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June 17, 2008

## REPORT OF INVESTIGATION

### CONCERNS INVOLVING COTS AND ISS CONTRACTS

NASA Headquarters  
Washington, DC

**CASE CLOSING:** The Office of Inspector General received a hotline complaint from an anonymous individual regarding an alleged conversation between NASA Administrator Griffin and John Karas, Vice President, Space Exploration, Lockheed Martin involving not bidding on the pending International Space Station (ISS) services Request for Proposal (RFP). The complainant alleges Administrator Griffin told Lockheed Martin not to bid on the contract and that he is telling Boeing the same thing.

The anonymous complaint originated from an America Online (AOL) email address:

7 C 4 D On April 8, 2008, the RA sent an email to the complainant requesting he/she contact the RA to further discuss and clarify the allegation. The RA did not receive any response from the complainant either via email or telephone.

On May 28, 2008, the Reporting Agent (RA), Long Beach Resident Agency (LBRA) interviewed Karas at the Lockheed Martin facility in Littleton, CO. Karas stated he telephonically spoke with Griffin on a weekly basis and last saw him at a breakfast around the last week of February, 2008 while attending the United Space Alliance (USA) user's conference in Washington, DC. About one hundred industry officials and NASA officials attended the breakfast, which was held at a location near the U.S. Capitol building. Karas, Griffin, and Boeing Vice President/General Manager of Space Exploration, Brewster Shaw shared a table at the breakfast, during which time Karas engaged in a "twenty-second, impromptu, casual at best" conversation regarding the Constellation crew Exploration Vehicle (CEV), going to Capitol Hill. Karas asked Griffin what he thought about the ISS RFP, to which Griffin replied it was politically risky and that Congress, not knowing the difference, could kill the CEV. Karas stated he actually agreed with Griffin in that the overlapping competition would jeopardize the Constellation project. Karas stated he specifically sought out an opinion from Griffin that day, described the breakfast conversation as "mutually agreeable," labeled any allegation Griffin told him not to bid on the RFP "a stretch," and in "no-way" categorized that conversation as wrongdoing or a contract integrity issue. Karas stated he probably told others "even Mike [Griffin] doesn't think we should bid on this thing," but could not remember the names of those

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individuals. Karas reiterated Griffin did not restrict him from bidding on the RFP and, consequently, he would not have told anyone about a conversation in which that was stated.

Continuing on same date, the RA interviewed 7C Lockheed Martin, Littleton, CO. 7C stated 7C was unaware of any conversation between NASA Administrator Griffin and Karas discouraging Lockheed Martin from bidding on any NASA projects. 7C indicated Lockheed Martin was operating under an unfunded Space Act Agreement, which allows NASA to provide technical assistance on projects without providing funding. 7C stated there were two other large bidders who had funded space agreements, but NASA advised Lockheed Martin it would have no bearing on the decision process.

7C was familiar with the Commercial Orbital Transportation Services (COTS) ISS resupply services RFP from Johnson Space Center (JSC). 7C believed the RFP for COTS services was a free and open competition, and was in no way influenced by the NASA Administrator. 7C opined it would be difficult for Griffin to influence the selection process even if 7C wanted to because contracts passed through several reviewers before decisions were made.

On May 29, 2008, the RA interviewed 7C Lockheed Martin, Littleton, CO. 7C stated 7C was familiar with the JSC RFP, and knew that Karas attended an industry day meeting with NASA in Washington, DC sometime in February or March, 2008. 7C thought Karas met with Administrator Griffin at the industry day event, but did not know if the meeting between Karas and Griffin took place, or the nature of any conversation which may have taken place.

7C stated Lockheed Martin had been evaluating whether or not to bid on the resupply as it may be in conflict with other Lockheed projects. 7C indicated Lockheed Martin would most likely not pursue the resupply project, but only because it was in the best interest of

7C

7C had never heard anyone from NASA telling anyone from Lockheed Martin, or any other company not to bid on a project. 7C concluded by stating "I wish someone would tell us what we would win so we could save time and focus on the projects we will get."

Based on the findings gathered to date, this investigation is closed as the interviews of Lockheed Martin employees indicate a fair and unbiased RFP process.

Prepared by: 7C  
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