

# memorandum



DATE: January 30, 2004

REPLY TO: IG-35 (A03DN039)

Audit Report No.: OAS-L-04-10

SUBJECT: Audit of the Safeguards and Security Program at the Rocky Flats Environmental Technology Site

TO: Frazer Lockhart, Manager, Rocky Flats Field Office

## INTRODUCTION AND OBJECTIVE

Because of the terrorist attacks against the United States on September 11, 2001, the Department of Energy (Department) instituted additional security requirements beyond those already in place for normal security operations. These "Security Conditions" requirements were established by Department Notice 473.8 (Notice). The requirements are based on specific threat levels ranging from 5 (lowest threat level) to 1 (highest threat level). The Security Condition level is applicable to all Departmental sites and may change over time to correspond to the levels established by the Department of Homeland Security. Normally, the Department's sites are under Security Condition 3, which requires implementation of 29 security measures at each site.

As of October 1, 2003, the Rocky Flats Environmental Technology Site (Rocky Flats) had 49 personnel assigned to meet Security Conditions requirements and 46 personnel assigned to normal security operations. Due to a lack of trained Security Police Officers (SPO), Security Conditions requirements were initially met through overtime efforts of SPO assigned to normal security operations. When the Protected Area at Rocky Flats was closed in August 2003, many of the normal security operations SPO were transferred to Security Conditions operations. Therefore, the size of the Security Conditions staff has actually increased. Due to these security workforce changes, we initiated this audit to determine whether the Rocky Flats Safeguards and Security Program is consistent with the site's security needs.

## CONCLUSIONS AND OBSERVATIONS

While the staffing for normal security operations appeared to be justified, Rocky Flats' Security Conditions staffing exceeded the level necessary to meet the site's Security Conditions requirements. Based on a comparison of Security Condition 3 requirements to established security measures, we determined that Rocky Flats could meet those requirements with a staff of 23--21 SPO, 1 supervisor, and 1 support person--rather than 49.

We found that many of the security posts established to meet Security Conditions requirements at Rocky Flats were unnecessary. Department guidance from December 2001

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stressed that Department security managers at all sites should take a critical look at all security measures to ensure that they are absolutely necessary, consistent with Security Condition 3 requirements, and not the products of tradition and/or convenience. However, at Rocky Flats 22 SPO were assigned to carry out measures only required under Security Condition 2. If Rocky Flats were to be at Security Condition 2 for an extended period, those requirements could be met through SPO overtime rather than additional hiring. Also, we found unnecessary duplication. For example, eight Security Conditions SPO conducted the same mobile unit patrols as those conducted by normal security operations. The site's integrating contractor Kaiser-Hill Co., LLC (Kaiser-Hill) conceded this was not necessary under Security Condition 3. In another example, three Security Conditions SPO were assigned to prevent nighttime entry through gates that are closed and alarmed at night. Therefore, normal security operations mobile patrol units could monitor the gates at night.

In March 2002, the Rocky Flats Field Office's (RFFO) Safeguards and Security Division conducted a technical review of the size of the Security Conditions workforce at Rocky Flats. RFFO worked with the site's security subcontractor at the time, Wackenhut Security Services Inc. (Wackenhut), and concluded that only 25 SPO were needed to meet the Security Conditions requirements. However, RFFO did not follow through to ensure that the SPO staff was reduced. Moreover, RFFO did not ensure that Kaiser-Hill performed required periodic threat analyses.

Recently, Kaiser-Hill decided to reduce the size of the Security Conditions staff to 31 in March 2004 and to 14 in February 2005. While we agree a reduction is proper, we question the decision to make a gradual reduction instead of a more immediate one. Kaiser-Hill's rationale was that buildings will be demolished at different intervals and over time, fewer buildings will need protection. However, the requirements of the Notice and the types of threats being protected against are to be the basis for establishing Security Conditions staffing, not the number of buildings being protected. Reducing the current overstaffing could save the Department scarce funds that could be applied to further cleanup and closure at Rocky Flats. For example, if Rocky Flats had reduced Security Conditions staff to 23 on October 1, 2003, it could have saved up to \$2.3 million until the time it planned to reduce staff in February 2005.

#### SCOPE AND METHODOLOGY

The audit was performed at Rocky Flats near Golden, Colorado, from July through November 2003. The audit examined the Safeguards and Security Program staffing levels for normal security operations and Security Conditions operations for Fiscal Years (FYs) 2001 through 2003. The audit also analyzed the site's projected security staffing and costs for FYs 2004 and 2005.


To accomplish our objective we reviewed Department and Kaiser-Hill guidance on safeguards and security programs, the Kaiser-Hill contract and the Wackenhut safeguards and security subcontract; interviewed RFFO, Kaiser-Hill and Wackenhut security personnel; and,

reviewed and evaluated documents related to Kaiser-Hill's and Wackenhut's Safeguards and Security Program staffing requirements.

The audit was performed in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. In addition, we reviewed the Department's performance measures related to safeguards and security programs in accordance with the *Government Performance and Results Act of 1993*. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer-processed data to accomplish our audit objective.

We discussed the audit results with RFFO personnel on September 18, 2003. Since no formal recommendations are being made in this letter report, a formal response is not required. However, we suggest that you revisit your March 2002 technical review to determine if further reductions in Security Conditions staff would bring additional savings without compromising security. Further, this would provide the Department reasonable assurance that Kaiser-Hill's planned February 2005 staff reduction has a sound basis.

We appreciated the cooperation of your staff throughout the audit.

  
Phillip L. Holbrook, Director  
Environmental Audits Division  
Office of Inspector General

cc: Assistant Secretary for Environmental Management  
Team Leader, Audit Liaison Team, ME-1.1  
Audit Liaison, Rocky Flats Field Office

# memorandum

DATE: February 2, 2004

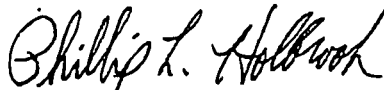
REPLY TO  
ATTN OF: IG-36 (A03DN039)

SUBJECT: Letter Report on the Rocky Flats Safeguards and Security Program

TO: Team Leader, Audit Liaison Team (ME-1.1)

Attached is the subject report. No recommendations are being made and no Management Decision is required for this report. Management was briefed on our observation that, consistent with the finding of a March 2002 Rocky Flats Field Office technical review, Rocky Flats' Security Conditions staffing exceeded the level necessary to meet the site's Security Conditions requirements. Therefore, because the technical review's finding was never implemented, we suggested that Rocky Flats Field Office revisit the technical review to determine if further reductions in Security Conditions staffing would bring additional savings without compromising security.

We appreciated your cooperation during the audit.

  
Phillip L. Holbrook, Director  
Environmental Audits Division  
Office of Inspector General

Attachment

cc: Manager, Rocky Flats Field Office

DOE F 1325.8  
(08-93)

United States Government

Department of Energy

# memorandum

DATE: January 30, 2004

REPLY TO  
ATTN OF: IG-36 (A02DN006)

SUBJECT: Final Report Package for Letter Report on "Safeguards and Security Program at Rocky Flats"

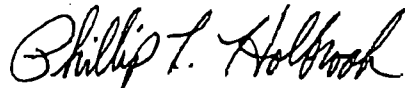
TO: Director, Planning and Administration

Attached is the required final report package on the subject audit. The pertinent details are:

1. Staff days:                      Programmed   N/A                        Actual   N/A
2. Elapsed days:                      Programmed   207                        Actual   207
3. Names of OIG audit staff:

Assistant Division Director: Fred Pieper  
Team Leader: Mark Mickelsen  
Auditor-in-Charge: Richard Terry  
Audit Staff: Christine Nehls

4. Coordination with Investigations and Inspections: Inspections and Investigations were notified on 1/16/04 of planned issuance of letter report. No actual or potential compromise of an investigation or inspection was noted. This report will not impact any ongoing investigations or inspections.
5. Matters to be brought to attention of the IG or AIGAS: None.



Phillip L. Holbrook, Director  
Environmental Audits Division  
Office of Inspector General

## Attachments:

1. Final Report (3)
2. Monetary Impact Report
3. Audit Project Summary Report
4. Transmittal Memorandum

**MONETARY IMPACT OF REPORT NO.: OAS-L-04-10**

1. Title of Audit: The Safeguards and Security Program at the Rocky Flats Environmental Technology Site

2. Division: Environmental Audits Division/Denver Audit Group

3. Project No.: A03DN039

4. Type of Audit:

Financial: \_\_\_\_\_ Performance: X  
 Financial Statement \_\_\_\_\_ Economy and Efficiency X  
 Financial Related \_\_\_\_\_ Program Results \_\_\_\_\_  
 Other (specify type): \_\_\_\_\_

5.

FINDING		COST AVOIDANCE		QUESTIONED COSTS				MGT. POSITION	POTENTIAL BUDGET IMPACT
(A)	(B) Title	(C) One Time	(D) Recurring Amount Per Year	(E) Questioned	(F) Unsupported	(G) Unresolved	(H) Total (E)+(F)+(G)	(I) C=Concur N=Noncon U=Undcc	(J) Y=Yes N=No
	Security Conditions Staffing	\$2.3M					0	N/A	No
TOTALS--ALL FINDINGS		\$2.3M					0		

6. Remarks: The audit found that the Rocky Flats Security Conditions staffing exceeded the level necessary to meet the site's Security Conditions requirements. We concluded that as of October 1, 2003, Rocky Flats could meet the Security Conditions requirements with 23 security personnel rather than the 49 currently employed. Therefore, by reducing the number of security personnel, Rocky Flats could avoid additional security costs. For example, our analysis showed that if Rocky Flats had reduced Security Conditions staffing to 23 on October 1, 2003, the Department could have saved up to \$2.3 million in security costs by February 1, 2005—the date Kaiser-Hill plans to further reduce staff to 14. Therefore, we suggested that Rocky Flats consider whether additional savings could be obtained from further staff reductions without compromising site security.

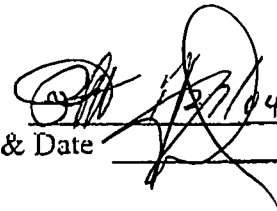
7. Contractor: N/A

8. Contract No.: N/A

9. Task Order No.: N/A

10. Approvals:

Division Director/Date:  \_\_\_\_\_

OAS Technical Advisor & Date:  \_\_\_\_\_

# memorandum

DATE: March 18, 2004  
REPLY TO: IG-30  
SUBJECT: Monetary Impact of Letter Report on the Rocky Flats Safeguards and Security Program  
TO: Team Leader, Audit Liaison Team (ME-1.1)

Because our letter report, *Audit of the Safeguards and Security Program at the Rocky Flats Environmental Technology Site (OAS-L-04-10)*, did not include recommendations and was not intended to be tracked in the Department's Audit Resolution and Tracking System, please disregard the Monetary Impact Statement that was provided to your office on February 2, 2004.

Thank you for your cooperation in this matter. If you have any questions, please contact Jill Schulman at 202-586-1946.



Rickey R. Hass  
Acting Assistant Inspector General  
for Audit Services  
Office of Inspector General

**Audit Project Office Summary (APS)**

Report run on: February 3, 2004 12:02 PM

Audit#: A03DN039 Ofc: DNA Title: SAFEGUARDS & SECURITY PROGRAM AT RFETS

**\*\*\*\* Milestones \*\*\*\***

	Planned	End of Survey	Revised	Actual
Entrance Conference:.....	23-JUN-03		07-JUL-03	07-JUL-03
Survey:.....			02-OCT-03	02-OCT-03
Draft Report:.....				
Completed (With Report):..	16-JAN-04	02-OCT-03	30-JAN-04	30-JAN-04 ( R )
-----Elapsed Days:	207	87	207	207
				Elap. Less Susp:

Date Suspended: Date Terminated:  
 Date Reactivated: Date Cancelled:  
 DaysSuspended(Cur/Tot): ( ) Report Number: OAS-L-04-10  
 Report Type: LTR LETTER REPORT  
 Rpt Title: AUDIT OF SAFEGUARDS AND SECURITY PROGRAM AT THE ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE

**\*\*\*\* Audit Codes and Personnel \*\*\*\***

Class: PER PERFORMANCE  
 Program: DP Not Found  
 MgtChall: 005 NATIONAL SECURITY (F AD: 496 PIEPER  
 Site: MSA MULTI-SITE AUDIT AIC: 447 TERRY  
 SecMiss: ENV ENVIRONMENTAL QUALIT Team Ldr: 342 MICKELSEN  
 PresInit: Not Found Tech Adv: 421 SCHULMAN

**\*\*\*\* Task Information \*\*\*\***

Task No:  
 Task Order Dt: CO Tech. Rep:  
 Orig Auth Hrs: Orig Auth Costs:  
 Current Auth: Current Auth Cost:  
 Tot Actl IPR Hr: Tot Actl Cost:

**\*\*\*\* Time Charges \*\*\*\***

Emp/Cont Name	Numdays	Last Date
HALPIN, D	3.1	13-DEC-03
MICKELSEN, M	16.6	24-JAN-04
NEHLS, C	52.4	29-NOV-03
TERRY, R	101.8	24-JAN-04
Total:	173.9	



Audit Project Office Summary (APS)

Report run on: February 3, 2004 12:02 PM

\*\*\*\* Keywords \*\*\*\*

EXCESS STAFFING  
 KAISER-HILL  
 ROCKY FLATS  
 ROCKY FLATS FIELD OFFICE  
 SAFEGUARDS AND SECURITY  
 SECURITY CONDITIONS  
 SECURITY POLICE OFFICERS  
 SECURITY STAFFING  
 WACKENHUT

\*\*\*\* Location Information \*\*\*\*

<u>Loc Code</u>	<u>Description</u>
RFA	ROCKY FLATS OFFICE
RFA	KAISER-HILL COMPANY LLC

\*\*\*\* Finding Information \*\*\*\*

<u>Find#</u>	<u>Title</u>	<u>Type</u>	<u>Amount</u>	<u>Yrs</u>	<u>Bud Imp</u>	<u>Mgt Pos</u>	<u>Dept Pos</u>	<u>Dept Amount</u>	<u>Dept Date</u>
1	SECURITY CONDITIONS STAFFING	OTS	2300000						

Audit Project Office Summary (APS)

Report run on: February 3, 2004 12:02 PM

Audit History

Audit No: A03DN039

History Date: 30-JAN-04

History Text:

PR/ENTERED COMPLETED WITH REPORT DATE

**AUDIT DATABASE INFORMATION SHEET**

1. Project No.: A03DN039
2. Title of Audit: The Safeguards and Security Program at the Rocky Flats Environmental Technology Site
3. Report No./Date OAS-L-04-10; January 30, 2004
4. Management Challenge Area: National Security
5. Presidential Mgmt Initiative: None
6. Secretary Priority/Initiative: Environmental Programs
7. Program Code: DP-3
8. Location/Sites: Rocky Flats Environmental Technology Site, Golden, CO  
Rocky Flats Field Office, Golden, CO
9. Finding Summary:

Rocky Flats Security Conditions staffing exceeded the level necessary to meet the site's Security Conditions requirements. Rocky Flats could meet these requirements with 23 personnel rather than the 49 currently employed. A comparison of Rocky Flats security measures with Security Conditions requirements disclosed that some established security posts were unnecessary. This situation resulted from internal weaknesses by both the Department and the site security contractors Kaiser-Hill and Wackenhut. For example, the Rocky Flats Field Office did not act upon the results of a March 2002 technical review that concluded fewer staff were needed. We also found that by reducing the number of Security personnel, Rocky could avoid additional security costs. For example, our analysis showed that if Rocky Flats had reduced Security Conditions staffing to 23 on October 1, 2003, the Department could save up to \$2.3 million in security costs by February 1, 2005—the date Kaiser-Hill plans to reduce staff to 14. Therefore, we suggested that Rocky Flats Field Office revisit the March 2002 technical review to determine if further reductions to Security Conditions staff would bring additional savings without compromising site security.

10. Keywords: Rocky Flats  
Rocky Flats Field Office  
Kaiser-Hill  
Wackenhut  
Safeguards and Security  
Security Conditions  
Security staffing  
Security Police Officers  
Excess staffing

**Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site  
A03DN039**

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**Purpose:**

If your audit work or report deals with any of the following information, be sure to have your information reviewed by a classifier to ensure you are not inadvertently discussing Restricted Data or Formerly Restricted Data or any other level of classification. Information in the aggregate can be classified even if taken from unclassified sources.

<b>AIDS FOR REVIEW OF INFORMATION THAT MAY BE CLASSIFIED OR CONTROLLED</b>	<b>YES</b>	<b>NO</b>
Source or formula for Chemical/Biological Agents that has not been widely reported in open scientific literature.		X
Existence of a specific Chemical/Biological agent that is considered a threat to national security at a specified location within a government facility.		X
Statements that a specific Chemical/Biological agent considered a threat to national security cannot be detected by existing technology.		X
Information concerning significant technical advances and break-throughs in Chemical/Biological agent detection, dissemination, or response technologies that could significantly assist an adversary.		X
Results or interpretation of research results from computer modeling that reveal specific operational deficiencies or vulnerabilities of a facility, infrastructure, or response plan which could be exploited or otherwise could materially aid an adversary in planning or conducting a Chemical/Biological attack.		X
Source term parameters (e.g. location, quantity, release rate, dispersal mechanisms, physical state, or particulate size distribution) of a Chemical/Biological agent <u>and</u> the airborne or surface concentrations resulting from dispersion modeling.		X
Specific dispersion mechanisms for specific chemical/Biological agents, including grinding techniques and pressurized systems that would be effective for dispersion over a large area.		X
Details of operational scenarios either for intelligence, civilian, or military organizations that would reveal current vulnerabilities or lessen the effectiveness of the scenarios.		X
Information about deployment of a specific detector or response system that could be used to defeat or significantly reduce the effectiveness of that system or otherwise materially aid an adversary in planning or conducting an attack.		X

**Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site  
A03DN039**

<b>AIDS FOR REVIEW OF INFORMATION THAT MAY BE CLASSIFIED OR CONTROLLED</b>	<b>YES</b>	<b>NO</b>
Descriptions of specific vulnerabilities of decontamination equipment or procedures that could be exploited to prevent or significantly reduce their ability to perform required functions or otherwise materially aid an adversary in planning or conducting a Chemical/Biological attack.		X
Descriptions of specific conditions (c.g., carrier for an agent or environmental condition) that could be exploited to reduced the effectiveness of standard decontaminants or decontamination procedures such that risks to unprotected personnel cannot be reduced to acceptable levels, or otherwise would aid an adversary in planning a Chemical/Biological attack.		X
Nuclear weapon design, fabrication, and utilization.		X
Radiological warfare.		X
Radiological dispersal devices.		X
Inertial confinement fusion.		X
Military nuclear reactors (not necessary for civilian).		X

**Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site**  
**A03DN039**

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**POTENTIALLY SENSITIVE INFORMATION**

The following table is a listing of information considered potentially sensitive. If the information is detailed to such an extent that it would cause or potentially could cause damage to U.S. national security, citizens, or property, it cannot be placed in our public reports. Therefore, when you prepare your reports be sure to check for this type of information.

**Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site  
A03DN039**

<b>CATEGORIES/TYPES OF INFORMATION</b>	<b>YES</b>	<b>NO</b>
<b>Facilities</b>		
➤ Detailed description and location of facilities to include maps, written directions, drawings, blue prints, photographs and such.		X
➤ Detailed descriptions and location of storage facilities for nuclear or other hazardous materials.		X
➤ Detailed descriptions and location of personnel or facility support systems (e.g. water supply, electrical supply systems, communications systems, emergency response personnel/equipment).		X
➤ Detailed descriptions and locations of computer systems used to process, store, and transmit sensitive information.		X
➤ Environmental Impact Statements that provide the consequences for what is being studied.		X
➤ Any detailed information pertaining to other sites that has not been reviewed/approved by the other site.		X
<b>Materials</b>		
➤ Form and quantity of hazardous materials, (chemical, nuclear, biological).		X
➤ Vulnerabilities of materials to unauthorized access or destruction.		X
➤ Consequences of release of hazardous materials.		X
➤ Detailed transportation related information (routes, maps, shipping means, containers).		X
<b>Security/Safety</b>		

Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site  
A03DN039

➤ Detailed plans, procedures, communications, reaction times, or capabilities that would allow someone to determine vulnerabilities of the site.		X
➤ Specific assessments, exercise results, evaluations for a particular site.		X
➤ Specific personnel data identifying security/safety personnel. The report details the number of security personnel at Rocky Flats by total numbers, but does not identify specific personnel.	X	
➤ Specific equipment and its potential uses.		X



**Audit of Safeguards and Security Program at the Rocky Flats Environmental Technology Site  
A03DN039**

<b>Assessments</b>		
➤ Site-specific vulnerability assessments.		X
➤ Site-specific safety assessments/analysis.		X
➤ Site specific risk analyses.		X
➤ Specific hazardous assessments (Dispersion models and analyses, accident analyses, or site hazards).		X
<b>Personnel</b>		
➤ Specific organization charts or phone lists identifying senior management/key personnel.		X
➤ Specific personal data to include travel plans, meetings and such.		
➤ Specific training materials that include sensitive information.		X
<b>Programs</b>		
➤ Detailed information identifying sensitive programs, special projects, SAPs, WFO.		X
➤ Reports detailing specific activities and/or results from programs and projects.		X
➤ Information pertaining to specific programs at other facilities/sites that has not been cleared with the other sites for publication on a publicly accessible web site.		X