe the select transfer process when no special agents bid on a vacant position. (b)(6), (b)(7)(C) testified that an ASAC position for counterintelligence in Hawaii became vacant and no one bid to fill it. (b)(6), (b)(7)(C) stated that NCIS leadership looked for an appropriate agent to fill the vacancy by starting with the time in place list. (b)(6), (b)(7)(C) confirmed that leadership identified a senior special agent, a well-respected "counterintelligence expert," who had been stationed in San Diego for 12 years. (b)(6), (b)(7)(C) added that a number of factors affected the decision to select transfer the agent. (b)(6), (b)(7)(C) testified,

We looked at the totality of what was going on in the PACOM [United States Pacific Command] theater, PACFLT [United States Navy Pacific Fleet]. That's the most important fleet to the United States Navy. It's the most significant counterintelligence concerns that we have, and we directed (b)(6), (b)(7)(C) based on not only (b)(6), (b)(7)(C) time in place, but his skill set. (b)(6), (b)(7)(C) was the first one for the right job, the right time, totality of the circumstances. So (b)(6), (b)(7)(C) was directed to go there.

(b)(6), (b)(7)(C) stated that the special agent took the job to "a whole other level," resulting in (b)(6), (b)(7)(C) selection for promotion and assignment to a GS-15 position (b)(6), (b)(7)(C) bid on. (b)(6), (b)(7)(C) described this select transfer as a good example of the revised mobility program's importance and stated,

I can tell you there are some people that you just -- we can put the person in the job, and they would be, you know, a [GS-]14 that on paper is qualified to do particular missions, but do they have the kind of skill set that we need to be effective in that position in a no fail type position? It's the most critical theater we have in the Department of the Navy with the most critical counterintelligence investigations and operations going on with the interagency, with the FBI. I can tell you it's amazing because if you even went outside our organization and talked to the FBI or the agent that we sent over there, they're like, "This guy has been critical to our success over here," to the point where we don't have to run it from Headquarters now. It's being run by the office, which is the way it should be.

We interviewed a special agent chosen for select transfer in FY 2012 who did not bid on any vacancies. NCIS select transferred the special agent to a vacant position at 29 Palms, California. The special agent testified (b)(6), (b)(7)(C) joined NCIS in 1989, and had been stationed in the Los Angeles area since 1999. NCIS records show that the special agent was listed as number 10 on the time-in-place list at the time of the select transfer.

The special agent stated (b)(6), (b)(7)(C) did not bid on any vacancies because (b)(6), (b)(7)(C) believed (b)(6), (b)(7)(C) was covered by an H/H exemption based (b)(6), (b)(7)(C). The special agent previously had approved exemptions (b)(6), (b)(7)(C). The special agent testified that prior to (b)(6), (b)(7)(C) stopped submitting requests for exemption. The witness stated (b)(6), (b)(7)(C) assumed that the exemption continued despite (b)(6), (b)(7)(C) failure to submit yearly requests. After (b)(6), (b)(7)(C) was chosen for select transfer, the special agent submitted an H/H exemption. The request was denied.

(b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) remembered the select transfer well and provided the following explanation,

I think we had a job in 29 Palms. I'm more familiar with those because those were really kind of directed based on the fact that we did not have the right qualified bidders for those positions, and we needed an experienced (b)(6), (b)(7)(C). Tried to take into account (b)(6), (b)(7)(C) personal situation to stay in California, because I think (b)(6), (b)(7)(C) has been using this humanitarian thing that (b)(6), (b)(7)(C) has had on (b)(6), (b)(7)(C) plate for probably 12, 15 years. I mean, it has been kind of an existing thing. So we knew we had a job. We went by time-in-place. (b)(6), (b)(7)(C) is at the top of the list. (b)(6), (b)(7)(C) was directed to 29 Palms.

We interviewed a second special agent chosen for a select transfer in FY 2012 who did not bid on any vacancies. NCIS select transferred the special agent to a CT position in Bahrain. The special agent joined NCIS in 2006, and had been assigned to the Great Lakes Field Office continuously since then. (b)(6), (b)(7)(C) had a background predominantly in general crimes. NCIS records showed that (b)(6), (b)(7)(C) was number 178 on the time-in-place list.

There were 11 bidders for the vacant CT position in Bahrain. Three were selected for other positions they bid on. Three others were not endorsed by their supervisors for transfer and the final five bidders had less than 3 years' total service with NCIS.

The special agent refused to transfer upon receipt of (b)(6), (b)(7)(C) orders. NCIS disciplined (b)(6), (b)(7)(C) for failing to move as directed.

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) remembered the select transfer well. (b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) knew the special agent in question, was aware of (b)(6), (b)(7)(C) skills and qualifications, and based the select transfer on (b)(6), (b)(7)(C) experience and succession planning (i.e., the special agent's career progression).

In discussing (b)(6), (b)(7)(C) philosophy relating to the mobility program, (b)(6), (b)(7)(C) testified that (b)(6), (b)(7)(C) philosophy had been consistent over the length of (b)(6), (b)(7)(C) career. (b)(6), (b)(7)(C) summarized it as reflecting the need for NCIS to be mobile to maximize mission effectiveness, meet the Navy's needs, and ensure succession planning. (b)(6), (b)(7)(C) defined succession planning in the following testimony:

I think if you look at our demographic within the organization, I don't know, I think probably all of our 15s are eligible to retire right now, and if not, we're about ninety-five percent of that. I mean, we've got some junior guys that we put into it.

So you know, if we don't leave this place better than we thought, we've got to kind of develop the leaders of tomorrow by giving them different experiences, and we can't allow people to just stay in one spot and we've got to develop [them], especially at the senior levels. We've got to work that piece. That's what I mean by succession planning.

### Discussion

We conclude (b)(6), (b)(7)(C) did not mismanage the NCIS civilian employee mobility program or provide preferential treatment to NCIS employees.

NCIS had a long-standing special agent mobility program. We found that (b)(6), (b)(7)(C) had a clear vision of a mission-centric mobility program (b)(6), (b)(7)(C) including using select transfers to increase mission effectiveness and advance career progression.

We found that (b)(6), (b)(7)(C) shared (b)(6), (b)(7)(C) vision with (b)(6), (b)(7)(C). We further found that beginning in 2010, (b)(6), (b)(7)(C), and NCIS management publicized the substantive changes to mobility program to special agents.

We found that NCIS implemented the revised mobility program in earnest in FY 2012 by choosing 51 special agents for select transfer. We found that with rare exceptions, (b)(6), (b)(7)(C) implemented the program without input from (b)(6), (b)(7)(C). We further found that (b)(6), (b)(7)(C) and NCIS leadership considered legitimate factors in implementing the select transfer program, including mission requirements; employee skill, knowledge, or abilities; employee progression needs; geographical preferences; time-in-place; and budgetary factors.

DoD and DON regulations authorize NCIS to establish a formal civilian mobility program that considers mission requirements; employee skill, knowledge, or abilities; employee progression needs; geographical preferences; time-in-place; and budgetary factors. The JER prohibits arbitrary, capricious, or biased decision-making.

We determined that (b)(6), (b)(7)(C) implemented the NCIS mobility program consistent with DoD and DON regulations. We further determined their decisions were well-reasoned and appropriately considered factors including the evolving Navy mission, the impact homesteading had on the distribution of experienced special agents, critical mission failures, and succession planning. We also determined that (b)(6), (b)(7)(C) implemented a mission-centric mobility program consistent with (b)(6), (b)(7)(C) well-publicized vision and commitment to SECNAV that NCIS would meet or exceed the Navy's evolving mission.

Based on the foregoing, we conclude that (b)(6), (b)(7)(C) did not mismanage the NCIS mobility program or afford preferential treatment to NCIS special agents.

- B. Did (b)(6), (b)(7)(C) waste Government resources in implementing the select transfer process?

#### Standards

**DoD Instruction (DoDI) 7750.6, "Information Requirements for Semiannual Report to the Congress," dated April 27, 1990**

The instruction defines terms the DoD Inspector General uses when reporting the results of investigations and audits to Congress, and includes a definition of "waste" that is useful when evaluating whether an official's actions are consistent with the JER requirement to protect and conserve Government resources. Waste is the "extravagant, careless, or needless expenditure of Government funds, or the consumption of Government property that results from deficient practices, systems, controls, or decisions. The term also includes improper practices not involving prosecutable fraud."

We incorporate the standards set forth in Paragraph A of the report, above.

Additionally, the JER provides in Section 2635.101(b) (9) that employees shall protect and conserve Federal property and shall not use it for other than authorized activities. Further, Section 2635.704(a) states 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.

#### Facts

We incorporate the facts set forth in Paragraph A of the report, above. Additionally, we provide the following concerning cost issues relevant to the allegation against (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)



NCIS total special agent transfers increased by 19% from FY 2010 to FY 2012, even as total end strength declined in the same period. Additionally, NCIS records showed that total transfer costs increased by approximately \$5,000,000 each year. Table D, below, shows total NCIS transfer costs and the average cost per transfer in FY 2010 through FY 2012, including select transfers and non-select transfers.

<b>Table D. NCIS Transfer Costs - Select and Non-Select Transfers</b>			
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Transfers</b>	278	194	332
Non-Select Transfers	273	180	281
Select Transfers	5	14	51
<b>Total Costs</b>	(b)(7)(E)		
Non- Select Costs			
Select Transfer Costs			
<b>Cost per Non-Select Transfer</b>			
<b>Cost per Select Transfer</b>			

NCIS records confirmed that, consistent with the FY 2012 increase in the total number of select transfers, total costs also increased. However, at the same time the average cost per select transfer declined by 9.5% from FY 2010 to FY 2012.

Witnesses described the cost factors associated with special agent transfers. CONUS to CONUS transfers were the most expensive because the law required NCIS to assume specific expenses incurred by agents in connection with those transfers. These included transportation of household goods, family member travel, and, in certain cases, costs associated with home sales necessitated by transfer.

Several witnesses suggested that NCIS wasted Government resources by increasing overall transfers and the more expensive CONUS-CONUS transfers. Witnesses also referenced the specific instance of the GS-14 supervisory special agent transferred from the NWFO (described in Paragraph A of this report) as an example of wasteful spending. As we noted in Paragraph A, above, (b)(6), (b)(7)(C) testified that leadership issues had necessitated the transfers.

(b)(6), (b)(7)(C) and other witnesses from the NCIS leadership group testified that they anticipated and had budgeted for greater transfer costs in connection with implementation of the revised mobility program. (b)(6), (b)(7)(C) each stated that NCIS resource managers actively coordinated with their Navy counterparts to ensure adequate funding for the costs associated with fully implementing the revised mobility policy. They noted that the Navy approved additional funding for the transfers.

## Discussion

We conclude (b)(6), (b)(7)(C) did not waste Government resources by utilizing select transfers in the mobility program.

We found that total transfer costs consistently increased between FY 2010 and FY 2012. We found that (b)(6), (b)(7)(C) believed that increased transfers were necessary for organizational flexibility, mission effectiveness, and succession planning. We further found that (b)(6), (b)(7)(C) anticipated that transfer costs would increase and ensured the Navy provided adequate funding.

We found that special agent transfers decreased from FY 2010 to FY 2011, but increased by 58 percent during FY 2012. Nonetheless, the overall rate of growth in transfer costs increased uniformly each year since FY 2010. We found that average select transfer costs were less in FY 2012 than in preceding years. Further, we found that the average cost for FY 2012 select transfers was less than half the average cost of non-select transfers that year.

The JER requires Governments resources to be used for authorized purposes. DoDI 7750.6 requires that an expenditure of Government resources not be extravagant, careless, or needless. We determined (b)(6), (b)(7)(C) used Government resources for authorized purposes in implementing the NCIS mobility program. We determined FY 2012 select transfer costs were significantly less than the costs for non-select transfers. We further determined (b)(6), (b)(7)(C) articulated legitimate, mission-centric bases for the transfers and made well-reasoned decisions based on the evolving Navy mission, the impact homesteading had on the distribution of experienced special agents, critical mission failures, and succession planning.

Based on the foregoing, we conclude that (b)(6), (b)(7)(C) did not waste Government resources in implementing the revised NCIS mobility program.

## **V. CONCLUSIONS**

A. (b)(6), (b)(7)(C) did not mismanage the NCIS mobility program or provide preferential treatment to NCIS special agents.

B. (b)(6), (b)(7)(C) did not waste Government resources by utilizing select transfers in the mobility program.

## **VI. RECOMMENDATIONS**

We make no recommendations in this matter.

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Department of Defense

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