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From: Naval Inspector General  
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Subj: COMMAND INSPECTION OF SPACE AND NAVAL WARFARE SYSTEMS  
COMMAND

Ref: (a) SECNAVINST 5040.3A  
(b) SECNAVINST 5430.57G

Encl: (1) Report of Naval Inspector General Command Inspection of Space and Naval  
Warfare Systems Command

1. The Naval Inspector General (NAVINSGEN) regularly conducts inspections to provide a firsthand assessment to the Secretary of the Navy and the Chief of Naval Operations of Departmental risks and major issues relevant to policy, management, and direction of operating forces afloat and ashore as well as Navy programs that impact readiness or quality of life for Sailors and civilian personnel, as directed by references (a) and (b).
2. NAVINSGEN conducted a command inspection of Space and Naval Warfare Systems Command (SPAWAR) from 10 to 18 August 2017. Enclosure (1) documents our findings.
3. During the inspection, we assessed performance of SPAWAR assigned responsibilities as set forth in OPNAVINST 5450.343, Mission, Functions, and Tasks of Commander, Space and Naval Warfare Systems Command. We evaluated resource management, prevention and response, command oversight, security, facilities, energy, environmental, safety, and Sailor programs for compliance and effectiveness. Additionally, we conducted surveys and onsite focus groups to assess employee quality of work life and home life.
4. SPAWAR is successfully executing its assigned mission, functions and tasks; its self-assessment closely matched our findings. Areas requiring further attention are discussed in the report. A comprehensive list of deficiencies and recommendations will be forwarded to SPAWAR under separate correspondence.
5. My point of contact is (b) (7)(C), Director of Inspections. (b) (7)(C) can be reached at (b) (7)(C), or via e-mail at (b) (7)(C).

  
HERMAN A. SHELANSKI

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**NAVAL INSPECTOR GENERAL COMMAND INSPECTION OF SPACE AND  
NAVAL WARFARE SYSTEMS COMMAND  
10 – 18 AUG 2017**

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## Executive Summary

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Space and Naval Warfare Systems Command (SPAWAR) is successfully executing its assigned mission, functions, and tasks, and the command's self-assessment closely matched our findings. The SPAWAR command culture is relatively healthy, and risk factors were communicated to the SPAWAR Commander directly during our inspection.

The age and condition of SPAWAR facilities seem inconsistent with expectations for the Navy's information technology (IT) and cyberwarfare systems command (SYSCOM). SPAWAR leadership and the command's workforce expressed concerns over the age and condition of workplace facilities as well as a history of environmental hazards at the Naval Base Point Loma (NBPL) Old Town Complex (OTC). This perception contrasts with the Naval Facilities (NAVFAC) Engineering Command assessment of the facilities as adequate and sufficient. To address facilities shortfalls, SPAWAR invested \$26 million from fiscal year (FY) 2013-2016. Unfortunately, SPAWAR's investments to date have proven insufficient to prevent roof leaks, overcome inefficient heating and cooling systems, and prevent pest infestation.

SPAWAR security programs are among the best we've observed. Whereas other Echelon 2 commands struggle to excel in these areas, we attribute SPAWAR's security excellence, in part, to its commitment to full implementation of the Department of Defense Center for Development of Security Excellence certification process. SPAWAR's strategic plan is also one of the best we've observed, based on its aggressive pursuit of clearly articulated measures of performance and effectiveness.

Platforms are essential, but command, control, communications, computers and intelligence (C4I) systems make those platforms lethal and resilient against cyberattack. SPAWAR and the fleet are negatively impacted when resource sponsors cut program funding for legacy systems and new system acquisitions are delayed. In the 2010 Quadrennial Defense Review, the Department of Defense (DoD) identified cyberspace as a warfighting domain. Correspondingly, we see merit in bringing SPAWAR on par with the other SYSCOMs with regard to resourcing and Flag sponsorship. SPAWAR strives to maintain fleet capabilities, and we commend its efforts to better understand the total costs of sustainment.

Our ratings of SPAWAR's quality of work life (QOWL) were comparable to historical Echelon 2 average while quality of home life (QOHL) was significantly higher.

Prior to our visit, the SPAWAR Commander provided his top concerns and our inspection validated those concerns.

## Background

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The Naval Inspector General (NAVINSGEN) conducted a command inspection of SPAWAR from 10 – 18 August 2017. The inspection team was augmented with subject matter experts from the Office of the Chief of Naval Operations N2/N6; Assistant Secretary of the Navy for Research, Development and Acquisition; US Fleet Forces, Naval Information Forces; Fleet Cyber Command; NAVFAC; Commander Navy Region Mid-Atlantic; Naval Special Warfare Command; Department of the Navy Assistant for Administration; Naval Safety Center; Naval Criminal Investigative Service (NCIS); Deputy Under Secretary of the Navy for Policy; and Naval History and Heritage Command. Our last command inspection of SPAWAR was conducted in 2011.

Prior to the inspection, we solicited feedback from a variety of SPAWAR-supported organizations and customers regarding the command's mission accomplishment. The feedback received was generally positive. Furthermore, our inspection confirmed that SPAWAR is aware of – and actively tracking – customer concern areas, the majority of which pertain to the sustainment of legacy C4I systems.

During a command inspection, NAVINSGEN seeks to assess how effectively the command is executing its mission. While measures of effectiveness are somewhat subjective, the assessment serves to highlight to the command leadership those areas where they are at risk in the execution of their mission. We assessed performance of SPAWAR-assigned responsibilities as set forth in OPNAVINST 5450.343, Mission, Functions, and Tasks of Commander, Space and Naval Warfare Systems Command.

Additionally, we assessed SPAWAR's compliance with governing regulations for a wide range of Navy programs, and its ability to self-assess those programs. We assessed these programs as compliant, partially compliant, or not compliant.

Further, we conducted an online survey and focus group discussions at the SPAWAR Headquarters (HQ) in San Diego, California, to assess the QOWL and QOHL for assigned military and civilian personnel. A detailed listing of assessment areas is provided below.

## AREAS/PROGRAMS ASSESSED

### Mission, Functions, and Tasks

- Acquisition
- Engineering & Technical Authority
- Contracts
- Integrated Logistics Support
- Readiness & Sustainment
- Cyber Resiliency
- CNO Design Alignment

### Headquarters Functions

- Strategic Planning
- Military Manpower
- IT Acquisition
- IT Systems Sustainment
- Command Managed Equal Opportunity
- Continuity of Operations
- Equal Employment Opportunity

- Human Resources
- Training
- Records Management
- Technology Protection

- Intelligence Oversight
- Intelligence-Related Contracts
- Intelligence Support to Acquisitions

### **Command Programs**

#### *Resource Management Programs*

- Government Travel Credit Card
- Government Commercial Purchase Card
- Personal Property Management
- Financial Management/ Comptroller

#### *Prevention & Response Programs*

- Casualty Assistance Calls Program
- Navy Alcohol and Drug Abuse Prevention
- Overseas Screening
- Sexual Assault Prevention and Response
- Suicide Prevention
- Witness Assistance Program

#### *Command Oversight Programs*

- Deployment Health
- Command Individual Augmentee Coordinator
- Individual Medical Readiness
- Inspector General Functions
- Manager's Internal Controls Program
- Physical Readiness Program
- Voting Assistance
- Ethics
- Freedom of Information Act

### **Facilities, Safety, Environmental**

- Facilities Management
- Energy

- Environmental
- Safety and Occupational Health

### **Security Programs**

- Information Security
- Personnel Security
- Industrial Security
- Physical Security and Antiterrorism/Force Protection
- Special Security Programs

- Operations Security
- Counterintelligence Training
- Cybersecurity
- Personally Identifiable Information
- Foreign Disclosure
- Insider Threat

### **Sailor Programs**

- Sponsorship Program
- Command Indoctrination
- Career Management System

- Sailor Recognition Program
- Chief Petty Officer (CPO) 365

# Observations and Findings

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## MISSION, FUNCTIONS AND TASKS

We evaluated SPAWAR's mission performance along six overarching lines of effort: acquisition, engineering and technical authority, contracts, integrated logistics support, readiness and sustainment, and cyber resiliency. The command is effectively executing its assigned mission, functions, and tasks. On the other hand, we validated SPAWAR concerns that requirements are increasing, often without commensurate increases in resources. If Navy truly views Cyberspace as a warfighting domain, we believe there's merit in bringing SPAWAR on par with the other SYSCOMs with respect to resourcing and Flag sponsorship.

### *Acquisition*

SPAWAR's acquisition programs are effectively supporting the fleet. The SPAWAR Fleet Readiness Directorate (FRD) was stood up in 2011 to improve the readiness of in-service systems that are routinely under resourced while awaiting replacement by newer systems. FRD has appropriately initiated program objective memorandum submissions for legacy system sustainment through the OPNAV program requirements review process, but overall funding constraints and end-of-life and obsolescence issues make legacy sustainment an ongoing concern. SECNAVINST 5000.2D establishes a Department of the Navy (DON) requirement to use a capabilities-based approach to define, develop, and deliver technologically sound, sustainable, and affordable military capabilities. This shift from systems-based to capability-based procurement is challenged by a lack of governance and clearly delineated roles and responsibilities, thus negatively impacting requirements definition, resource sponsorship, security classification, and other acquisition-related functions.

### *Engineering & Technical Authority*

SPAWAR engineering and technical authority processes are assessed effective. SPAWAR's technical authority instruction establishes coherent policy, while ensuring the proper level of engineering rigor throughout each program's lifecycle. We observed several SPAWAR engineering and technical authority initiatives indicative of high velocity learning. For example, the FRD Fleet Systems Engineering Team developed a Collaboration At Sea website to enable improved technical knowledge management. This website contains a collection of best practices, guides, and procedures in order to quickly diagnose, assess, and repair Navy C4I systems.

### *Contracts*

SPAWAR contracting functions are effectively delivering efficient business solutions in support of the command's mission. SPAWAR promptly addresses procurement performance management assessment program deficiencies and properly conducts subordinate echelon oversight. Contracting Officers' Representatives (CORs) perform their functions with a high



degree of accuracy and attentiveness. Procuring contracting officers, however, are not reviewing COR files on an annual basis.

### *Integrated Logistics Support*

SPAWAR is effectively delivering logistics support across the enterprise. The SPAWAR Acquisition Integrated Logistics On-Line Repository (SAILOR) is a valuable fleet tool, and we endorse efforts to make it an OPNAV program of record. SAILOR was designed to mirror successful commercial website platforms. It supports 68 C4I systems with logistics, technical, and software patch information available on both classified and unclassified networks. The system-hosted training videos help Sailors throughout the fleet perform their jobs more effectively and efficiently.

### *Readiness & Sustainment*

SPAWAR's readiness and sustainment functions are effective. SPAWAR governs each of its system centers through separate mission, functions and tasks documents and measures performance through "System Center Overviews." The overview team composition includes the comptroller, director of contracts, chief engineer, and in some cases, logistics and fleet readiness representatives. However, this overview process is not codified by formal instruction or operating procedure. SPAWAR has established effective HQ and system center work acceptance processes. However, we recommend SPAWAR modify its work acceptance processes to include early evaluation by the special intelligence officer to ensure compliance with intelligence-related contracting requirements. FRD performs internal and external assessments of performance through root cause analysis and workload and performance analysis, and it provides feedback to SPAWAR planners, schedulers, engineers and maintainers to improve product delivery and support.

### *Cyber Resiliency*

SPAWAR is effectively meeting cyber resiliency requirements derived from the National Defense Authorization Act, DoD and SECNAV instructions, and the cybersecurity safety (CYBERSAFE) updated guidance message released on 2 May 2017. SPAWAR ensures cyber resiliency requirements are included in contracts, leverages the cyber figure of merit, prepares cyber risk assessments, conducts penetration tests, and has initiated efforts to enable a continuous monitoring capability. As cyber resiliency requirements mature, increased funding will be necessary to meet Congressional and DoD cyber resiliency objectives.

### *Alignment with CNO's Design for Maintaining Maritime Superiority*

SPAWAR effectively supports the Line of Effort (LOE) Blue - Strengthen Naval Power - while support to other LOEs is assessed partially effective. Several examples of LOE Green – Achieve High Velocity Learning (HVL) - were identified, but HVL is not pervasive at SPAWAR nor is it applied to all processes and programs. Sailor programs are consistent with Sailor 2025 efforts, but further growth in LOE Gold - Strengthening Our Navy Team - is needed to better leverage IT



to enhance personnel system and training modernization efforts. With respect to LOE Purple - Network of Partners - SPAWAR is involved with many cross-DON and cross-SYSCOM engagements in C4I and acquisition arenas. SPAWAR should expand its efforts to collaborate with industry, academia, international, and joint entities, as well as with non-traditional partners, to better meet rapidly evolving requirements and capabilities.

## HEADQUARTERS FUNCTIONS

SPAWAR is effectively performing strategic planning, military manpower, IT acquisition, IT system sustainment, records management, technology protection, intelligence support to acquisitions, and science technical intelligence liaison officer functions. The records management program is the best we have assessed in a two year period. Additionally, the knowledge management intranet tools suite is a valuable resource for the SPAWAR workforce.

### *Command-Managed Equal Opportunity*

The SPAWAR command-managed equal opportunity program is partially compliant. SPAWAR does not yet have a functioning command resiliency team, although it has made significant efforts to gain compliance in this area. Furthermore, the Defense Equal Opportunity Management Institute command climate survey was not completed within 90 days of the SPAWAR change of command. Postponing the survey was a conscious decision based upon extenuating circumstances, but the command did not request a waiver.

### *Continuity of Operations*

The SPAWAR continuity of operations program (COOP) is not compliant with DoDI 3020.42, SECNAVINST 3030.4D, or Federal Continuity Directive 1 (FCD-1) requirements. This is a repeat finding from our 2011 inspection. The SPAWAR COOP does not include essential program elements such as clear orders of succession or established memoranda of agreement with supporting commands and/or installations for relocation sites.

### *Equal Employment Opportunity*

The SPAWAR equal employment opportunity (EEO) program is partially compliant. The SPAWAR commander serves as the command EEO officer per SECNAVINST 12250.6A while a command deputy EEO (CDEEO) manages the program and serves as the commander's primary EEO advisor. SPAWAR EEO functions are well executed, but the CDEEO does not have unfettered access to the Command EEO Officer.

### *Human Resources*

The SPAWAR human resources (HR) program is partially compliant. The SPAWAR end-to-end hiring timeline is currently 129 days, which exceeds the DON goal of 80 days. The recent introduction of a "maxiflex work schedule" has proven to be very popular with civilian employees. Conversely, pay caps are a source of frustration as they are inconsistently applied throughout the command. We recommend SPAWAR establish an internal HR self-assessment

program. A September 2015 Office of Civilian Human Resources (OCHR) inspection noted position descriptions (PDs) do not describe specific position duties. SPAWAR addressed this deficiency when it completed a 100 percent review of all PDs for HQ personnel, and it is establishing a central PD repository. The 2015 OCHR inspection report further noted that some HR functions are performed by management services specialists (MSS), who are not in an HR specialist job series of 0201 or 0203. Our assessment validated this finding. Further, SPAWAR HR has not yet implemented recent cyber IT and cyber security workforce requirements.

### *Intelligence Oversight*

Intelligence oversight is partially compliant. SPAWAR has not yet implemented a process to ensure all contracts involving intelligence and intelligence-related activities include a clause that requires contractor personnel to report to appropriate government officials any significant, highly sensitive matter or questionable intelligence activity.

### *Intelligence-Related Contracts*

Intelligence-related contracting is partially compliant. SPAWAR lacks a process for reviewing and submitting non-sensitive compartmented information and non-compartmented work that meets the definition of sensitive operations, missions, or activities for Intelligence-Related Contract Coordination Office review.

### *Strategic Planning*

SPAWAR's strategic plan is one of the best we've observed, based on its aggressive pursuit of clearly articulated measures of performance and measures of effectiveness. The SPAWAR process is well executed and well codified. On the other hand, reduced headquarters manning in support of this function may limit SPAWAR's future ability to fully execute this robust process to desired levels of performance.

### *Training*

The SPAWAR civilian training program is compliant with an impressive 99 percent civilian mandatory training completion percentage for FY17. On the other hand, recent reductions in Defense Acquisition Workforce Development Fund (DAWDF) Section 852 funding limit the command's ability to sustain its robust acquisition training program. Other SYSCOMs have been similarly affected and share SPAWAR's concern over the loss of capability due to DAWDF cuts.

## **COMMAND PROGRAMS**

All resource management, prevention and response, and command oversight programs are compliant, while inspector general (IG) functions are partially compliant. SPAWAR financial management data analysis tools and automated reporting processes are best practices.

### *IG Functions*

SPAWAR IG functions are partially compliant. Command inspection and audit liaison programs are compliant, but hotline complaint preliminary inquiries are untimely. Since 2014, the average completion time for preliminary investigations is 38 days (requirement is 30 days). The two longest investigations took 58 and 77 days, respectively, to complete.

## SECURITY

SPAWAR security programs are among the best we have observed. All security programs are compliant, with the exception of its operations security (OPSEC) program, which is not compliant. SPAWAR has implemented the DoD Center for Development of Security Excellence (CDSE) certification process. We observe that commands that implement CDSE certifications, with a two year certification periodicity and a continuing education requirement, perform better on security compliance inspections.

### *Operations Security*

The SPAWAR Operations Security (OPSEC) instruction does not meet level III OPSEC program requirements as defined in DoD 5205.02-M, DoD OPSEC Program Manual. The SPAWAR process to publicly release information does not involve key command personnel or external stakeholders. (b) (7)(E)

(b) (7)(E) Moreover, while SPAWAR conducts OPSEC training for newly reporting personnel, it does not conduct annual or specialized training for personnel involved in the public release of information.

### *Insider Threat*

SPAWAR maintains an excellent working relationship with the San Diego NCIS office and has a thorough understanding of insider threat indicators and appropriate mitigation methods.

## FACILITIES, SAFETY, AND ENVIRONMENTAL

### *Facilities Management*

SPAWAR facilities programs are compliant, and NAVFAC facilities planning documents identify SPAWAR headquarters facilities as adequate and of sufficient capacity. However, the age and condition of the facilities, as well as a history of environmental hazards, were the foremost detractors from the workforce's perception of QOWL. This perception contrasts starkly with the Navy's assessment of facilities' conditions. Six of seven SPAWAR HQ buildings have installation figure of merit (IFOM) scores higher than the Navy-wide average of 77 and the Navy Region Southwest average of 78. Only building OTC-3 scores lower; it has a score of 69.

These relatively high IFOM scores may be partially attributable to the \$26 million SPAWAR invested in these facilities from fiscal years 2013 to 2016. These funding requirements were above and beyond those funded from Commander, Navy Installations Command accounts. SPAWAR is not alone in these investments; the Assistant Secretary of the Navy (Financial

Management & Comptroller) estimates that budget submitting offices across the Navy divert \$250 million each year from various programs to address recurring and emergent facility requirements not in the Department's budget.

The "saw-tooth" design of the three largest buildings in the OTC lets in plentiful light but is ineffective during infrequent San Diego rain events. Many windows are either broken or stuck open, the repeating sharp angles in the roofline invite water intrusion, and the roof drains that run under the roof line are not accessible for routine maintenance resulting in their occasional failure and the dumping of water inside the buildings. Air conditioning condensate leakage and failed plumbing systems are additional sources of water outside of the rainy season. Administrative functions take place in "buildings inside the buildings"; very few of the internal buildings have water resistant roofs – some have flat, wooden ceiling covers and others have only ceiling tiles between workspaces and the saw-tooth roof above.

SPAWAR heating and cooling systems are inefficient: most of the ductwork is not insulated, the air intake and heat exchangers are internal to the larger buildings, and one suite of offices has three separate air handling systems in order to provide sufficient air exchange. The large, open buildings provide shelter to numerous pests – bird droppings and feathers accumulate throughout.

## *Energy*

The energy program is partially compliant. SPAWAR HQ cooperates with NBPL in planning energy projects, but it does not make energy consumption data available to leadership or employees. SPAWAR facilities working group representatives fulfill the role of building monitors as described by Navy Region Southwest instruction, but SPAWAR does not instruct its representatives to carry out required energy audits. We did not find evidence that SPAWAR had followed through on its intention to design energy savings into SPAWAR products and services as stated in the draft energy reduction strategy described in the previous command inspection report.

## *Environmental*

The environmental program is compliant, however there is some concern. SPAWAR HQ fully cooperates with NBPL in activities associated with its environmental management system. SPAWAR has addressed numerous environmental hazards at OTC and particularly in building OTC-3. NBPL has two open installation restoration sites in OTC. The record of decision for these sites describes a plan for soil vapor extraction with enhanced anaerobic bioremediation. This treatment has effectively reduced trichloroethylene concentrations to acceptable levels within the footprint of building OTC-3, although levels to the north of OTC remain higher than state standards. Additionally, SPAWAR staff discovered an abandoned kerosene tank under the concrete slab of a lean-to-shelter connected to building OTC-3, which has since been drained and rinsed. NBPL is now working with state officials to "close" the abandoned tank. Other environmental hazards addressed in building OTC-3 include bird pathogens from droppings on drop ceilings directly over employee workspaces, high carbon dioxide levels resulting from

insufficient air ventilation, and aldehyde gas released from new furniture. After treating these hazards, SPAWAR posted “all clear” test results on its internal wiki site before moving employees back into their workspaces. The workforce, however, continues to express anxiety over environmental concerns.

### *Safety and Occupational Health*

The safety program is partially compliant; SPAWAR has no safety and occupational health management system. NAVINSGEN inspected SPAWAR’s safety programs in accordance with SECNAVINST 5430.57G, SECNAVINST 5100.10K, and OPNAVINST 5100.23G. More detail concerning safety-related observations and findings will be forwarded to the inspected command under separate correspondence.

## **SAILOR PROGRAMS**

Command indoctrination, career management system, Sailor recognition, and CPO 365 programs are all compliant with governing directives.

## **SURVEY AND FOCUS GROUP FINDINGS**

Survey and focus group discussions indicated that QOWL at SPAWAR was about the same as our Echelon 2 average and QOHL was higher than the historical Echelon 2 command average. On a 10-point scale, the SPAWAR QOWL and QOHL are 6.77 and 8.48, respectively; corresponding Echelon 2 command historical averages are 6.68 and 8.04. Overall, we found SPAWAR personnel to be hard-working and dedicated to the mission. We will provide a comprehensive analysis of pre-event survey and focus group responses directly to the inspected command.

## **DEFICIENCIES AND RECOMMENDATIONS**

We will forward a comprehensive list of deficiencies and recommendations to the inspected command under separate correspondence.