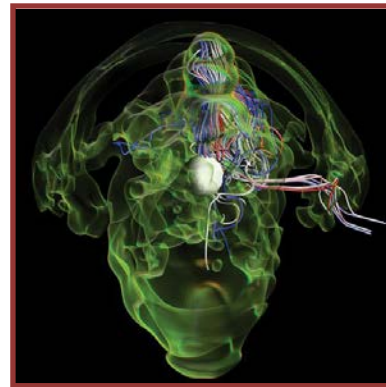
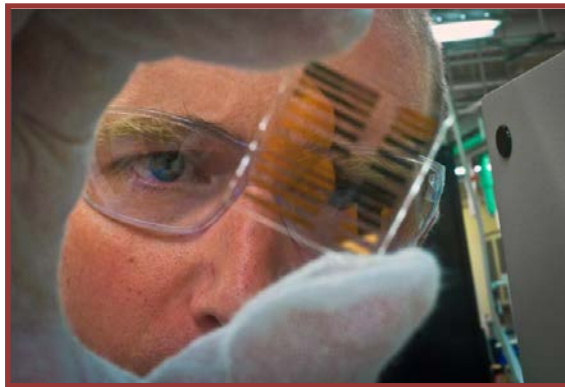


U.S. Department of Energy  
Office of Inspector General



**Annual Performance Report FY 2012**

**Annual Performance Plan FY 2013 & FY 2014**

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## Message from the Inspector General

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I am pleased to present the Office of Inspector General's combined Fiscal Year (FY) 2012 Annual Performance Results and FYs 2013 and 2014 Annual Performance Plan.

Over the past year, a substantial portion of our oversight responsibilities focused on programs and operations related to the *American Recovery and Reinvestment Act of 2009* (Recovery Act). Since its inception, our goal has been to work with management to maximize the impact of the Department's Recovery Act efforts, and to do so in an atmosphere of the utmost accountability and transparency. The performance results highlighted in this report demonstrate the accomplishments in this arena as well as the Department's overall progress toward achieving greater economy, efficiency, and effectiveness in its sizable inventory of missions and operations. As Recovery Act-related work winds down, our commitment remains to work with Department managers to assist in their efforts.

During this time of austerity, limited resources will demand thoughtful and consistent program choices to maximize the effectiveness of the Department's mission. We look forward to continued collaboration with the Department's senior management and program officials to advance the interests of the U.S. taxpayers.

## At a Glance: Performance Results for FY 2012

The OIG continues to make positive contributions to the Department’s mission-related priorities. Some highlights of our work in FY 2012 include:

Total Reports Issued	85
Recovery Act Reports	23
Audit Reports	52
Inspection Reports	10
Funds Put to Better Use	\$ 22.1 million
Dollars Recovered (Fines, Settlements, and Recoveries)	\$ 25.2 million
Criminal Convictions	23
Suspensions and Debarments	36
Potential Recoveries from Open False Claims Act Investigations	\$185.7 million
Civil or Administrative Actions	92
Hotline Complaints and Inquiries	
Received	5,761
Processed Immediately/Redirected/No Further Action	5,193
Processed for Further Review and Adjudicated	568

## Overview

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This report presents the goals, objectives, and strategies for measuring the OIG's FY 2012 actual performance and FYs 2013 and 2014 planned activities. The goals, objectives, and strategies included in this document are used to plan, measure and report on OIG results. The OIG's goals are:

- ⦿ Promote Presidential reform initiatives, Secretarial mission priorities, and Congressional requests;
- ⦿ Improve economy and efficiency, and reduce waste, fraud, and abuse within the Department; and
- ⦿ Support the taxpayer.

## Our Mission and Vision

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The mission of the Office of Inspector General is to promote the effective, efficient, and economical operation of the Department of Energy (Department) through audits, inspections, investigations, and other reviews to detect and prevent waste, fraud, abuse, and violations of law. This is accomplished by being a highly effective organization that promotes positive change by identifying opportunities for improvements in the performance and efficiency of the Department's programs and operations.

## Our Organization

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The OIG is organized into two major functional areas and a corporate support office:

- ⦿ Office of Audits and Inspections
- ⦿ Office of Investigations
- ⦿ Office of Management and Administration

The OIG has 13 offices located throughout the country.

### Office of Audits and Inspections

#### **Audits**

The Office of Audits (Audits) provides internal and contracted audit activities for Department programs and operations, including the National Nuclear Security Administration (NNSA) and the Federal Energy Regulatory Commission (FERC). The office strives to provide reliable, credible financial and performance information to senior management, the Congress, and the taxpayers. Resources are concentrated on economy, efficiency and program reviews, while maintaining sound oversight of the financial statement audit. The organizational structure of the office helps to ensure that audit work provides comprehensive coverage over Department organizations, programs, and operations while meeting the Department's evolving needs.

A risk-based process is used for identifying areas for audit coverage. Specific areas with known or emerging risks and the greatest vulnerabilities are identified. This process allows the organization to conduct program performance reviews that address Presidential initiatives; the Secretary's mission priorities; OIG-identified management challenges; as well as Congressional interests. A significant portion of audit resources is directed toward meeting OIG statutory audit responsibilities in the financial and information technology areas.

Audits has scheduled 105 reviews to start in FY 2013. Many non-discretionary tasks from external sources impact the workload and may require postponement or cancellation of planned work to accommodate these demands. The planned Audits workload for FY 2013 is summarized in Appendix A.

## **Inspections**

The Office of Inspections (Inspections) conducts performance, allegation-based and ad-hoc inspections, as well as special inquiries in response to concerns raised by Congress, senior Department managers, and others.

Although Inspections plans a significant portion of its annual work, it retains flexibility so that it can promptly address concerns and allegations received during the course of the year. When planning its performance inspection work, Inspections identifies and prioritizes topics responsive to Presidential initiatives; the Secretary's mission priorities; OIG-identified management challenges; as well as Congressional interests. Inspections are initiated with consideration given to their significance and potential impact on Department programs and operations.

Inspections has scheduled 32 reviews to start in FY 2013. In light of the continued concerns over homeland security, Inspections is focusing its resources to address critical safety and security issues affecting Department programs and operations. The planned Inspection workload for FY 2013 is summarized in Appendix A.

## **Office of Investigations**

The Office of Investigations (Investigations) conducts investigations into alleged violations of law that impact Department programs, operations, facilities and personnel. Priority is given to investigations of suspected violations of criminal and civil statutes, as well as serious administrative misconduct. Criminal Investigators within Investigations work closely with Department of Justice prosecutors and other Federal, State, and local law enforcement organizations utilizing a full range of law enforcement authorities, such as carrying firearms, applying for and executing search warrants and making arrests. However, the work of Investigations extends beyond the conduct of investigations. The office also identifies opportunities for improving the economy and efficiency of Departmental programs and operations by issuing reports that recommend positive change. Investigative accomplishments are measured by cases opened in the areas most vulnerable to fraud; investigations accepted for prosecutive action; cooperative efforts with other law enforcement agencies; the timeliness of referrals and recommendations to management; and proactive initiatives. Through accomplishments in those areas, Investigations plays a major role assisting the OIG in promoting the efficient, effective and economical operation of the Department, including NNSA.

## **Office of Management & Administration**

The Office of Management and Administration directs the development, coordination, and execution of overall OIG management and administrative policy and planning. This responsibility includes directing the OIG's strategic planning process, financial management activities, personnel management and security programs, administrative support services, and information resources programs. In addition, the staff members from this office represent the Inspector General at hearings, negotiations, and conferences on budget, financial, managerial, and other resource matters. The staff also coordinates activities of the Council of Inspector's General on Integrity and Efficiency. The office is organized into two divisions: Office of Human Resources and Office of Information Technology, Financial and Administration.



## Our Mandate

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As mandated by the *Inspector General Act of 1978*, as amended, the Office of Inspector General (OIG) promotes the effective, efficient, and economical operation of the Department, including NNSA and FERC.

## External Factors Challenging Our Organization

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Various external factors impact the OIG's ability to meet its performance goals. These factors include the following:

- ⦿ Hotline allegation reviews significantly impact planned work. The implementation of the Recovery Act has given rise to an increase in Hotline complaints resulting in reviews. Audits and Inspections experienced a 64 percent increase in the number of reviews conducted as a result of Hotline allegations in FY 2012 compared to FY 2008.
- ⦿ Congressionally mandated work demands a relatively large portion of OIG resources. This mandated work includes, among other things, work required by the Federal Information Security Management Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, and the recently passed Government Charge Card Abuse Prevention Act of 2012.
- ⦿ The OIG also responds to a significant number of external requests. During FY 2012, the OIG conducted 11 Congressional briefings and 7 testimonies and responded to 15 Congressional inquiries. In addition, occasionally the Department may request an OIG review on specific issues it considers sensitive and/or high priority. For example, in FY 2012, the OIG assisted the Department in reviewing security issues associated with the Y-12 complex.

## Our Management Challenges

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To increase our audit coverage of management contractors, we planned to increase audit staffing to authorized levels by September 30, 2012. We successfully met this milestone. However, our audit coverage of contracts, grants and other procurements is still not optimal. Our limitation in this area can be linked to three primary causes:

- ⦿ The Department's diverse and broad mission that continues to expand;
- ⦿ The Department's significant operational management challenges; and
- ⦿ OIG's high attrition rate for journeyman level auditors.

The Department's mission to ensure security and prosperity by addressing energy, environmental and nuclear challenges is one of the broadest in the Federal Government. The Department's mission continues to expand as it takes on new guaranteed loan programs to promote renewable energy. In addition, the mission becomes more complex as the nation's nuclear stockpile continues to age. Finally, the Department is currently facing significant operational challenges as a result of duplicative functions that exist throughout the organization. These additional challenges create additional oversight responsibilities. The additional oversight responsibilities coupled with the challenge our organization faces in retaining qualified journeyman level auditors in a highly competitive workforce market, has caused us to implement a risk-based approach to auditing. We use the risk-based approach to focus our finite resources on those areas within the Department that have the greatest impact on the security and prosperity of the country. As a result, we are not always able to provide optimal coverage of contracts, grants and other procurements.

# Measuring Our FY 2012 Performance

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The OIG measures its performance against long-term and annual goals set forth in OIG planning documents. During this reporting period, the OIG generally achieved its FY 2012 performance goals.

## Goal 1

Promote Presidential reform initiatives,  
Secretarial mission priorities and Congressional requests.

### Objective 1

Conduct reviews seeking positive change in the Department relating to the implementation of Presidential reform initiatives, the Secretary's mission priorities, and Congressional requests.

Objective Leader – Deputy Inspector General for Audits and Inspections

#### Performance Measures

- 1a. At least 75 percent of audit reports will address Presidential, Secretarial, and OIG initiatives, priorities, and/or challenges as identified in FY 2012.
- 1b. At least 30 percent of inspection reports will address safety or security-related topics.

#### Accomplishments

##### **Exceeded Goal – Audits and Inspections**

86 percent of audit reports issued addressed a Presidential, Secretarial, OIG initiative, priority, and/or challenge.

##### **Exceeded Goal – Audits and Inspections**

50 percent of inspection reports issued addressed safety or security related topics.

## Goal 2

Improve economy and efficiency, and reduce waste, fraud, and abuse within the Department.

### Objective 2

Concentrate OIG efforts on issues that have the greatest impact and usefulness to the Department.

Objective Leader – Deputy Inspector General for Audits and Inspections

#### Performance Measures

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- 2a. Ensure that 100 percent of performance reviews include an analysis of program accomplishments and the use of metrics to measure results.
  
- 2b. Ensure that 57 percent of performance audits include recommendations leading to demonstrable cost savings, program efficiencies, and/or funds put to better use.
  
- 2c. Complete five follow-up reviews annually to determine the status and efficacy of corrective actions.

#### Accomplishments

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##### **Met Goal – Audits and Inspections**

100 percent of performance audits and inspections completed included an analysis of program accomplishments and the use of metrics to measure results.

##### **Exceeded Goal – Audits and Inspections**

97 percent of all performance audits issued included demonstrable cost savings, program efficiencies, and/or funds that can be put to better use.

##### **Exceeded Goal – Audits and Inspections**

A total of 10 follow-up reviews (7 performance audits, 3 performance inspections) were completed to determine the status and efficacy of corrective actions.

## Performance Measures

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- 2d. By June 30, 2012, complete an annual risk-based programmatic assessment that considers OIG institutional knowledge; past program performance; funding levels; Presidential, Secretarial, and congressional concerns; Recovery Act initiatives; and, input from Department program managers.
  
- 2e. Ensure 80 percent of planned performance audits and inspections address high-risk areas as identified in the OIG annual risk-based programmatic assessments.

## Accomplishments

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### **Exceeded Goal – Audits and Inspections**

Annual risk-based programmatic assessments for the Department, NNSA, and program activities were completed in May 2012.

### **Exceeded Goal – Audits and Inspections**

91 percent of our planned performance audits and 86 percent of inspections addressed high-risk and sensitive areas identified in the OIG annual risk-based programmatic assessments.

### Objective 3

Provide timely information to the Department so that prompt action can be taken to improve program performance.

Objective Leaders – Deputy Inspector General for Audit and Inspections  
Deputy Inspector General for Investigations

#### Performance Measures

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3a. Issue 80 percent of audit and inspection reports no later than 60 days following receipt of management comments.

3b. Ensure that the average time to issue Investigative Reports to Management is 47 days or less following final resolution of criminal, civil, and administrative investigations.

#### Accomplishments

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##### **Exceeded Goal – Audits and Inspections**

84 percent of audits and 100 percent of inspections completed in FY 2012 were issued within 60 days following receipt of management comments.

##### **Exceeded Goal – Investigations**

Investigative Reports to Management were issued in 33 days, on average, following final resolution of criminal, civil, and/or administrative action.

## Objective 4

Strengthen financial management and cyber security through completion of mandatory reviews in accordance with OMB and other applicable requirements.

Objective Leaders – Deputy Inspector General for Audit and Inspections

### Performance Measures

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- 4a. Complete annually, by the established due date, the Department’s Consolidated Financial Statement audits to determine whether the financial statements are free from material misstatement.
  
- 4b. Conduct annually, by the established due date, the review of the Department’s classified and unclassified information security system programs in accordance with the Federal Information Security Management Act of 2002.
  
- 4c. Initiate 10 “Statement of Costs Incurred and Claimed” audits annually to assess internal controls over costs claimed by the Department’s major contractors.

### Accomplishments

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#### **Met Goal – Audits and Inspections**

The Department’s FY 2012 Consolidated Financial Statement was issued on November 15, 2012, and resulted in an unqualified opinion.

#### **Exceeded Goal – Audits and Inspections**

Reviews of the Department’s unclassified information systems security program, in accordance with the Federal Information Security Management Act of 2002, were completed in October 2012, ahead of the OMB’s reporting date of November 15, 2012.

#### **Exceeded Goal – Audits and Inspections**

A total of 13 “Statement of Costs Incurred and Claimed” audits were initiated.

## Objective 5

Concentrate investigative efforts on allegations of criminal and civil violations of law that adversely impact major Department programs and operations, with emphasis on maximizing the recovery of public resources and deterring future wrongdoing.

Objective Leaders – Deputy Inspector General for Investigations

### Performance Measures

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- 5a. Achieve an annual acceptance rate of 74 percent for cases presented for prosecutorial consideration, with an enhanced focus on Recovery Act cases.
  
- 5b. Ensure 75 percent of all cases opened focus on key areas of Department vulnerability, specifically contract and grant fraud, environmental, safety and health violations, issues impacting the integrity of government officials, or technology crimes.

### Accomplishments

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#### **Exceeded Goal – Investigations**

The OIG achieved a prosecutorial acceptance rate of 95 percent.

#### **Exceeded Goal – Investigations**

Of the cases opened in FY 2012, 91 percent focused on key areas of Department vulnerability.



## Objective 6

Coordinate with other law enforcement agencies to establish effective networks in order to identify areas that are most vulnerable to waste, fraud, and abuse.

Objective Leaders – Deputy Inspector General for Investigations

### Performance Measures

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6a. Ensure 26 percent of all cases opened were joint agency/task force investigations with external law enforcement agencies, such as the Federal Bureau of Investigation and other OIGs, including other agencies with Recovery Act funding.

### Accomplishments

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#### Exceeded Goal – Investigations

The OIG opened 133 cases during FY 2012; 40 percent were joint agency/task force investigations.

## Objective 7

Heighten awareness of potential fraud among internal and external customers.

Objective Leaders – Deputy Inspector General for Investigations

### Performance Measures

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7a. Provide 42 fraud awareness briefings annually to Department and contractor employees and managers and fund recipients, with special emphasis on Recovery Act-related fraud.

### Accomplishments

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#### Exceeded Goal – Investigations

OIG investigative personnel provided 79 fraud awareness briefings in FY 2012.

### Goal 3

Support the taxpayer.

#### **Objective 8**

Provide the Department and the public with an effective and efficient mechanism to report waste, fraud, and abuse.

Objective Leader – Deputy Inspector General for Investigations  
Counsel to the Inspector General

#### **Performance Measures**

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- 8a. Ensure that the average time to analyze and predicate Hotline complaints is 6 days or less from receipt of allegations.
  
- 8b. Ensure that the average time to refer Hotline complaints to the Department or other agency management is 16 days or less following a referral decision.
  
- 8c. Meet statutory Whistleblower Retaliation Investigation requirements.

#### **Accomplishments**

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##### **Exceeded Goal – Investigations**

FY 2012 complaints to the OIG Hotline were analyzed and predicated on average within 3 days of receipt.

##### **Goal Not Met – Investigations**

The average time to refer FY 2012 Hotline complaints to Department or other agency management was 17 days after disposition decision. As a result of process refinement, the average referral time was reduced to 15 days for the last 3 quarters of the fiscal year.

##### **Met Goal – Counsel to the Inspector General**

Whistleblower Retaliation Investigation requirements were met.

## Objective 9

Make the public aware of OIG reports.

Objective Leader – Deputy Inspector General for Management and Administration

### Performance Measures

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9a. Ensure that all OIG public reports identified for inclusion on the Internet are posted within 3 working days of submission to the Secretary, unless otherwise specified by the Inspector General.

### Accomplishments

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#### Met Goal – Management and Administration

All reports were posted within 3 working days of submission to the Secretary.

## Objective 10

Provide a structure for ensuring a skilled and efficient workforce.

Objective Leader – Deputy Inspector General for Audits and Inspections  
Deputy Inspector General for Investigations

### Performance Measures

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10a. Ensure that all auditors meet the training requirements as specified by generally accepted Government Auditing Standards and that all inspectors meet the training requirements as specified by the Council of the Inspectors General on Integrity and Efficiency for Inspection and Evaluation.

10b. Ensure that all investigators meet the training requirements as specified by Federal law enforcement and other related investigative standards.

### Accomplishments

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#### Met Goal – Audits and Inspections

All auditors and inspectors met the required training specified by both the Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency for Inspection and Evaluation.

#### Met Goal – Investigations

All investigators met training requirements, including those prescribed by statute.

## Our FYs 2013 and 2014 Performance Plan

Our work is important to the Department’s success in fulfilling its Strategic Plan. The OIG must ensure that its resources and activities cover the issues and concerns most critical to the Department. This Performance Plan identifies the OIG performance targets for FYs 2013 and 2014 goals that will help the OIG better plan its priorities and assist the Department in identifying and taking corrective action to improve areas most vulnerable to waste, fraud, and mismanagement.

For FYs 2013 and 2014, the OIG will measure its accomplishments against the following performance measures:

### Goal 1

Promote Presidential reform initiatives,  
Secretarial mission priorities and Congressional requests.

#### Objective 1

Conduct reviews seeking positive change in the Department relating to the implementation of Presidential reform initiatives, the Secretary’s mission priorities, and Congressional requests.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
1a. Complete reviews that address Presidential, Secretarial, and OIG initiatives, priorities, and/or challenges as identified in FY 2013.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	N/A	N/A	N/A	N/A	75%	75%	75%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	64%	61%	78%	68%	86%		
1b. Conduct inspections that address safety or security-related topics.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	N/A	50%	30%	30%	30%	30%	30%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	N/A	62.5%	45%	60%	50%		

## Goal 2

Improve economy and efficiency, and reduce waste, fraud, and abuse within the Department.

### Objective 2

Concentrate OIG efforts on issues that have the greatest impact and usefulness to the Department.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
2a. Ensure that performance reviews include an analysis of program accomplishments and the use of metrics to measure results.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	100%	100%	100%	100%	100%	100%	100%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100%	100%	100%	100%	100%		
2b. Ensure that performance audits include recommendations leading to demonstrable cost savings, program efficiencies, and/or funds put to better use.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	57%	57%	57%	57%	57%	75%	75%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	69%	78%	86%	88%	97%		
2c. Complete follow-up reviews annually to determine the status and efficacy of corrective actions.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	5	5	5	5	5	5	5
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	7	8	6	10	10		

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
2d. By June 30, 2013, complete an annual risk-based programmatic assessment that considers OIG institutional knowledge; past program performance; funding levels; Presidential, Secretarial, and congressional concerns; and, input from Department program managers.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	6/2008	6/2009	6/2010	6/2011	6/2012	6/2013	6/2014
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100%	90%	6/2010	6/2011	5/2012		
2e. Ensure planned performance audits and inspections address high-risk areas as identified in the OIG annual risk-based programmatic assessments.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	80%	80%	80%	80%	80%	80%	80%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	91%	90%	87%	83%	Audits: 91% Inspections: 86%		

### Objective 3

Provide timely information to the Department so that prompt action can be taken to improve program performance.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
3a. Issue audit and inspection reports no later than 60 days following receipt of management comments.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	80%	80%	80%	80%	80%	80%	80%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100%	83%	100%	93%	84%		
3b. Issue Investigative Reports to Management in a timely manner once criminal, civil, and administrative investigative activity is finalized.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	55 days	55 days	50 days	48 days	47 days	46 days	45 days
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	40 days	23 days	10 days	17 days	33 days		

## Objective 4

Strengthen financial management and cyber security through completion of mandatory reviews in accordance with OMB and other applicable requirements.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
4a. Complete by the established due date, the Department’s Consolidated Financial Statement audits to determine whether the financial statements are free from material misstatement.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	11/15/08	11/15/09	11/15/10	11/15/11	11/15/12	11/15/13	11/17/14
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	11/10/08	11/15/09	11/12/10	11/15/11	11/15/12		
4b. Complete annually, by the established due date, the Department’s classified and unclassified information security system programs in accordance with the Federal Information Security Management Act of 2002.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	9/30/08	11/18/09	11/15/10	11/15/11	11/15/12	11/15/13	11/17/14
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	9/2008	10/2009	10/2010	10/2011	10/2012		
4c. Initiate “Statement of Costs Incurred and Claimed” audits annually to assess internal controls over costs claimed by the Department’s major contractors.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	10	10	10	10	10	10	10
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	10	10	9	13	13		



## Objective 5

Concentrate investigative efforts on allegations of criminal and civil violations of law that adversely impact major Department programs and operations, with emphasis on maximizing the recovery of public resources and deterring future wrongdoing.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
5a. Achieve an annual acceptance rate for cases presented for prosecutorial consideration.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	72%	72%	72%	74%	74%	74%	75%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	94%	89%	90%	96%	95%		
5b. Ensure all cases opened focus on key areas of Department vulnerability, specifically contract and grant fraud, environmental, safety, and health violations, issues impacting the integrity of government officials, or technology crimes.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	N/A	75%	75%	75%	75%	75%	75%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	N/A	77%	77%	88%	91%		

## Objective 6

Coordinate with other law enforcement agencies to establish effective networks in order to identify areas that are most vulnerable to waste, fraud, and abuse.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
6a. Ensure all cases opened were joint agency/task force investigations with external law enforcement agencies, such as the Federal Bureau of Investigation and other OIGs.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	25%	25%	25%	25%	26%	26%	27%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	42%	29%	34%	42%	40%		

## Objective 7

Heighten awareness of potential fraud among internal and external customers.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
7a. Provide fraud awareness briefings annually to Department and contractor employees and managers.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	28	28	35	40	42	44	45
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	47	84	95	86	79		

### Goal 3

Support the taxpayer.

#### Objective 8

Provide the Department and the public with an effective and efficient mechanism to report waste, fraud, and abuse.

<b>Performance Measures</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
8a. Timely analyze and predicate Hotline complaints from receipt of allegations.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	85% in 7 days	90% in 7 days	90% in 7 days	90% in 7 days	6 days or less	6 days or less	5 days or less
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100% in 7 days	99% in 7 days	99% in 7 days	95% in 7 days	3 days		
8b. Timely refer Hotline complaints to the Department or other agency management following a referral decision.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	85% in 14 days	90% in 14 days	90% in 14 days	90% in 14 days	16 days or less	16 days or less	16 days or less
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100% in 14 days	98% in 14 days	59% in 14 days	17% in 14 days	17 days		
8c. Meet statutory Whistleblower Retaliation Investigation requirements.	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	100%	100%	N/A	100%	100%	100%	100%
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		
	100%	100%	N/A	100%	100%		

## Objective 9

Make the public aware of OIG reports.

Performance Measures	FY	FY	FY	FY	FY	FY	FY
	2008	2009	2010	2011	2012	2013	2014
9a. Ensure that all OIG public performance reports are posted to the internet, on average, within 5 working days of submission to the Department, unless otherwise specified by the Inspector General.	Target	Target	Target	Target	Target	Target	Target
	100%	100%	100%	100%	100%	5 working days	5 working days
	Actual	Actual	Actual	Actual	Actual		
	100%	100%	100%	100%	100%		

## Objective 10

Provide a structure for ensuring a skilled and efficient workforce.

Performance Measures	FY	FY	FY	FY	FY	FY	FY
	2008	2009	2010	2011	2012	2013	2014
10a. Ensure that all auditors meet the training requirements as specified by generally accepted Government Auditing Standards and that all inspectors meet the training requirements as specified by the Council of the Inspectors General on Integrity and Efficiency for Inspection and Evaluation.	Target	Target	Target	Target	Target	Target	Target
	100%	100%	100%	100%	100%	100%	100%
	Actual	Actual	Actual	Actual	Actual		
	100%	100%	100%	100%	100%		
10b. Ensure that all investigators meet the training requirements as specified by Federal law enforcement and other related investigative standards.	Target	Target	Target	Target	Target	Target	Target
	100%	100%	100%	100%	100%	100%	100%
	Actual	Actual	Actual	Actual	Actual		
	100%	100%	100%	100%	100%		

## Appendix A

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### Audit Work Plan for FY 2013

#### Central Audits Division

- ⊙ Ecotality
- ⊙ Funding Overlap
- ⊙ Follow-up on Smart Grid Investment Grant
- ⊙ DOE's Loan Program Office's Portfolio Management
- ⊙ Office of Fossil Energy's Regional Carbon Sequestration Partnerships
- ⊙ Advanced Manufacturing Office's Combined Heat and Power Systems
- ⊙ DOE's Management of Contaminated Non-EM Facilities
- ⊙ Unneeded Real Estate
- ⊙ Review of For-Profit Grantees for selected DOE programs
- ⊙ Commercialization Efforts at National Laboratories
- ⊙ Research Misconduct at Office of Science
- ⊙ Public Dissemination of Research Results
- ⊙ BPA's Management of Borrowing Authority Construction
- ⊙ Controls Over PMA's Use of Hedging Instruments
- ⊙ PMA's Management of Transmission Line Perimeter Maintenance
- ⊙ DOE's Management of Utility Rate Contracts
- ⊙ Water Power Program
- ⊙ Contractor Travel and Temporary Duty Costs

#### Eastern Audits Division

- ⊙ Follow-up Audit of Intergovernmental Personnel Act Assignments
- ⊙ Audit of the Department's Management of General Support Services Costs
- ⊙ Audit of the Department's Management and Utilization of Nanotechnology Facilities
- ⊙ Audit of the Department's Critical Spare Parts Programs
- ⊙ The Department's M&O Subcontracts Regarding Responsibility Matters
- ⊙ The Department's Controls over Leased Space at Selected Field Sites
- ⊙ Audit of Department and Contractor Employee Pensions
- ⊙ Audit of the Department of Energy's Scientific User Facilities
- ⊙ West Valley Demonstration Project
- ⊙ Future Gen Cooperative Agreement

## Eastern Audits Division (con't)

- ⊙ Strategic Petroleum Reserve's Facilities and Drawdown Readiness
- ⊙ Follow-up of Energy Savings Performance Contract Delivery Orders
- ⊙ Depleted Uranium Conversion Operations
- ⊙ Surveillance Activities at Select Legacy Management Closure Sites
- ⊙ EM's Management of Staff Augmentation Relocation and Temporary Living Costs
- ⊙ Program Management at Portsmouth D&D Projects
- ⊙ Planning for the Shutdown and Turnover of the Paducah Gaseous Diffusion Plant
- ⊙ Acquisition and Use of Helium-3 by Department of Energy Programs
- ⊙ Savannah River Site H-Canyon Operations
- ⊙ Follow-up of Treatment of High Level Waste at the Savannah River Site
- ⊙ Environmental Management's Consolidated Business Center
- ⊙ Salt Waste Processing Facility Project Management
- ⊙ Implementation of the Security Improvement Program at the Y-12 National Security Complex
- ⊙ Follow-up Audit on the Department's Management and Use of Mobile Computing Devices and Services
- ⊙ The Department's Progress in Implementing Cloud Computing Activities
- ⊙ Cyber Security for Energy Delivery Systems
- ⊙ NNSA's Information Technology Transformation Activities
- ⊙ Follow-up Audit on the Department's Efforts to Develop a Commodity-Centered IT Environment
- ⊙ Follow-up Audit on the Department of Energy's Management of Information Technology Hardware
- ⊙ Sustainability of the Department of Energy's Telecommunications Infrastructure
- ⊙ Follow-up Audit on the Department's Acquisition and use of Software Licenses
- ⊙ DOE's Implementation of the Federal Information Security Management Act
- ⊙ FERC's Implementation of the Federal Information Security Management Act

## Western Audits Division

- ⊙ Audit of the Spallation Neutron Source at Oak Ridge National Laboratory
- ⊙ Enriched Uranium Operations at Y-12 National Security Complex
- ⊙ Oak Ridge National Laboratory's Carbon Fiber Technology Center
- ⊙ The Department of Energy's International Thermonuclear Experimental Reactor (ITER) Responsibilities
- ⊙ Depleted Uranium Operations at Y-12 National Security Complex

## Western Audits Division (con't)

- ⊙ Guest Houses at Department of Energy Sites
- ⊙ Management of Biosafety Laboratories
- ⊙ Nuclear Detonation Detection Subprogram
- ⊙ National Ignition Facility
- ⊙ Achieving Efficiencies of Projected Contract Changes
- ⊙ NNSA Contractors' Health/Post Retirement Benefit Plans
- ⊙ NNSA's Neutron Generator Replacement
- ⊙ Second Line of Defense Program
- ⊙ B-61 Life Extension Program
- ⊙ Follow-up on the Los Alamos Hydrodynamic Test Program
- ⊙ Sandia National Laboratories Readiness in Technical Base and Facilities' (RTBF)
- ⊙ NNSA's Implementation of Quantifications of Margin and Uncertainties (QMU)
- ⊙ NNSA Contractors' Site Specific Support Costs
- ⊙ Follow-Up Safety Basis and Quality Assurance at the Los Alamos National Laboratory
- ⊙ Los Alamos National Laboratory's Ability to meet U.S. Commitments of Plutonium
- ⊙ Disposition Using the Advance Recovery and Integrated Extraction System (ARIES)
- ⊙ Los Alamos National Laboratory's Purchasing Systems
- ⊙ The Kansas City Responsive Infrastructure Manufacturing and Sourcing Project (KCRIMS)
- ⊙ Security at the Nevada National Security Site (NNS)
- ⊙ Pantex Plant and Y-12 Complex Contract Consolidation
- ⊙ Follow-up NNSA M&O Contractor Legal Costs
- ⊙ Long Term Storage of Cesium and Strontium Capsules at the Hanford Site
- ⊙ The Hanford Site 2015 River Corridor Closure Project
- ⊙ The Department's Management of the Waste Treatment and Immobilization Plant (WTP) Project
- ⊙ Department's Implementation of Agreements to Commercialize Technology
- ⊙ The Department's Management of the Radioisotope Power Systems (RPS) Program
- ⊙ The Department's Management of Rare Earth Materials Research
- ⊙ The Global Threat Reduction Initiative's Highly Enriched Uranium Reactor Conversion Subprogram
- ⊙ Advanced Test Reactor Management
- ⊙ NNSA's Management of the Nuclear Materials Safeguard and Security Upgrades Project at Los Alamos National Laboratory

## **Government Management Reform Act (GMRA)**

- ⊙ Department of Energy's Consolidated Financial Statement Audit FY 2013
- ⊙ FERC's Financial Statement Audit FY 2013
- ⊙ Decommissioning and Decontamination Fund FY 2013 GMRA
- ⊙ Southwestern Power Administration Financial Statement Audit FY 2013
- ⊙ Nuclear Waste Fund FY 2013
- ⊙ IT Management Letter FY 2013
- ⊙ Financial Management Letter FY 2013

## **Statement of Costs Incurred and Claimed (SCIC)**

- ⊙ Los Alamos National Laboratory – Los Alamos National Security LLC 2011 SCIC
- ⊙ Savannah River – Savannah River Nuclear Solutions 2011 SCIC
- ⊙ Lawrence Livermore National Laboratory – Lawrence Livermore National Security LLC 2011 SCIC
- ⊙ Sandia National Laboratories – Lockheed Martin 2011-2012 SCIC
- ⊙ Oak Ridge National Laboratory – UT Battelle 2011 SCIC
- ⊙ Naval Reactors – Bechtel Marine Propulsion Corporation 2012 SCIC
- ⊙ Idaho National Laboratory – Battelle Energy Alliance LLC 2012 SCIC
- ⊙ Oak Ridge Y-12 – Babcock & Wilcox Y-12 LLC 2011 SCIC
- ⊙ Lawrence Berkeley National Laboratory – The Regents of University of California 2011 SCIC
- ⊙ Pacific Northwest National Laboratory – Battelle Memorial Institute 2012 SCIC
- ⊙ National Renewable Energy Laboratory – Alliance for Sustainable Energy 2009-2011 SCIC
- ⊙ Ames National Laboratory – Iowa State University 2009-2012 SCIC



## Inspections Work Plan for FY 2013

### Eastern Region

- ⊙ Health and Wellness Safety at a Selected Department Site
- ⊙ Radiation Protection Program at a Selected Department Site
- ⊙ Safety Risks to Workers at a Selected Department Site
- ⊙ Lock and Key Program at Selected Department Sites
- ⊙ Perimeter Security at a Selected Department Site
- ⊙ Restricting Special Protection Officer Duties
- ⊙ Protection of Classified Information at Offsite Department Facilities
- ⊙ Controls Over the Department's Classification of Information
- ⊙ Utilization of Advanced Security Screening Technology at High Risk Sites
- ⊙ Severance Payments at Department Sites
- ⊙ Human Capital Planning Procedures
- ⊙ Sensitive Property at Selected Department Sites
- ⊙ Purchase Card Transactions at Selected Department Site
- ⊙ Department and its Contractor's Substance Abuse Testing Program
- ⊙ Follow-up Review on Department Conferences
- ⊙ Follow-up Inspection on the Accountability and Control of Sealed Radioactive Sources at Selected Department of Energy Sites
- ⊙ Follow-up Inspection on Ammunitions Control within the Office of Secure Transportation

### Western Region

- ⊙ Earthquake Preparedness at a Selected Department Site
- ⊙ Hazardous Materials and Safety Training at a Department Site
- ⊙ Readiness of the Department's Federal Radiological Monitoring and Assessment Center
- ⊙ Safety of Z-Machine and Annular Core Research Reactor at a Department Site
- ⊙ Use of Waste Characterization Strategy Form at a Department Site
- ⊙ Selected Aspects of Idaho National Laboratory's ISMS
- ⊙ NNSA's Controls Over Hazardous Chemicals
- ⊙ Sole Source Subcontracting at SLAC National Accelerator Laboratory
- ⊙ Non-Hazardous Solid Waste Recycling Program at a Selected Department Site
- ⊙ Professional Research or Teaching Leave at Department Sites
- ⊙ Purchase Card Transactions at a Selected Department Site
- ⊙ Department's Use of U.S. Flag Vessels
- ⊙ Excess Government Property at a Department Site
- ⊙ Follow-up Inspection on Joint Technical Operations Team
- ⊙ Follow-up Inspection on Management of Excess Weapons and other Sensitive Equipment

## Appendix B

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### Investigative Work Plan Priorities for FY 2013

#### **Contract and Grant Fraud**

A majority of the Department's budget is expended on contracts and grants; therefore, the opportunity for fraud to occur or exist within various Department programs is significant. Given the continuing potential for significant fraud, to include the Department's Loan Guarantee Program, in FY 2013 Investigations will continue to: (1) expand fraud awareness briefings throughout the Department, including NNSA; (2) prioritize contract and grant fraud investigations, placing emphasis on cases with a potential high dollar recovery to the Department; (3) coordinate and pursue leads referred by the OIG Office of Audits and Inspections; and (4) proactively identify and pursue contract and grant fraud investigations.

#### **Environment, Safety, and Health (ES&H)**

The Department's program for cleaning up the environmental contamination caused by nuclear weapons research, production and testing is estimated to cost over \$250 billion over the next several decades. The OIG has identified environmental cleanup as a Department Management Challenge that is likely to persist well into the future. In FY 2013, Investigations will: (1) pursue investigations involving potential ES&H violations; (2) continue liaison efforts with ES&H contacts in the Department, NNSA, and other Government agencies; and (3) provide ES&H awareness briefings throughout the Department complex.

#### **Issues Impacting the Integrity of Government Officials**

Government officials have a responsibility to maintain the public's trust and confidence in the integrity of the Federal Government programs and operations. In FY 2013, based on information received through the OIG Hotline and other sources, Investigations will continue to work with DOJ to address allegations of criminal misconduct and ethical lapses on the part of government officials. Investigations will also continue to investigate related activities that may have resulted in fraud, waste, abuse and mismanagement.

## **Technology Crimes**

Information technology, another of the Department's major issue areas, received a significant amount of Investigations' resources and attention during FY 2012. Investigations' Technology Crimes Section (TCS) is staffed by investigators with the specialized skills necessary to proactively and reactively investigate the expanding number of complex technology crimes that are allegedly occurring within many of the Department's programs. TCS further strengthens Investigations' support to the Department, including NNSA, in detecting, preventing and investigating illegal network intrusions. During FY 2013, TCS will: (1) continue to proactively support fraud investigations through consultations and forensic media analysis; (2) investigate incidents of technology crimes and non-compliance with applicable regulations involving protection of the information infrastructure throughout the Department; (3) extend Investigations' role in technology incident response and investigations in the Department; and (4) provide technology crimes awareness briefings throughout the Department complex.