



U.S. Department of Energy  
Office of Inspector General  
Office of Inspections and Special Inquiries

# Inspection Report

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The Department of Energy's Review of  
Chemical and Biological Export License  
Applications

DOE/IG-0682

March 2005



## Department of Energy

Washington, DC 20585

March 24, 2005

### MEMORANDUM FOR THE SECRETARY

FROM:

*Greg Friedman*  
Gregory H. Friedman  
Inspector General

SUBJECT:

INFORMATION: Inspection Report on "The Department of Energy's Review of Chemical and Biological Export License Applications"

### BACKGROUND

The Fiscal Year 2000 National Defense Authorization Act provides that the President shall annually submit to Congress a report by the Inspectors General of the Departments of Energy, Commerce, State, and Defense of the policies and procedures of the United States Government with respect to the export of technologies and technical information with potential military application to countries and entities of concern. Exports of chemical and biological commodities from the United States are receiving increased scrutiny as a result of heightened national security concerns regarding the possible proliferation of weapons of mass destruction using these materials. Therefore, for 2005, an interagency working group comprised of the Inspectors General for the above agencies, as well as the Department of Homeland Security and the Central Intelligence Agency, examined the process for reviewing chemical and biological export license applications.

The specific objective of our inspection was to determine if the Department of Energy's export license review process is assisting the Government in its efforts to deter the proliferation of chemical and biological commodities that could be used in weapons of mass destruction. Additionally, we reviewed the status of recommendations set forth in our previous reports on the general subject of the Department of Energy's export control program.

### RESULTS OF INSPECTION

We concluded that the Department of Energy's export license review process is appropriately assisting the Government in its efforts to deter the proliferation of chemical and biological commodities that could be used in weapons of mass destruction. Specifically, we found that: (1) the Department added additional licensing officers, which provided the necessary capability to begin conducting reviews in April 2003 of chemical and biological export license applications; (2) reviews of chemical and biological export license applications by Departmental officials complied with the 30-day review requirement; and (3) Departmental officials appropriately coordinated with other Federal agencies regarding the Department's review of chemical and biological export license applications. These were positive accomplishments, in our judgment. However, we did find that some Department of Energy licensing officers were



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unable to effectively access the export license application database maintained by the Department of Commerce. These were technical difficulties that had the potential to negatively impact the work of the Department's licensing officers. This matter was referred to the Department of Commerce Inspector General for coordination as a matter of mutual interest.

Regarding the status of recommendations set forth in previous Department of Energy Office of Inspector General reports on annual export control reviews conducted pursuant to the Fiscal Year 2000 National Defense Authorization Act, we determined that 12 of the 13 recommendations have been closed. Details regarding the recommendations can be found in Appendix B of the report.

We made two recommendations to management designed to enhance the Department of Energy's export control review process.

#### MANAGEMENT REACTION

Management agreed with our recommendations and will implement corrective actions. Management's comments are provided in their entirety in Appendix D of the report. We found management's comments to be responsive to our recommendations.

Attachment

cc: Deputy Secretary  
Administrator, National Nuclear Security Administration  
Under Secretary for Energy, Science and Environment  
Director, Office of Program Liaison and Financial Analysis (ME-100)  
Director, Policy and Internal Controls Management (NA-66)

# THE DEPARTMENT OF ENERGY'S REVIEW OF CHEMICAL AND BIOLOGICAL EXPORT LICENSE APPLICATIONS

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# Overview

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## INTRODUCTION AND OBJECTIVES

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2000 provides that beginning in the year 2000 and ending in the year 2007, the President shall annually submit to Congress a report by the Inspectors General of, at a minimum, the Departments of Energy (Energy), Commerce (Commerce), Defense (Defense), and State (State) of the policies and procedures of the United States Government with respect to the export of technologies and technical information with potential military application to countries and entities of concern. The NDAA for FY 2001 also requires the Inspectors General to include in each annual report the status of the implementation or disposition of recommendations that were set forth in previous annual reports.

Exports of chemical and biological commodities from the United States are receiving increased scrutiny as a result of heightened national security concerns regarding the possible proliferation of weapons of mass destruction using these materials. Therefore, an interagency working group comprised of representatives from the Offices of Inspectors General (OIGs) for Energy, Commerce, Defense, State, the Department of Homeland Security, and the Central Intelligence Agency (CIA) selected the process for reviewing chemical and biological export license applications as the topic for its 2005 review.

The objective of our inspection was to determine if Energy's export license review process is assisting the Government in its efforts to deter the proliferation of chemical and biological commodities that could be used in weapons of mass destruction. To accomplish this objective, we examined:

- Energy's role in reviewing export license applications for chemical and biological commodities;
- Adherence by Energy officials to relevant laws and regulations governing such reviews; and
- Coordination by Energy officials with other Federal agencies.

Additionally, we reviewed the status of recommendations set forth in previous Energy OIG reports on annual export control reviews conducted pursuant to the NDAA for FY 2000.

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**OBSERVATIONS AND CONCLUSIONS**

We concluded that Energy's export license review process is assisting the Government in its efforts to deter the proliferation of chemical and biological commodities that could be used in weapons of mass destruction. Specifically, we found that:

- Energy added additional licensing officers, which provided Energy the capability to begin conducting reviews of chemical and biological export license applications in April 2003;
- Reviews of chemical and biological export license applications by Energy officials complied with the 30-day review requirement; and
- Energy officials appropriately coordinated with other Federal agencies regarding Energy's review of chemical and biological export license applications. However, some Energy licensing officers were unable to access Commerce's export license application database.

Regarding the status of recommendations set forth in previous Energy OIG reports on annual export control reviews conducted pursuant to the NDAA for FY 2000, we determined that 12 of the 13 recommendations have been closed. Details regarding the recommendations can be found in Appendix B.

The Energy OIG has conducted a number of reviews related to the topic of export controls. A listing of these reports is contained in Appendix C.

## Details of Findings

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### BACKGROUND

The principal legislative authorities governing the export control of nuclear-related, dual-use<sup>1</sup> items are the Export Administration Act (EAA) of 1979 and the Nuclear Non-Proliferation Act of 1978. The provisions of the EAA have been updated by Executive Order, most recently by Executive Order 12981, “Administration of Export Controls,” dated December 5, 1995. Executive Order 12981 grants the Secretary of Commerce the authority to refer export license applications to other agencies for review and gives agencies such as Energy the authority to look at any export license application submitted to Commerce. To implement the EAA, Commerce issues the Export Administration Regulations (EAR), which includes controls over nuclear-related items. Because Energy’s national laboratories are the primary source for expertise on nuclear-related items for the Federal Government, nuclear-related items identified for export controls by the EAR have traditionally been referred to Energy for review. Within Energy, these reviews are coordinated by licensing officers within the National Nuclear Security Administration’s (NNSA’s) Office of Export Control Policy and Cooperation.

State administers export controls on all munitions pursuant to the International Traffic in Arms Regulations and reviews the pertinent export license applications, including those for chemical and biological munitions. Although State may refer export license applications for munitions commodities to Energy for review, there is no formal mechanism regarding such referrals. To date, State has not requested that Energy review export license applications for chemical and biological munitions.

### ENERGY EXPORT LICENSE REVIEWS

We found that Energy added additional licensing officers, which provided Energy the capability to begin conducting reviews of chemical and biological export license applications in April 2003. Energy’s national laboratories have expertise in many areas, including chemical and biological matters. Following the events of September 11, 2001, Energy concluded that its “assets should be mobilized to deal with all forms of weapons of mass destruction...[including] chemical and biological weapons.” Pursuant to this review, the NNSA budget was increased to allow for these additional reviews, and Energy officially requested that Commerce refer chemical and biological export license applications to Energy for review beginning April 15, 2003.

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<sup>1</sup> Some controlled commodities are designated as “dual-use,” that is, goods and technologies that have both civilian and military uses. The U.S. Government designates some dual-use commodities as “nuclear dual-use” items, which are controlled for nuclear nonproliferation purposes.

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**COMPLIANCE**

We found that reviews of chemical and biological export license applications by Energy officials complied with the requirement to review export license applications within 30 days.

Executive Order 12981 states that Energy has 30 days to review a referred application and provide a recommendation to Commerce regarding approval or denial of the license application. Of a sample of 91 chemical and biological license applications received by Commerce in FY 2003,<sup>2</sup> 36 were referred to Energy for review. (The remaining export license applications received by Commerce were either returned to the applicant without being referred by Commerce to other agencies for review or were received by Commerce prior to April 15, 2003, when Energy established its chemical and biological export license application review process.) We determined that Energy replied to Commerce within the 30-day time frame on all 36 of the license applications referred to Energy for review.

**INTERAGENCY  
COORDINATION**

We found that Energy officials appropriately coordinated with other Federal agencies regarding Energy's review of chemical and biological export license applications. However, some Energy officials were unable to access Commerce's export license application database.

**SHIELD Licensing  
Group**

There are two interagency groups that can resolve disputes among Federal agencies regarding approval of export license applications; the SHIELD licensing group and the Operating Committee. Energy became a member of the SHIELD licensing group in April 2003, joining with State, Defense, Commerce, and CIA. The SHIELD licensing group reviews export license applications involving items controlled for chemical and biological weapons reasons and recommends whether an application should be approved or disapproved. If the members of the SHIELD licensing group cannot reach agreement on disposition of an application, the application is referred to the Operating Committee for further review. We determined that for the period covered by our review, Energy participated in each of the SHIELD licensing group meetings, and coordinated with the other group members on

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<sup>2</sup> The OIG interagency group examined a sample, developed by a Defense statistician, of 91 chemical and biological related export license applications from a total of 1,803 applications received by Commerce in FY 2003. Additionally, the OIG interagency group examined all the license applications from FY 2003 that were escalated to the Operating Committee for resolution, meaning one or more Federal agencies recommended denial after their initial review of the export license application. (The function of the Operating Committee is discussed in the next section of this report.) The total number of escalated license applications was 18, which included one export license application already reported in the initial sample of 91. Therefore, a total sample of 108 license applications was reviewed by the OIG interagency group.



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all the chemical and biological license applications referred to Energy by Commerce.

### **Operating Committee**

Energy has been a member of the Operating Committee since it was established in 1975. The Operating Committee includes senior officials from Energy, Commerce, Defense, and State, which are voting members, and the CIA, which is a non-voting member. The Operating Committee members are higher level agency officials than those in the SHIELD licensing group. We examined a sample of 18 license applications escalated to the Operating Committee for review during FY 2003. The 18 license applications were part of the 108 license applications reviewed by the OIG interagency working group. We determined that Energy participated in each of the Operating Committee meetings concerning the 18 license applications in our sample; that Energy's votes were recorded; and that Energy coordinated with the other committee members on each of the 18 license applications reviewed by the Operating Committee.

### **ECASS Access**

During our review, we observed that some Energy licensing officers were unable to access Commerce's export license application database. All chemical and biological license applications, in addition to nuclear-related applications, are referred to Energy from Commerce via Commerce's unclassified electronic Export Control Automated Support System (ECASS). After Energy downloads the application information from ECASS, the information is uploaded into Energy's classified Proliferation Information Network System (PINS). The case (application) is then assigned by an Energy licensing officer to one or more Energy national laboratories for review. Because of classification concerns, there is no direct link between ECASS and PINS. Accordingly, changes to a case recorded in ECASS after the initial download of the case by Energy would not necessarily be known by Energy officials.

Updated information on export license applications can be obtained by Energy personnel by either directly contacting Commerce officials or accessing ECASS again. Although an ECASS terminal is located at Energy headquarters, only one Energy licensing officer has password access to ECASS and no licensing officers have been trained in the use of the system. We were told that Commerce officials have not responded to Energy's repeated requests for training and password assistance on ECASS.

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**RECOMMENDATIONS**

We recommend that the Deputy Administrator, Defense Nuclear Nonproliferation, take appropriate action to ensure that Energy licensing officers:

1. Have access to the Department of Commerce's Export Control Automated Support System; and
2. Are properly trained in the use of this system.

**MANAGEMENT  
COMMENTS**

Management agreed with our recommendations and will implement corrective actions. Management's comments are provided in their entirety in Appendix D.

**INSPECTOR  
COMMENTS**

We found management's comments to be responsive to our recommendations. We coordinated our recommendations regarding Commerce's Export Control Automated Support System with the Commerce OIG.

## Appendix A

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### **SCOPE AND METHODOLOGY**

We interviewed Federal and contractor Energy officials at Energy headquarters and the Los Alamos National Laboratory, which operates the database used by Energy to process and review export license applications. We reviewed Energy and Commerce documentation for a sample of 108 export license applications for chemical and biological commodities that were submitted to Commerce in FY 2003. This sample was selected by the Offices of Inspectors General interagency working group. We also reviewed relevant export control regulations.

As part of our review, we evaluated Energy's implementation of the "Government Performance and Results Act of 1993." We did not identify any performance measure issues regarding the review of chemical and biological export license applications.

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

## Appendix B

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### STATUS OF RECOMMENDATIONS FROM PRIOR NATIONAL DEFENSE AUTHORIZATION ACT REPORTS

Section 1204 of the NDAA for Fiscal Year (FY) 2001 amended Section 1402(b) of the NDAA for FY 2000 to require the specified Offices of Inspectors General (OIGs) to include in each annual report the status of the implementation or other disposition of recommendations that have been set forth in previous annual reports under Section 1402(b). To date, five reports have been completed by the Energy OIG under this requirement. Two reports: “Inspection of Status of Recommendations from the Office of Inspector General’s March 2000 and December 2001 Export Control Reviews,” INS-L-03-07, May 2003, and “Inspection of the Department of Energy’s Role in the Commerce Control List and the U.S. Munitions List,” INS-O-01-03, March 2001, did not contain recommendations. The following is the status of the recommendations from the other reports. Of 13 total recommendations, 12 have been closed.

#### **“Contractor Compliance with Deemed Export Controls,” DOE/IG-0645, April 2004:**

Recommendation 1. We recommended that the Director, Office of Security and Safety Performance Assurance, expedite issuance of a draft unclassified foreign visits and assignments Order 142.X that addresses training requirements and responsibilities for hosts of foreign nationals.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, “Unclassified Foreign Visits and Assignments Program,” which was approved on June 18, 2004. This Order includes the principal roles and responsibilities for hosts of foreign national visitors and assignees. The Energy OIG determined that DOE Order 142.3 includes training requirements and responsibilities for hosts of foreign nationals.

The Energy OIG agreed to close this recommendation.

Recommendation 2. We recommended that the Deputy Administrator, Defense Nuclear Nonproliferation, ensure that export control guidance, including deemed export guidance, is disseminated and is being consistently implemented throughout the Energy complex.

Energy management reported that the National Nuclear Security Administration (NNSA) expects to issue a new edition of the Energy “Guidelines on Export Control and Nonproliferation,” updating and expanding the version of the Guidelines last issued in 1999. Proposals from nonproliferation and export control/technology transfer experts at Energy headquarters and several national laboratories have been collected and are undergoing final review. The new edition is to be formally issued under a cover letter from the Deputy Administrator for Defense Nuclear Nonproliferation reminding all Energy and NNSA elements of their export control responsibilities and noting export control resources available to the field. It will incorporate changes in relevant legislation and regulations, insights gained from dealing with various issues, and expanded and more detailed discussion of problematic issues, such as “deemed exports.” In addition, NNSA continues to develop an Internal Self-Assessment plan, and has not to date received a response to its survey from the Office of Science laboratories.

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The Energy OIG determined that this recommendation should remain open until all corrective actions are completed.

**“Inspection of the Department of Energy’s Automated Export Control System,”  
DOE/IG-0533, December 2001:**

Recommendation 1. We recommended that the Assistant Deputy Administrator for Arms Control and Nonproliferation coordinate with Commerce and Treasury to ensure access by Energy to information within the Automated Export System regarding the purchase and/or shipment of commodities under an approved export license, and develop guidelines for Energy’s access to the information.

Energy management reported that NNSA has taken actions as far as its cognizant authority allows. All remaining actions are contingent on other Government agencies. NNSA recommended that the interagency OIG group involved with export controls make specific recommendations to individual agencies in order to effect change. While actions are not completed, NNSA can no longer report meaningful status.

The Energy OIG agreed to close this recommendation. The Energy OIG will continue to follow up on these issues through the interagency OIG group.

Recommendation 2a. We recommended that the Assistant Deputy Administrator for Arms Control and Nonproliferation coordinate with State to improve communications regarding review of export license applications for munitions commodities.

Energy management reported that NNSA has taken actions as far as its cognizant authority allows. All remaining actions are contingent on other Government agencies. NNSA recommended that the interagency OIG group involved with export controls make specific recommendations to individual agencies in order to effect change. While actions are not completed, NNSA can no longer report meaningful status.

The Energy OIG agreed to close this recommendation. The Energy OIG will continue to follow up on these issues through the interagency OIG group.

Recommendation 2b. We recommended that the Assistant Deputy Administrator for Arms Control and Nonproliferation coordinate with State to ensure access by Energy to information maintained by State regarding final disposition (i.e., approval/denial of license applications and the purchase and/or shipment of commodities) of export license applications and develop guidelines for Energy’s access to the information.

Energy management reported that NNSA has taken actions as far as its cognizant authority allows. All remaining actions are contingent on other Government agencies. NNSA recommended that the interagency OIG group involved with export controls make specific recommendations to individual agencies in order to effect change. While actions are not completed, NNSA can no longer report meaningful status.

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The Energy OIG agreed to close this recommendation. The Energy OIG will continue to follow up on these issues through the interagency OIG group.

**“Inspection of the Department of Energy’s Export License Process for Foreign National Visits and Assignments,” DOE/IG-0465, March 2000:**

Recommendation 1. We recommended that the Acting Deputy Administrator for Defense Nuclear Nonproliferation ensure that senior Energy officials work with senior Commerce officials to assure clear, concise, and reliable guidance is obtained in a timely manner from Commerce regarding the circumstances under which a foreign national’s visit or assignment to an Energy site would require an export license.

Energy management was advised by the Commerce Assistant Secretary for Export Administration that extensive guidance regarding compliance with the deemed export rule was available on the Commerce website and that Commerce would continue and strengthen its outreach training programs for Energy’s National Laboratories.

The Energy OIG agreed to close this recommendation.

Recommendation 2. We recommended that the Director, Office of Security and Emergency Operations, ensure that a proposed revision of the Energy Notice concerning unclassified foreign visits and assignments includes the principal roles and responsibilities for hosts of foreign national visitors and assignees.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, “Unclassified Foreign Visits and Assignments Program,” which was approved on June 18, 2004. This Order includes the principal roles and responsibilities for hosts of foreign national visitors and assignees.

The Energy OIG agreed to close this recommendation.

Recommendation 3. We recommended that the Director, Office of Security and Emergency Operations, include a requirement for Energy and Energy contractor officials to enter required foreign national visit and assignment information in the Foreign Access Records Management System, or a designated central data base, in a complete and timely manner.

Energy management reported that a new Energy-wide information system, the Foreign Access Centralized Tracking System (FACTS), was developed and implemented. Energy further advised that Draft Order 142.X includes a requirement for Energy sites to enter required foreign national visit and assignment information into FACTS in a complete and timely manner.

Because Energy management’s corrective action addressed usage of FACTS by all Energy Federal and contractor employees, the Energy OIG previously agreed to close this recommendation and track this issue under recommendation 8.

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Recommendation 4. We recommended that the Manager of Energy’s Oak Ridge Operations Office ensure that requests for foreign national visits and assignments at the Oak Ridge site are reviewed by the Y-12 National Security Program Office to assist in identifying those foreign nationals who may require an export license in conjunction with the visit or assignment.

Energy management reported that to ensure requests for foreign national visits and assignments at the Oak Ridge National Laboratory receive appropriate export license consideration, Oak Ridge National Laboratory initiated a system of reviews. Under the system, requests are reviewed by five separate disciplines (Cyber Security, Export Control, Classification, Counterintelligence, and Security). In addition, requests associated with concerns are referred for resolution to the Non-citizen Access Review Committee. Energy management further reported that while each of the reviews can involve the National Security Program Office, the Oak Ridge National Laboratory Export Control Officer is responsible for referring requests to the National Security Program Office as necessary.

The Energy OIG agreed to close this recommendation.

Recommendation 5. We recommended that the Director, Office of Security and Emergency Operations, ensure that the requirements in the revised Energy Notice for unclassified foreign national visits and assignments are clearly identified and assigned to responsible officials or organizations.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, “Unclassified Foreign Visits and Assignments Program,” which was approved on June 18, 2004. This Order includes clear identification of requirements for foreign national visits and assignments, and identifies responsible officials and organizations.

The Energy OIG agreed to close this recommendation.

Recommendation 6. We recommended that the Acting Deputy Administrator for Defense Nuclear Nonproliferation ensure that guidance issued by the Office of Nuclear Transfer and Supplier Policy to advise hosts of their responsibilities regarding foreign nationals includes the appropriate level of oversight to be provided by the host during the period of the visit or assignment.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, “Unclassified Foreign Visits and Assignments Program,” which was approved on June 18, 2004. This Order includes the principal roles and responsibilities for hosts of foreign national visitors and assignees.

The Energy OIG agreed to close this recommendation.

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Recommendation 7. We recommended that the Director, Office of Security and Emergency Operations, revise the Energy policy regarding foreign national visits and assignments to ensure that Energy sites are maintaining consistent information about foreign nationals visiting or assigned to work at the site.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, "Unclassified Foreign Visits and Assignments Program," which was approved on June 18, 2004. This Order includes the requirement for documentation in FACTS for all visit and assignment requests in a timely manner.

The Energy OIG agreed to close this recommendation.

Recommendation 8. We recommended that the Director, Office of Security and Emergency Operations, require that all Energy sites with foreign national visitors or assignees enter information regarding the visits or assignments into the Foreign Access Records Management System, or a designated central Energy database.

Energy management reported that the Office of Security has incorporated all required changes into DOE Order 142.3, "Unclassified Foreign Visits and Assignments Program," which was approved on June 18, 2004. This Order includes the requirement that all sites having foreign national visitors or assignees are required to enter information regarding the visits and assignments into FACTS.

The Energy OIG agreed to close this recommendation.



## Appendix C

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### PRIOR EXPORT CONTROL RELATED REPORTS

- “Contractor Compliance with Deemed Export Controls,” DOE/IG-0645, April 2004;
- “Safeguards Over Sensitive Technology,” DOE/IG-0635, January 2004;
- “Inspection of Status of Recommendations from the Office of Inspector General’s March 2000 and December 2001 Export Control Reviews,” INS-L-03-07, May 2003;
- “The Department’s Unclassified Foreign Visits and Assignments Program,” DOE/IG-0579, December 2002;
- “Follow-up Inspection of the Department of Energy’s Export Licensing Process for Foreign National Visits and Assignments,” INS-L-02-06, June 2002;
- “Inspection of the Department of Energy’s Automated Export Control System,” DOE/IG-0533, December 2001;
- “Inspection of the Department of Energy’s Role in the Commerce Control List and the U.S. Munitions List,” INS-O-01-03, March 2001;
- “Inspection of the Department of Energy’s Export License Process for Foreign National Visits and Assignments,” DOE/IG-0465, March 2000;
- “The Department of Energy’s Export Licensing Process for Dual-Use and Munitions Commodities,” DOE/IG-0445, May 1999; and
- “Report on Inspection of the Department’s Export Licensing Process for Dual-Use and Munitions Commodities,” DOE/IG-0331, August 1993.




Department of Energy  
National Nuclear Security Administration  
Washington, DC 20585



March 18, 2005

**MEMORANDUM FOR** Alfred K. Walter  
Assistant Inspector General  
for Inspections and Special Inquiries

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

**SUBJECT:** Comments to IG Draft Inspection Report on Review of  
Chem/Bio Export License Applications; S04IS025

The National Nuclear Security Administration (NNSA) appreciates the opportunity to have reviewed the Inspector General's (IG) draft inspection report: "The Department of Energy's Review of Chemical and Biological Export License Applications." NNSA understands that the IG conducted this inspection to determine if the export license review process is assisting the Government in its efforts to deter the proliferation of chemical and biological commodities that could be used in weapons of mass destruction.

NNSA acknowledges the IG's conclusion that the subject review process is, in fact, assisting the Government in the efforts to deter the proliferation of chemical and biological commodities. We agree that there does need to be improved access to the Department of Commerce's system and we will continue to pursue that increased access. In the interim, we will ensure that system training is conducted to a broader audience to allow more of our licensing officers access to Commerce's system.

NNSA has one comment related to report accuracy. Page 5 of the report refers to the Operating Committee as having been established by an Executive Order. Rather the Operating Committee was established by a Department of Commerce departmental order in 1975 and the Executive Order (12981 of 1995) re-affirmed the existence of the Operating Committee.

Should you have any questions about this response, please contact Richard Speidel, Director, Policy and Internal Controls Management. He may be contacted at 202-586-5009.

cc: Paul Longworth, Deputy Administrator for Defense Nuclear Nonproliferation  
Karen Boardman, Director, Service Center

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