



U.S. Department of Energy
Office of Inspector General
Office of Inspections

Inspection Report

Firearms Internal Controls at the Lawrence Livermore National Laboratory

DOE/IG-0621

September 2003




Department of Energy

Washington, DC 20585

September 25, 2003

MEMORANDUM FOR THE SECRETARY

FROM:


Gregory H. Friedman
Inspector General

SUBJECT:

INFORMATION: Inspection Report on "Firearms Internal Controls at the Lawrence Livermore National Laboratory"

BACKGROUND

The Department of Energy's (DOE) Lawrence Livermore National Laboratory (Livermore) maintains a significant inventory of firearms, almost exclusively for use by its Protective Force Division. Firearms are considered sensitive items by DOE and are subject to strict inventory controls. The purpose of this inspection was to determine if internal controls over firearms at Livermore were adequate and whether the firearms inventory was administered appropriately.

RESULTS OF INSPECTION

While we were able to physically locate all firearms on Livermore's inventory, we concluded that internal controls over Livermore's administration of the firearms inventory were unsatisfactory. The weaknesses identified increased the vulnerability of the firearms to loss, abuse, and theft. Specifically, we found that:

- Five firearms, which had been purchased over 10 years ago, did not have property control numbers and were not listed in the property inventory. Therefore, these firearms were systematically excluded from Laboratory inventory reviews; and
- Livermore was not conducting monthly inventories of firearms issued to protective force personnel, as required by DOE policy.

Following our inspection, Livermore officials indicated that they were taking prompt action to improve controls over all firearms at the Laboratory.



MANAGEMENT REACTION

Management agreed with our findings and recommendations and indicated that it was initiating corrective actions to address our concerns. While management agreed that there were processes and procedures that needed improvement, management did not agree that the conditions found at Livermore represented a “significant internal control weakness.” In our judgment, however, the fact that weapons issued to protective force personnel had not been inventoried in accordance with DOE policy and that five other firearms were not placed in Livermore’s property system for over 10 years, represents a breakdown in the Laboratory’s system of management controls. Given the sensitivity of firearms, we believe that designating this situation as a “significant internal control weakness” was appropriate.

Attachment

cc: Deputy Secretary
Administrator, National Nuclear Security Administration
Under Secretary for Energy, Science and Environment
Manager, Livermore Site Office
Director, Policy and Internal Controls Management

FIREARMS INTERNAL CONTROLS AT THE LAWRENCE LIVERMORE NATIONAL LABORATORY

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Overview

INTRODUCTION AND OBJECTIVE

Some Department of Energy (DOE) sites maintain firearms for use by protective forces to secure and safeguard facilities, nuclear weapons and materials, and employees. Firearms are considered sensitive items by DOE and are subject to strict inventory controls.

The Office of Inspector General (OIG) initiated an inspection of internal controls over firearms at DOE's Lawrence Livermore National Laboratory (Livermore). This inspection complements similar work performed at the Los Alamos National Laboratory (Los Alamos) and the Savannah River Site. A report on the Los Alamos review was issued on February 21, 2003, *DOE/IG-0587, "Inspection of Firearms Internal Controls at Los Alamos National Laboratory."* A report on the Savannah River Site review was issued on July 29, 2003, *INS-L-03-08, "Internal Controls Over Firearms at the Savannah River Site."*

The objective of this inspection was to determine if internal controls over firearms at Livermore were adequate and if the firearms inventories at the site were administered appropriately.

OBSERVATIONS AND CONCLUSIONS

We concluded that a significant internal control weakness exists at Livermore with regard to the administration of firearms inventories. This weakness increases the vulnerability of the firearms inventories to loss, abuse, and theft. Specifically, we found that:

- Five firearms at Livermore did not have property control numbers and were not listed in the property inventory; and
- Livermore was not conducting monthly inventories of all firearms, as required by DOE policy.

During our inspection, Livermore officials recognized the need for process improvements and advised that they initiated corrective actions.

Details of Findings

PROPERTY INVENTORY

We found that some Livermore firearms did not have property control numbers and were not listed in the Livermore property inventory. We were able to account for the 1,039¹ firearms assigned to the Protective Force Division, which is part of Livermore's Safety, Security, and Environmental Protection Directorate. These firearms were assigned property control numbers and were listed in the Livermore property inventory. However, during our fieldwork, five firearms under the control of other Livermore Directorates were identified that did not have property control numbers assigned and were not listed in the Livermore property inventory.

During our fieldwork, we identified a shotgun that was not assigned a property number or listed in the Laboratory's property inventory. After we notified the Livermore Property Manager, Laboratory officials performed a wall-to-wall firearms inventory. This effort resulted in the discovery by Livermore of four additional firearms that did not have property numbers assigned and were not listed in the property inventory. The five firearms, which were acquired nine or more years ago, had not been identified during Livermore's annual property inventories of sensitive property.² These firearms included:

Description	Amount	Date Received
Shotgun	1	1979 - 82
M16A1 Rifle	2	1990
Springfield Rifle	1	1990
Cobray M-11 Semi-automatic Pistol	1	1993 - 94

Livermore officials could not explain why the firearms had not been listed in the property inventory or identified during annual sensitive property inventories. The Livermore Property Manager advised that the firearms had been stored in locked cabinets and the exclusion of the firearms from the property inventory may have been an oversight on the part of the firearm custodians.

¹ We were advised that DOE was standardizing its firearms and the Livermore inventory contained new weapons as well as weapons that were to be excessed.

² The Energy and Environment Directorate possessed the shotgun; the Defense and Nuclear Technologies Directorate possessed the M16A1 and Springfield Rifles; and the Physics and Applied Technologies Directorate possessed the Cobray M-11 Semi-automatic Pistol.

The Livermore Property Manager advised that the Laboratory's current procedure for procuring and assigning property control numbers to sensitive property items would preclude an incident such as the one involving the five firearms from reoccurring. He said that while three Livermore Directorates had acquired and controlled one or more of the five firearms, a policy being developed by Livermore would designate the Safety, Security, and Environmental Protection Directorate as the sole organization responsible for the acquisition and control of all firearms at Livermore.

MONTHLY INVENTORIES

We found that Livermore was not conducting monthly inventories of all firearms, as required by DOE policy. DOE policy requires a monthly inventory of all firearms, listing the type of firearm, the manufacturer, and its serial number. However, the policy governing monthly firearms inventories at Livermore requires a review of only those firearms that have not been issued to protective force officers. Weapons armorers must check and verify the make, model, and serial numbers of the weapons in storage and verify that the weapons are in order. Consistent with Livermore policy, Protective Force Division armorers were only conducting monthly inventories of firearms in storage in the arms room and were not including firearms that were issued to protective force officers and stored in personal lockers at locations separate from the arms room when not in use.

During our review, a senior Livermore protective force official acknowledged that Livermore's policy was not consistent with DOE requirements. He advised that Livermore would modify its policy regarding monthly firearms inventories to be consistent with DOE policy and include all firearms, whether in storage or issued to protective force officers.

Inconsistent checks and balances in the administration of property inventories at Livermore increase the vulnerability of firearms to loss, abuse and theft. Given the sensitive nature of firearms as an inventory item, we concluded that the conditions found at Livermore represented a significant internal control weakness.

RECOMMENDATIONS

We recommend that the Manager, Livermore Site Office, take appropriate action to ensure that:

1. Livermore properly controls, inventories, and maintains firearms in accordance with DOE requirements.
2. Livermore develops and fully implements policy that assigns responsibility for the acquisition and control of firearms to one organization;
3. All firearms received by Livermore are assigned property numbers and entered into the property management database in a timely manner;
4. Annual inventories of sensitive property include all firearms assigned to the site; and
5. All protective force firearms are inventoried on a monthly basis in accordance with DOE requirements.

**MANAGEMENT
COMMENTS**

On August 21, 2003, the Associate Administrator for Management and Administration, National Nuclear Security Administration, provided written comments on our draft inspection report. The Associate Administrator's verbatim response is included as Appendix B to this report. Management concurred with the report recommendations and identified corrective actions taken or planned. While management agreed that there were a number of processes and procedures that needed improvement, management did not agree with the conclusion that the conditions found at Livermore represented a significant internal control weakness.

**INSPECTOR
COMMENTS**

We consider management's comments and actions regarding the findings and recommendations contained in our report to be responsive. Laboratory management took prompt action to improve the controls over all firearms at the Laboratory following the discovery of the five weapons that were not on the property inventory.

Firearms, which are highly vulnerable to loss, abuse, and theft, are considered sensitive items by DOE. Therefore, they are subject to strict property controls, including regularly scheduled inventories. The fact that five firearms had not been inventoried or

subject to property controls at Livermore for periods ranging from 10 to 20 years represents, in our view, a significant breakdown in property controls and is a significant internal control weakness.

Appendix A

SCOPE AND METHODOLOGY

We conducted the fieldwork portion of our review during October 2002 to March 2003. Our review included interviews with National Nuclear Security Administration officials at Department of Energy (DOE) Headquarters and the Livermore Site Office, as well as Livermore officials. We also reviewed applicable policies and procedures and other records regarding property management and firearms, including:

- Livermore Management and Operating Contracts.
- DOE Property Management Regulations, Title 41 Code of Federal Regulations, Chapter 109.
- Livermore Property Management Policies and Procedures.
- DOE O 473.2, Protective Force Program, dated 6-30-00.
- DOE M 473.2-2, Protective Force Program Manual, dated 6-30-00.
- Livermore's revised Protective Force Division Firearms/Use of Force Order, dated October 2001.
- Livermore's revised Protective Force Division Post Order APCO, dated October 2001.
- Livermore Firearms Inventory Lists for Fiscal Year (FY) 2002.
- Livermore's Property Retirement Records, FY 94 to Present.

This inspection was conducted in accordance with the "Quality Standards for Inspections" issued by the President's Council on Integrity and Efficiency.

Appendix B




Department of Energy
National Nuclear Security Administration
Washington, DC 20585



AUG 21 2003

MEMORANDUM FOR Christopher R. Sharpley
Acting Assistant Inspector General
for Inspections

FROM: Michael C. Kane 
Associate Administrator
for Management and Administration

SUBJECT: Comments to Draft Inspection Report on Firearms
Internal Controls at Lawrence Livermore

NNSA appreciates the opportunity to have reviewed the Inspector General's (IG) draft Inspection Report, "Firearms Internal Controls at the Lawrence Livermore National Laboratory." We understand that the purpose of the Inspection was to determine if internal controls over firearms at the Laboratory were adequate and if the inventories of the firearms at the site were administered appropriately.

While NNSA agrees that there was a need for improvements in some of the business processes, we disagree with the IG's conclusion that the conditions found at the Laboratory represented a significant internal control weakness. For example, the weapons assigned to the Protective Force Division were accounted for and controlled; however, the monthly inventories were lacking. During the IG's inspection of weapons that were secured in the armory, the Inspectors found a shotgun that had no property tag. It was at this point that the Laboratory initiated a thorough search of the Laboratory and located four additional firearms that were in locked containers but had not been accounted for in the property control system. The Laboratory informed the Inspectors of these additional weapons and that processes and procedures were immediately being implemented to ensure all weapons were placed under the control of a single office.

To validate the actions that the Laboratory initiated during the Inspection, the Livermore Site Office instructed the Laboratory to have one office responsible for the control and inventory of all weapons at the Laboratory and, furthermore, to conduct monthly inventories of the weapons as required by Orders and Regulations. The actions that were initiated during the Inspection have been completed and are responsive to the recommendations made by the IG.



Recommendations

1. Ensure Livermore properly controls, inventories, and maintains firearms in accordance with DOE requirements.

NNSA agrees with the recommendation and as stated above has directed the security department to be the accountable entity for all firearms. As part of this accountability an inventory was conducted and validated with the property control system. All items are in accountability and processes and procedures are in place, to include monthly inventories of the firearms. We believe that all actions are complete.

2. Ensure Livermore develops and fully implements policy that assigns responsibility for the acquisition and control of firearms to one organization.

NNSA agrees with the recommendation and has completed the actions recommended. The Laboratory has assigned the security office as the control point for firearms. We believe that all actions are complete.

3. Ensure that all firearms received by Livermore are assigned property numbers and entered into the property management database in a timely manner.

NNSA agrees with the recommendation. We reiterate that currently all firearms received by the Laboratory are assigned property numbers and are entered into the property management system. With the exception of the five firearms identified in the report, the Laboratory was in compliance with this requirement prior to the IG's review. The five identified firearms were assigned property numbers and entered into the property management database prior to the completion of the review. This action has been completed.

4. Ensure annual inventories of sensitive property include all firearms assigned to the site.

The Safety, Security, and Environmental Protection Department was in compliance with the requirement to perform annual inspections. The only exception to this was the five firearms noted in the report. These firearms have been assigned property numbers, entered into the database, and will be inventoried annually as part of the sensitive property inventory. This action has been completed.

-
5. Ensure all protective force firearms are inventoried on a monthly basis in accordance with DOE requirements.

In accordance with DOE manual 473.2-2, the Laboratory is conducting monthly inventories of all firearms, listing type of firearm, the manufacture, and its serial number. Prior to the issuance of the draft report, the Laboratory was meeting the intent of this recommendation. The corrective action was completed by June 30, 2003.

While we agree with the IG that there were processes and procedures that needed improvement, we do not believe that there is a significant internal control weakness as indicated in the draft report. Should you have any questions regarding this matter, please contact Richard Speidel, Director for Policy and Internal Controls Management. He may be reached at 202-586-5009.

cc: Camille Yuan-Soo Hoo, Manager, Livermore Site Office
Robert Braden, Senior Procurement Executive, NA-63
Toby Johnson, Director, Office of Safeguards
and Security Programs, NA-55
Dave Marks, Field Chief Financial Officer, SvcCen/NV

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