

Memorandum

DATE: February 21, 2008 Report Number: OAS-L-08-07
REPLY TO:
ATTN OF: IG-30
SUBJECT: Analysis of Open Office of Inspector General Recommendations
TO: Chief Financial Officer
Administrator, National Nuclear Security Administration

In December 2007, Congressman Henry A. Waxman, Chairman of the Committee on Oversight and Government Reform, requested that the Office of Inspector General examine information related to recommendations issued after January 1, 2001, that had not been implemented by the Department. This was part of a government-wide effort. In response, we initiated a review to collect the relevant data pertaining to open recommendations issued between January 1, 2001, and September 30, 2007. Our objective was to provide a broader analysis of the Department's audit resolution and follow-up process.

BACKGROUND

As an integral aspect of our statutory responsibilities, the Office of Inspector General conducts an array of reviews on numerous aspects of the Department of Energy's programs and operations. Consistent with our mission, the overall goal is to focus attention on significant issues with the objective of enhancing the effectiveness of Department operations. In doing so, our reports often result in recommendations to management for corrective actions to address identified problems. In the majority of cases, the Department has supported the recommendations and implemented corrective actions to address our findings.

In terms of the organizational structure, the Office of the Chief Financial Officer is the Department's designated audit follow-up official and maintains the Agency's audit follow-up system, known as the Departmental Audit Report Tracking System (DARTS). The Office of the Chief Financial Officer works with the responsible program and administrative elements to ensure that appropriate corrective actions are taken. Additionally, due to its special authorities, the Administrator of the National Nuclear Security Administration is responsible for the audit follow-up activities within that organization. However, like all other Agency components, the National Nuclear Security Administration utilizes DARTS to track the status of corrective actions.

Given the importance of corrective action and implementation practices, the Office of Inspector General periodically evaluates the Department's audit follow-up system in order to assess whether the system results in the effective, prompt, and appropriate

resolution of issued recommendations. While we have noted that the Department has made significant improvements to many aspects of its follow-up system in recent years, in a May 2007 audit of *The Department's Audit Resolution and Follow-up Process*, we found that, in some cases, agreed upon recommendations had been closed, but corrective actions had either not been implemented or were ineffective. Consequently, based on our finds, the Office of Inspector General provided several recommendations designed to make the audit follow-up and resolution process as effective and useful as possible.

STATUS OF INSPECTOR GENERAL RECOMMENDATIONS

Since January 1, 2001, the Office of Inspector General has issued approximately 700 audit and inspection reports with recommendations for corrective actions. A significant number of recommendations associated with these reports have been closed. As of September 30, 2007, 77 audit and inspection reports issued since the beginning of calendar year 2001 were being tracked in the DARTS system.¹ Of this total, two reports issued in 2002, four reports issued in 2003, and two reports issued in 2004 remain open. The remaining 69 reports, with open recommendations, were issued in the 2005 through 2007 time period.

In total, 448 separate recommendations relating to the 77 reports mentioned above were being tracked in DARTS at the end of Fiscal Year 2007. An analysis of the status of these recommendations indicates that 189 had been closed, while 259 remained open requiring further corrective action. An aging schedule of reports issued and recommendations made since September 30, 2007, can be found in Attachment 1 of this report.

OBSERVATIONS AND CONCLUSION

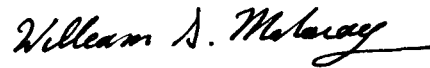
At a macro level, the data reviewed indicates that, for the most part, the Department has taken actions to close a significant number of report recommendations. However, as noted in our latest review of the Department's audit resolution and follow-up process as well as our current analysis of DARTS data, the Department's follow-up process could be further strengthened. Specifically, approximately one-third of the unimplemented recommendations included in this analysis were not completed prior to the original estimated completion date. In addition, although it represented the exception rather than the standard, in some cases, corrective action plans or status updates were not included in the required data fields within DARTS.

The Office of Inspector General recognizes the importance of the audit follow-up process. In recent years, we have initiated follow-up reviews of various Department programs and operations, such as the National Nuclear Security Administration's implementation of the 2003 Design Basis Threat policy, the Department's depleted uranium hexafluoride conversion program, and stockpile surveillance testing. The Office of Inspector General is dedicated to conducting similar follow-up reviews as a means of identifying problems and making recommendations for actions to enhance the effectiveness and efficiency of

¹ Excludes a small number of reports relating to classified and financial statement matters.

Department operations. With this in mind, the Office of Inspector General may, on an annual basis, compile a listing of unimplemented recommendations and their status as a means of facilitating and further strengthening this vital function.

We coordinated this report with officials from the Office of the Chief Financial Officer and the National Nuclear Security Administration on February 13, 2008. Since no formal recommendations are being made in this report, a formal response is not required. We appreciate the cooperation of your respective offices throughout this analysis.



William S. Maharay
Deputy Inspector General
for Audit Services
Office of Inspector General

Attachments

1. Aging Schedule of Office of Inspector General Reports with Open Recommendations
2. Compilation of Office of Inspector General Reports with Open Recommendations

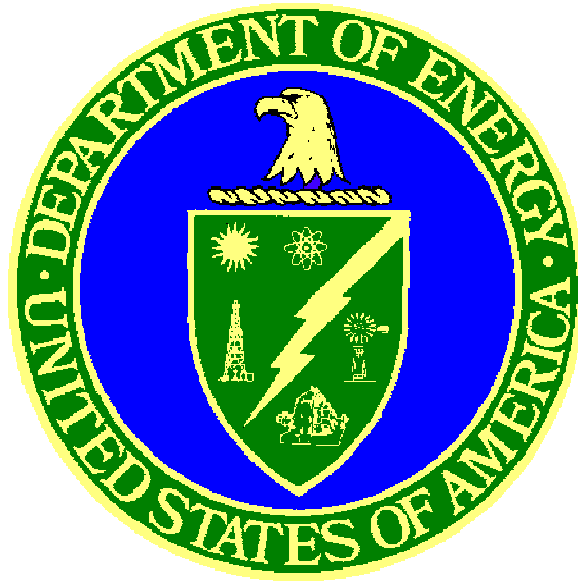
cc: Under Secretary for Energy
Under Secretary for Science
Chief of Staff

***Aging Schedule of Office of Inspector General Reports
with Open Recommendations***

The following table provides raw data associated with open recommendations tracked in the Department of Energy's DARTS system as of September 30, 2007.

	Office of Inspector General Reports	Total Recommendations	Unimplemented Recommendations
2001	0	0	0
2002	2	6	3
2003	4	16	5
2004	2	13	2
2005	15	76	32
2006	20	113	46
2007	34	224	171
Total	77	448	259

*Compilation of Open Office of Inspector General Recommendations
January 1, 2001 – September 30, 2007*



The following compilation lists and describes significant Office of Inspector General recommendations that have not been implemented by the Department of Energy between January 1, 2001 and September 30, 2007. It does not include all unimplemented Office of Inspector General recommendations. For example, due to special handling and processing requirements, the compilation does not include financial statement and classified reports.

Included in the compilation are recommendations issued by the Inspector General during the 3rd Quarter of 2007. Per Department of Energy Order, Agency officials have up to 90 days to provide corrective action plans. As a result of this timeframe, in some instances, action plans and status updates were not provided for report recommendations issued during the 3rd Quarter of 2007.

Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Cost Claimed by and Reimbursed to TRW Environmental Safety Systems, Inc. Under Department of Energy Contracts No. DE-AC01-91RW00134 and No. DE-AC08-RW00134

WR-V-02-03
March 12, 2002

Summary: An Office of Inspector General assessment disclosed conditions, including noncompliance with contract clauses, in the internal control structure of TRW Environmental Safety Systems, Inc. for Fiscal Year's (FY) 1998 through 2001, which resulted in more than a relatively low risk that unallowable cost were claimed by and reimbursed to the contractor. Specifically, the Defense Contract Audit Agency (DCAA) is responsible for auditing subcontractor costs that accounted for approximately 45 percent of the costs claimed by TRW. Although the Department had requested DCAA audit the subcontractor's costs, at the time of our review, most of the audits had not been completed.

Monetary Impact: \$396,040,881 in Questioned Costs

Total Recommendations: 4

Open Recommendations: 2

Open Recommendation (1): Acquire the remaining audits from DCAA and resolve questioned costs.

Action Planned: As part of the National Nuclear Security Administration's existing closeout process, audit requests have been initiated to DCAA. On the audits received to date, the Department is working with Bechtel SAIC Company, LLC to resolve audit issues.

Status: Nine subcontracts are still awaiting closure. External agency has action.

Original Estimated Completion Date: 9/30/05

Current Completion Date: 9/30/08

Open Recommendation (2): The Office of Inspector General disclaims an opinion and therefore will not sign the Statement of Costs Incurred and Claimed until subcontractor and travel and relocation costs have been resolved. Adjust the Statement of Costs Incurred and Claimed as necessary.

Action Planned: As part of the National Nuclear Security Administration's existing closeout process, all subcontractor incurred costs audits are resolved each year. The Statement of Costs Incurred and Claimed will be adjusted.

Status: Nine subcontracts are still awaiting closure. External agency has action.

Original Estimated Completion Date: 9/30/05

Current Completion Date: 9/30/08

Environmental Management Performance Issues

IG-0561

June 27, 2002

Summary: The Department's Office of Environmental Management established corporate performance measures and project-specific budget milestones as the primary mechanisms to measure overall program performance and gauge its success in cleaning up contaminated sites and disposing of radioactive waste. An Office of Inspector General review disclosed that even though the environmental remediation program experienced substantial cost growth and schedule slippages, the Department consistently reported that the program was successful in meeting corporate goals. In addition, the performance measures covered only a limited number of cleanup projects. The review found that the Office of Environmental Management focused on measuring discrete accomplishments rather than overall program results. As a consequence, the Department did not maximize its use of a valuable management tool that could have helped to identify and remedy cost and schedule problems.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: Supplement existing corporate performance measures and provide information on overall cost and schedule performance.

Action Planned: Each site, in developing a Performance Management Plan, will include key performance measures, which will be used to measure overall performance at the site in accelerating risk reduction and cleanup. From the PMP, an integrated resource-loaded project baseline will be developed that the site will manage. These baselines will enable the site to track cost and schedule progress along with providing the Office of Environmental Management the ability to track risk reduction progress.

Status: Performance Management Plans to support Cleanup Reform Goals have been developed. In addition, all of the Office of Environmental Management site baselines have been placed under configuration control. The Office of Environmental Management is currently analyzing and reporting earned value cost/schedule information for those site baselines, which are currently under configuration control. When the remaining six site baselines are placed under configuration control, all project earned value cost and schedule information will be tracked.

Original Estimated Completion Date: 9/30/04

Current Completion Date: 9/30/08

Management of Sensitive Equipment at Selected Locations

IG-0606

June 16, 2003

Summary: Given the importance of sensitive equipment to the operation of the Department's numerous missions as well as the costs associated with such equipment, the Office of Inspector General initiated a review at selected sites to determine whether the Department was properly managing sensitive equipment. Management was ultimately able to locate virtually all of the items of sensitive equipment that the Office of Inspector General sampled. However, locating the equipment required a level of effort by management that exceeded normal expectations. Further, Department officials did not always ensure that contractors consistently complied with local guidance and best practices pertaining to control, tracking, and protection of sensitive property. While almost all sample items were eventually located, recent agency experience suggests that the Department would be well served if controls over sensitive equipment were strengthened, improving accountability and deterring possible misuse, theft, or other diversion of Government property.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 10*

Open Recommendations: 1

Open Recommendation (1): The Associate Administrator for Management and Administration, National Nuclear Security Administration and the Director, Office of Science, in conjunction with the Director, Office of Resource Management, Office of Management, Budget and Evaluation should ensure that contractors follow sound property accounting management practices including properly identifying sensitive items.

Action Planned: The National Nuclear Security Administration will work with the Department to identify the guidance being provided to the contractors to ensure the proper identification of sensitive items.

Status: The National Nuclear Security Administration and the Department's Office of Management are in discussions to clarify the definition of sensitive items defined by Department Order. Once this is complete, the defined list will be instituted.

Original Estimated Completion Date: 12/31/04

Current Completion Date: 12/31/08

* The Office of Inspector General issued 2 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 10 individual recommendations. Of these, 1 remains unimplemented.

Disposal of the Rocky Flats Environmental Technology Site's Low-Level Mixed Waste
IG-0612
July 8, 2003

Summary: In February 2000, the Department of Energy entered into a contract with Kaiser-Hill Company, LLC to close the Rocky Flats Environmental Technology Site by December 15, 2006. Under the terms of the contract, Kaiser-Hill is responsible for treating and packaging low-level mixed waste and the Department is responsible for providing a disposal site for the waste. Kaiser-Hill anticipated a need for a disposal site by August 2003. An Office of Inspector General review found that a disposal site may not be available in time to meet Rocky Flats needs.

Monetary Impact: Having to pursue other temporary storage remedies or final disposal options for waste generated at Rocky Flats could cost the Department between \$4 million and \$320 million.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: If current negotiations for a disposal site are unsuccessful, identify and pursue the most cost effective low-level mixed waste storage and disposal alternatives to ensure timely closure of Rocky Flats.

Action Planned: The path forward is to complete and issue the Record of Decision for the Hanford Site Solid Waste Program Environmental Impact Statement. Completion of the Hanford Environmental Impact Statement will ameliorate obstacles for disposal of the Rocky Flats Environmental Technology Site's low-level mixed waste. The other paths delineated in recommendations by the Inspector General will also be pursued, but only secondary to the Hanford Environmental Impact Statement.

Status: The Record of Decision for the Hanford Environmental Impact Statement was published on June 23, 2004. The Record of Decision provided for disposal of Rocky Flat's low-level mixed waste at Hanford. Following its publication, 109 drums of treated low-level mixed waste were shipped for disposal. However, on July 19, 2004, the State of Washington filed an amended complaint in U.S. District Court, seeking all off-site shipments of radioactive waste to Hanford be stopped. In response, the Department voluntarily suspended off-site shipments to Hanford pending resolution of the litigation. In January 2006, the litigation was settled. The settlement agreement stipulated that the Department would not resume off-site waste shipments prior to completion of the Tank Closure and Waste Management Environmental Impact Statement, which is projected to be completed in late 2008 or early 2009.

Due to these delays and the continued uncertainty regarding the availability of the Hanford disposal facility, alternatives were sought for the Rocky Flats wastes. The Department decided to proceed with the shipment of all remaining low-level mixed waste off-site for necessary treatment and packaging. All wastes have been removed from the Rocky Flats site, cleanup activities have been completed, and the site has been closed. Treatment and disposal of various

wastes that were previously planned for disposal at Hanford have been completed. However, efforts to treat a small volume of other high-PCB waste streams continue. A small volume is planned for treatment at the Toxic Substances Control Act Incinerator in early FY 2008. Other waste is in process at a commercial treatment facility. Progress against these treatment plans is reviewed regularly by the Department.

Original Estimated Completion Date: 1/31/05

Current Completion Date: 12/31/08

Assessment of Changes to the Internal Control Structure and Their Impact on Allowability of Costs by and Reimbursed to Sandia Corporation, Under the Department of Energy Contract, DE-AC04-94AL85000

OAS-V-03-10

July 14, 2003

Summary: An Office of Inspector General assessment disclosed conditions in the internal control structure of Sandia in effect during FY 2002, which resulted in more than a relatively low risk that unallowable costs were claimed by and reimbursed to Sandia. Specifically, the assessment also disclosed that FY 2002 Home Office Expenses from Lockheed Martin totaled \$1,086,990, which had not been audited. In addition, a review of Sandia's FY 2002 Incurred Cost Audit revealed that the Laboratory incurred \$44,444 in projected questionable costs that had not been reimbursed.

Monetary Impact: \$1,131,434 in Questioned Costs

Total Recommendations: 1

Open Recommendations: 1

Open Recommendation: The Contracting Officer make a determination on the allowability of the questionable costs of \$44,444 and review the results of the Defense Contract Audit Agency's (DCAA) audit of the FY 2002 Home Office Expenses from Lockheed Martin and further determine how much of the costs claimed by Sandia for home office expenses totaling \$1,086,990 are allowable.

Action Planned: The Contracting Officer will review the questioned costs and make a determination as to the allowability of costs.

Status: The Department is awaiting receipt of DCAA's audit and the negotiation settlement between Defense Contract Corporate Executive and Lockheed Martin.

Original Estimated Completion Date: 12/31/04

Current Completion Date: 12/30/08

Savannah River Site's Waste Solidification Building

IG-0618

September 4, 2003

Summary: The Department's National Nuclear Security Administration plans to spend about \$58 million to design and construct a facility at the Savannah River Site that will treat radioactive liquid wastes. The proposed facility, commonly referred to as the Waste Solidification Building (WSB), will produce several waste forms acceptable for disposal at existing sites around the complex. Construction was scheduled to begin in December 2004, with expected facility operation beginning in 2007. The Office of Inspector General conducted a review to determine whether the Department had a complete plan to dispose of waste generated from the Plutonium Disposition Program. While the National Nuclear Security Administration intended to transfer waste treated at the WSB to the Department's Office of Environmental Management, it had not coordinated its plans with that office. Without an integrated and coordinated plan, the Department's environmental disposition goals may not be achieved and life-cycle costs for the Plutonium Disposition Program are likely to exceed initial estimates.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 2

Open Recommendation (1): The Administrator, National Nuclear Security Administration, should develop a complete disposition plan for the WSB waste, include total life-cycle costs.

Action Planned: The development of the total life-cycle costs for the WSB is part of the preliminary design phase. The total life-cycle costs will include the cost of disposing of all the wastes generated in the WSB.

Status: No change in status. The National Nuclear Security Administration will develop a disposition plan once programming funding issues are resolved by Congress.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (2): The Administrator, National Nuclear Security Administration, should coordinate with the Assistant Secretary for Environmental Management to: (1) establish procedures for the disposal of newly generated nuclear waste from National Nuclear Security Administration activities, thereby ensuring that future plans are fully integrated and coordinated, and (2) issue guidance to field organizations, as appropriate.

Action Planned: In addition to specifics noted within the Department's response to Recommendation 1, the National Nuclear Security Administration is establishing a new office under the management of the Associate Administrator for Infrastructure and Security. This new

office, the Office of Environmental Management Transition, has the principal responsibility for negotiating transition issues with the Office of Environmental Management. To completely accommodate the intent of the recommendation, once transition issues are complete, the National Nuclear Security Administration will publish policy guidance related to waste and remediation.

Status: No change in status. The National Nuclear Security Administration will develop a disposition plan once programming funding issues are resolved by Congress.

Original Estimated Completion Date: 9/30/06

Current Completion Date: 6/30/08

System Development Activities at Selected Management Contractors

IG-0647

April 22, 2004

Summary: Management contractors operate most of the Department's facilities and, as a consequence, manage the vast majority of its information technology investments. While these contractors are provided flexibility for determining business and management approaches, in terms of information technology, duplicative development and planning problems have been observed in a number of organizations. An Office of Inspector General review determined that the Department's contractors were not always on track to deliver effective systems on time or at expected cost. The Department's contractors developed various systems without undertaking generally accepted project management practices. As a result, at the time of the review, there could be no assurance that the Department's system development efforts had been consistently managed in a cost effective manner or that the promised results, which were cited to justify project resource commitments at the time of initiation, had been fully realized.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 10*

Open Recommendations: 1

Open Recommendation: To improve, clarify, and consolidate planning, monitoring, and control of contractor system development activities, we recommend that the Chief Information Officer complete revisions and publish directives and guidance for Information Technology (IT) development in order to establish roles and responsibilities, incorporate OMB reporting thresholds and requirements, and resolve inconsistencies between related project management directives.

Action Planned: By the end of FY 2004, the Office of the Chief Information Officer will submit a draft DOE Order, "Information Management Program." By FY 2005, the Department will prepare a final draft revision to a DOE Order for Department-wide coordination. This revision clarifies project management requirements for IT projects and adds requirements for IT investments, beyond the scope of the current directive, to systems operation and retirement.

Status: The draft update of DOE Order 200.1 was submitted in September 2007, and is expected to be approved by the Department.

Original Estimated Completion Date: 12/31/05

Current Completion Date: 1/31/08

* The Office of Inspector General issued 4 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 10 individual recommendations. Of these, 1 remains unimplemented.

Protective Force Response to Security Incident at Sandia National Laboratory, California

IG-0658

August 11, 2004

Summary: In the early morning hours of February 8, 2004, a one-ton utility truck dragging a length of chain link fence and traveling at a high rate of speed proceeded past one of several recently constructed security kiosks and entered a Federal Property Protection Area at the Sandia National Laboratory. A Sandia Security Police Officer (SPO) immediately notified superiors of the intrusion and multiple SPO's responded to the scene, stopping the vehicle a considerable distance inside the site security perimeter. An Office of Inspector General review of the incident found that recently constructed pop-up vehicle barriers were not employed in response to the incident. In addition, the review found that applicable Department security procedures were not followed when the suspect vehicle was stopped.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 1

Open Recommendation: The Director, Office of Security and Safety Performance Assurance, should evaluate the policies and procedures on arrest authority at the Department's sites, including, the National Nuclear Security Administration, and develop additional specific policies and procedures as necessary on the use of arrest authority to ensure protective force personnel are able to react effectively in assessing potential threats and arresting suspects.

Action Planned: The Department's Office of Safeguards and Security Evaluations will continue to review site arrest procedures and training materials to ensure consistency with current Department policy. A review of 10 CFR 1047 has been underway with both facets, arrest authority and the application of force, under scrutiny. It is becoming apparent that a major revision of this CFR is needed. Upon completion of the CFR review, a request will be submitted to the Department's Office of General Counsel for an opinion on the most expeditious means of accomplishing a comprehensive overhaul of the regulation and/or its underlying legislation.

Status: Work on the revision of Department policy continues. This is being done in a collaborative effort with program office and field representatives. Upon completion of the revision by the team, the draft manual will be submitted for signature.

Original Estimated Completion Date: 9/30/06

Current Completion Date: 1/31/08

*Management Controls Over Electricity Transmission Scheduling at the Bonneville
Power Administration*

OAS-M-05-01

January 25, 2005

Summary: In order to manage the flow of power across the Federal Columbia River Transmission System, the Bonneville Power Administration (BPA) requires customers to submit schedules in advance of their planned transmission usage. Our review found that the use of memo schedules by BPA did not always provide for the efficient utilization of transmission capacity. Certain memo schedule customers either scheduled more megawatt hours of transmission than they used or used more than they scheduled. Consequently, BPA risked incurring operating capacity violations, performing inequitable power curtailments, and losing transmission revenue.

Monetary Impact: During the two-month period reviewed, customers overscheduled more than 17,000 MWh of non-firm transmission usage valued at over \$61,000, which could have potentially been sold to other customers.

Total Recommendations: 4

Open Recommendations: 1

Open Recommendation: Propose additions to BPA's transmission terms and conditions that would require customers to pay for the non-firm transmission they scheduled but do not use.

Action Planned: Include in 2006 Transmission Rate Case a proposal for take-or-pay rate for hourly non-firm product. The take-or-pay non-firm product would provide financial incentives to encourage accurate scheduling. Note that rate case proposals must be approved in a rate proceeding under 16 U.S.C. § 839e(i), so BPA cannot guarantee that staff proposals will be unchanged or part of the 2006 rates.

Status: BPA has continued its efforts to complete and implement the scheduling automation system. BPA is estimating that it will take until December 3, 2007, to implement the proposal in its automated system and provide the customers with 60 days notice.

Original Estimated Completion Date: 1/1/06

Current Completion Date: 12/3/07

Department of Energy Efforts to Dispose of Hanford's Chemical Separation Facilities
IG-0672
February 3, 2005

Summary: In 1996, the Department established the Canyon Disposition Initiative to develop a disposition path for the Hanford Site's five chemical separation facilities. An Office of Inspector General review found that the Department had not thoroughly evaluated the feasibility and potential cost savings associated with using one of Hanford's chemical separation facilities to dispose of mixed and low activity waste. The report highlighted the importance of the Department's oversight of its contractors' activities to ensure that decisions are based on reasonable and accurate assumptions.

Monetary Impact: The Department had spent 8 years and over \$10 million without accomplishing the overall objective of the Initiative.

Total Recommendations: 5*

Open Recommendations: 3

Open Recommendation (1): The Acting Assistant Secretary for Environmental Management should require the Manager, Richland Operations Office, to continue to pursue the Canyon Disposition Initiative by having the contractor consider all potential waste types at the Hanford site as part of the cost study.

Action Planned: The Department has addressed recommendation with additional provisions to include future potential waste types. The current preferred alternative also provides for the inclusion of additional waste inside or outside the structure if a suitable waste stream is identified, waste acceptance criteria are developed, taking into account the input of regulators and stakeholders.

Status: The Richland Operations Office plans to submit the 221-U RD/RAWP to the Environmental Protection Agency and the State of Washington Department of Ecology by October 10, 2007. Since the issuance of the previous Office of Inspector General report, the Richland Operations Office and the contractor have been engaged in meetings with the regulatory agencies to discuss prior comments from those agencies. Specific studies for evaluating disposition of potential waste streams in a canyon facility and a void fill analysis for the 221-U remediation project were submitted to the Richland Operations Office by June 30, 2007. The studies are under review by the Richland Operations Office. The overall project completion date is December 2015.

Original Estimated Completion Date: 12/31/08

Current Completion Date: 12/31/2015

* The Office of Inspector General issued 2 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 5 individual recommendations. Of these, 3 remain unimplemented.

Open Recommendation (2): The Acting Assistant Secretary for Environmental Management should require the Manager, Richland Operations Office, to continue to pursue the Canyon Disposition Initiative by having the contractor perform a more detailed cost study which takes into consideration the disposal cost for candidate waste types, the cost of expanding existing or constructing new disposal facilities, and the long term monitoring costs.

Action Planned: The Department concurs with this recommendation and waste disposal, along with associated costs, in and around the canyon buildings will be considered where appropriate as part of the ongoing decision process for canyons, waste sites, and structures. Evaluations will be conducted for potential waste streams to determine viable options in accordance with regulatory criteria. The Department plans to complete these feasibility studies by December 2008.

Status: Multiple feasibility studies for waste types, life-cycle disposal costs, and long term monitoring costs are planned through December 2015. As appropriate, each will consider whether a canyon facility provides a reasonable alternative for disposal of potential waste streams. The 221-U Canyon Facility Waste Acceptance Criteria Study has provided cost estimates to the different options available. All options are being developed further. Projected completion date for this recommendation is December 2015 based on current Site priorities.

Original Estimated Completion Date: 12/31/08 Current Completion Date: 12/31/2015
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Open Recommendation (3): The Acting Assistant Secretary for Environmental Management should require the Manager, Richland Operations Office, to continue to pursue the Canyon Disposition Initiative by ensuring that the results of the study are adequately considered and reflected in the Department's Record of Decision.

Action Planned: The current schedule for implementation of the preferred alternative in the U-Plant Canyon does not preclude the option for additional waste disposal in or around the canyon until the voids have been filled (FY 2012), demolition of the upper structure of the canyon has been initiated (FY 2013), and installation of the engineered surface barrier has been started (FY 2014). The timeline for the four additional canyons is also beyond the waste site operable unit feasibility study period; thus not precluding use of the canyons for appropriate waste streams.

Status: The U-Plant preferred alternative has a provision for suitable waste disposal in the canyon. The Department's Richland Operations Office published the Record of Decision (ROD) for the remediation of the 221-U Facility Canyon on September 28, 2005. The Environmental Protection Agency and the State of Washington Department of Ecology approved the ROD on October 3, 2005. If suitable waste streams are identified and waste acceptance criteria established, a ROD amendment will be pursued with Regulatory concurrence. A project management plan addressing the remaining four canyons was initiated January 2007. This plan will include integration of the waste site alternative analyses and canyon decisions to incorporate lessons learned from the U Plant project; specifically waste disposal options. Richland and the contractor plan to meet in October 2007 for a workshop to discuss the lessons learned, including value engineering aspects, of the U-Plant CDI process. The results of this workshop will be used in support of the decisions on the remaining canyons. This action will remain open until all

feasibility studies and trade-off studies have been completed. Most studies are targeted for completion by December 2015.

Original Estimated Completion Date: 12/31/2011 **Current Completion Date:** 12/31/2015

Transuranic Waste Management at Los Alamos National Laboratory

IG-0673

February 10, 2005

Summary: In 2002, to reduce the health and safety risks associated with on-site storage of the waste, the Department, the State of New Mexico, and the U.S. Environmental Protection Agency signed a Letter of Intent to expedite existing environmental cleanup efforts at the Los Alamos National Laboratory, in part, by accelerating the disposal of over 40,000 drums of legacy transuranic waste. An Office of Inspector General review determined that the Department would not meet its commitments for removing the transuranic waste. The Department would not meet the disposal goals because Los Alamos had not consistently followed approved waste processing procedures.

Monetary Impact: \$72 million in cost avoidance savings.

Total Recommendations: 3

Open Recommendations: 1

Open Recommendation: The Assistant Secretary for Environmental Management, in conjunction with the Administrator, National Nuclear Security Administration, should update Los Alamos' waste disposition baseline to reflect actual operating capabilities and resource allocations.

Action Planned: An outcome of the January 2005 review at Los Alamos will be an update of Los Alamos' waste disposition baseline.

Status: An Independent Cost Estimate (ICE) was performed by Project Time & Cost (PTC) for the Los Alamos environmental management program. The Los Alamos baseline received an external independent review (EIR) by Logistics Management, Inc. (LMI), under contract from the Department's Office of Engineering and Construction Management (OECM). As of September 2007, validation of the baseline is contingent upon OECM approval of the Los Alamos Corrective Action Plan to the EIR, expected by the end of September 2007. The Office of Environmental Management and National Nuclear Security Administration management meet weekly to evaluate performance of the Los Alamos Solid Waste Disposition project, which include transuranic waste disposition.

Original Estimated Completion Date: 1/31/06

Current Completion Date: 1/31/08

Department of Energy Contractor Home Office Expenses

IG-0676

February 14, 2005

Summary: An Office of Inspector General review found that the Department did not always ensure that reimbursements to contractors were limited to an equitable share of their home office expenses. The review identified questionable fees, fixed payments, and/or home office expense reimbursements for specifically unallowable items that were (1) potentially duplicative; (2) not adequately documented; and/or (3) improperly calculated.

Monetary Impact: \$29 million in funds that could be put to better use and \$955,000 in questioned costs.

Total Recommendations: 8

Open Recommendations: 4

Open Recommendation (1): The Administrator, National Nuclear Security Administration, in conjunction with the Director, Office of Procurement and Assistance Management, should direct contracting officers to enhance their financial oversight of management and operating contractors to ensure that analyses are performed to determine the equitable amount and structure of home office compensation and that the adopted rationale be documented.

Action Planned: The National Nuclear Security Administration will conduct an analysis to determine the equitable amount and structure of home office compensation.

Status: The National Nuclear Security Administration is on track to resolve this issue. For the Lawrence Livermore National Laboratory, the National Nuclear Security Administration is awaiting payment. For the Los Alamos National Laboratory, a cost determination is being negotiated.

Original Estimated Completion Date: 12/30/05

Current Completion Date: 6/30/08

Open Recommendation (2): The Administrator, National Nuclear Security Administration, in conjunction with the Director, Office of Procurement and Assistance Management, should direct contracting officers to enhance their financial oversight of management and operating contractors to ensure that payments for actual home office expenses receive timely review and exclude unallowable expenses.

Action Planned: National Nuclear Security Administration Contracting Officers review actual home office expenses and exclude unallowable expenses.

Status: The National Nuclear Security Administration is on track to resolve this issue. For the Lawrence Livermore National Laboratory, the National Nuclear Security Administration is

awaiting payment. For the Los Alamos National Laboratory, a cost determination is being negotiated.

Original Estimated Completion Date: 12/30/05

Current Completion Date: 6/30/08

Open Recommendation (3): The Administrator, National Nuclear Security Administration, in conjunction with the Director, Office of Procurement and Assistance Management, direct contracting officers to enhance their financial oversight of management and operating contractors to ensure that agreed-to fixed payment amounts for reimbursing home office expenses exclude unallowable expenses.

Action Planned: National Nuclear Security Administration Contracting Officers review actual home office expenses and exclude unallowable expenses.

Status: The National Nuclear Security Administration is on track to resolve this issue. For the Lawrence Livermore National Laboratory, the National Nuclear Security Administration is awaiting payment. For the Los Alamos National Laboratory, a cost determination is being negotiated.

Original Estimated Completion Date: 12/30/05

Current Completion Date: 6/30/08

Open Recommendation (4): The Administrator, National Nuclear Security Administration, in conjunction with the Director, Office of Procurement and Assistance Management, make a determination regarding the allowability of the home office expenses questioned in our audit and recover all overpayments.

Action Planned: National Nuclear Security Administration Contracting Officers will make allowability determinations on home office expenses and recover any overpayments.

Status: The National Nuclear Security Administration is on track to resolve this issue. For the Lawrence Livermore National Laboratory, the National Nuclear Security Administration is awaiting payment. For the Los Alamos National Laboratory, a cost determination is being negotiated.

Original Estimated Completion Date: 12/30/05

Current Completion Date: 6/30/08

Management Controls over Meal Expenses at Management and Operating Contractors

OAS-M-05-04

April 20, 2005

Summary: The Office of Inspector General conducted an audit to test management controls over meal expenses at Department contractor-operated sites. The audit revealed that four of six Department contractors were reimbursed approximately \$255,000 for questionable meal costs. Additionally, the audit found that the Department lacked assurance that policies regarding employee meal costs were consistent and equitable.

Monetary Impact: \$255,425 in questioned costs.

Total Recommendations: 9

Open Recommendations: 1

Open Recommendation: The Associate Administrator for Management and Administration, National Nuclear Security Administration, should require responsible contracting officers to determine the allowability of the questioned costs cited in our report and recover costs determined to be unallowable.

Action Planned: The National Nuclear Security Administration will develop a Business Operating Policy that establishes the roles related to meals.

Status: The recommendation will remain open until all costs determinations have been made. The National Nuclear Security Administration is currently awaiting a final decision from the Sandia Site Office.

Original Estimated Completion Date: 3/30/06

Current Completion Date: 3/31/08

Development and Implementation of the Department's Enterprise Architecture
IG-0686
April 21, 2005

Summary: Under the *Clinger-Cohen Act of 1996*, the Department and all other agencies are required to implement what is commonly referred to as an “enterprise architecture,” a framework for reducing costs and achieving efficiencies through sound business processes and technology investment management. An Office of Inspector General follow-up audit found that, despite significant effort, the Department had not fully defined its current or future information technology requirements and had not taken the necessary steps to ensure that program office architectures were complete and compatible with and supported the overall architecture design. During the review, the Department took several steps towards developing an integrated enterprise architecture. However, additional steps are necessary for the Department to fully implement a corporate approach for managing information technology investments.

Monetary Impact: Since 1998, the lack of an enterprise architecture contributed to more than \$155 million in lost opportunities for information technology savings.

Total Recommendations: 5*

Open Recommendations: 4

Open Recommendation (1): Modify existing policy and guidance for the enterprise architecture to describe the relationship of the architecture to the Department's strategic plans and capital planning process.

Action Planned: Not Provided

Status: The draft update of DOE Order 200.1, which modifies existing policy, was submitted to for approval in September 2007. Comment resolution is expected by the end of February 2008, and final publication of the signed Order will occur in March 2008.

Original Estimated Completion Date: 9/30/06
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Current Completion Date: 1/31/08

Open Recommendation (2): Modify existing policy and guidance for the enterprise architecture to describe the commitment to develop, implement, and maintain an architecture.

Action Planned: Not Provided

Status: The draft update of DOE Order 200.1, which modifies existing policy, was submitted to for approval in September 2007. Comment resolution is expected by the end of February 2008, and final publication of the signed Order will occur in March 2008.

* The Office of Inspector General issued 3 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 5 individual recommendations. Of these, 4 remain unimplemented.

Original Estimated Completion Date: 9/30/06

Current Completion Date: 1/31/08

Open Recommendation (3): Modify existing policy and guidance for the enterprise architecture to describe the enforcement policy to implement the architecture.

Action Planned: Not Provided

Status: The draft update of DOE Order 200.1, which modifies existing policy, was submitted to for approval in September 2007. Comment resolution is expected by the end of February 2008, and final publication of the signed Order will occur in March 2008.

Original Estimated Completion Date: 9/30/06

Current Completion Date: 1/31/08

Open Recommendation (4): Modify existing policy and guidance for the enterprise architecture to describe the roles and responsibilities of program levels, including the Department's contractors.

Action Planned: Not Provided

Status: The draft update of DOE Order 200.1, which modifies existing policy, was submitted to for approval in September 2007. Comment resolution is expected by the end of February 2008, and final publication of the signed Order will occur in March 2008.

Original Estimated Completion Date: 9/30/06

Current Completion Date: 1/31/08

The National Nuclear Security Administration's Pit Disassembly and Conversion Facility
IG-0688
May 3, 2005

Summary: An Office of Inspector General review examined the delays in the construction of the Pit Disassembly and Conversion Facility (Conversion Facility) at the Savannah River Site. The review found that the schedule and cost parameters outlined in the Department's February 2002 Report to Congress would not be met despite the high priority of the project. At the time of the review, the National Nuclear Security Administration's estimate for completion of the facility had been pushed back four years to 2013 and the estimated cost would likely increase beyond original estimates of \$1.7 billion. While international policy issues appear to have played a significant role in the project's delay, the review noted that the National Nuclear Security Administration had encountered technical problems in completing the design phase of the project. Further, the National Nuclear Security Administration had not identified a viable approach for disposing of the waste generated by the Conversion Facility.

Monetary Impact: The review determined that delays and cost increases in the Conversion Facility had led to increased operational costs of over \$200 million.

Total Recommendations: 5

Open Recommendations: 3

Open Recommendation (1): The Administrator, National Nuclear Security Administration, should finalize the design of the equipment needed to successfully operate the Pit Disassembly Conversion Facility (PDCF).

Action Planned: The design of the equipment that will be used in the PDCF is ongoing. The National Nuclear Security Administration will identify a design completion date as part of the PDCF project cost and schedule baseline information, which is currently under development. The cost and schedule baseline information is expected to be complete during the 4th quarter of FY 2007.

Status: The National Nuclear Security Administration's design completion date is expected to be during FY 2008. The baseline information will take into account the impacts of the Revised Continuing Appropriations Resolution 2007 and the revised funding for the project.

Original Estimated Completion Date: 9/30/07	Current Completion Date: 6/30/08
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Open Recommendation (2): The Administrator, National Nuclear Security Administration, should develop a complete cost baseline for the Conversion Facility Project that includes waste disposal.

Action Planned: The National Nuclear Security Administration is currently developing cost and schedule baseline information for the Conversion Facility. The cost and schedule baseline information is expected to be complete during the 4th quarter of FY 2007.

Status: The National Nuclear Security Administration's design completion date is expected to be during FY 2008. The baseline information will take into account the impacts of the Revised Continuing Appropriations Resolution 2007 and the revised funding for the project.

Original Estimated Completion Date: 9/30/07
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Current Completion Date: 6/30/08

Open Recommendation (3): The Administrator, National Nuclear Security Administration, should ensure that the Conversion Facility Project and MOX Facility schedules are linked to avoid idle capacity at the MOX Facility.

Action Planned: The National Nuclear Security Administration is currently developing an integrated program schedule that will ensure that the schedules of the two facilities are linked and that there will not be idle operating capacity at the MOX Facility. This is expected to be completed during the 3rd quarter of FY 2007.

Status: As a result of the FY 2007 Continuing Resolution that delayed construction of the MOX facility, the integrated program schedule is now anticipated to be completed in 2008.

Original Estimated Completion Date: 9/30/07
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Current Completion Date: 6/30/08

Electronic Recording of Telephone and Radio Conversations by Sandia Protective Force Management
IG-0701
September 30, 2005

Summary: An Office of Inspector General review found that Sandia National Laboratory-New Mexico protective force management was regularly recording telephone and radio conversations. These recordings were not performed in compliance with Department policies and procedures. Specifically, various telephone conversations were recorded without obtaining the consent of all parties; telephone line beep tones, which were an acceptable method of alerting all parties to the recording of a conversation, were disabled without an alternative notification mechanism being established; and telephone and radio conversation recordings were retained and used without complying with Department records management requirements.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 6

Open Recommendations: 1

Open Recommendation: The Department's Chief Information Officer, in coordination with the Director, Office of Security and Safety Performance Assurance should take action to update DOE Order 1450.4.

Action Planned: Update and issue DOE Order 1450.4.

Status: The Office of the Chief Information Officer is currently working on this recommendation.

Original Estimated Completion Date: 7/30/06

Current Completion Date: 3/31/08

Characterization Wells at Los Alamos National Laboratory

IG-0703

September 30, 2005

Summary: Pursuant to a Hydrogeologic Workplan, the Los Alamos National Laboratory was required to install 32 regional aquifer wells, commonly referred to as characterization wells, to characterize the hydrogeologic setting beneath Los Alamos. Construction of the wells was covered by the Resource Conservation and Recovery Act (RCRA). An Office of Inspector General review found that Los Alamos did not adhere to specific constraints established by RCRA guidance during the construction of the characterization wells. In addition, Los Alamos could not assure that certain residual drilling fluids were fully removed after construction, potentially creating a chemical environment that could mask the presence of radionuclide contamination and compromise the reliability of groundwater contamination data.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4

Open Recommendations: 3

Open Recommendation (1): The Manager, Los Alamos Site Office, should ensure that monitoring data are reliable as the Hydrogeologic Workplan wells are converted to monitoring wells under the Compliance Order on Consent.

Action Planned: The Los Alamos Site Office will ensure that the Hydrogeologic workplans are converted to monitoring wells under the Compliance Order on Consent and Los Alamos will ensure that monitoring data are reliable.

Status: The New Mexico State Government approved the workplan for R-Well Rehabilitation and Replacement on August 20, 2007, which required the submittal of a well action tracking table that documents the specific correspondence requiring rehabilitation or replacement actions. Los Alamos and the Los Alamos Site Office will continue working with the regulator to gain agreement on groundwater networks for monitoring the major watersheds.

Original Estimated Completion Date: 12/30/06	Current Completion Date: 9/30/08
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Open Recommendation (2): The Manager, Los Alamos Site Office, should ensure that as Los Alamos implements a groundwater surveillance monitoring program pursuant to DOE Order 450.1, particular attention is given to well development and purging methods, the quality of radionuclide data, and any qualifications on that data.

Action Planned: Los Alamos will implement a groundwater surveillance monitoring program pursuant to DOE Order 450.1.

Status: With the approved workplan for R-Well Rehabilitation and Replacement, no further actions are required related to planning for well rehabilitation, development techniques, and sampling systems. The Los Alamos National Laboratory and the Los Alamos Site Office will continue working with the regulator (State Government) to gain agreement on groundwater networks for monitoring major watersheds.

Original Estimated Completion Date: 12/30/06

Current Completion Date: 9/30/08

Open Recommendation (3): The Manager, Los Alamos Site Office, should ensure that the voluntary reporting of radionuclide contamination data contains appropriate qualifications on the accuracy and precision of that data, with particular attention to data that may be impacted by the effects of residual mud and other drilling fluids.

Action Planned: The Los Alamos Site Office will ensure that voluntary reporting of radionuclide contamination data contains appropriate qualifications on the accuracy and precision of that data.

Status: Implementation of the data qualification contracts were put in place and the work is progressing. Final completion of the historic data qualification is planned for December 2007. Implementation of routine data screening will begin in October 2007 as part of the normal data assessment process.

Original Estimated Completion Date: 12/30/06

Current Completion Date: 9/30/08

Accelerated Tank Waste Retrieval Activities at the Hanford Site

IG-0706

October 17, 2005

Summary: Under the 1989 Tri-Party Agreement between the Department, the Washington State Department of Ecology, and the Environmental Protection Agency, firm milestones were established for completing the retrieval of waste from underground tanks at the Hanford Site. One of the critical benchmarks of the Agreement was the retrieval of waste from all of the 16 single-shell tanks located in Hanford's C-Tank Farm by the end of FY 2006. An Office of Inspector General review disclosed that, in terms of both schedule and cost, the Department will not meet its Agreement milestone for the retrieval of waste from the single-shell tanks located at the C-Farm. In addition, the Department estimated that waste retrieval costs had increased to \$215 million, more than doubling the initial estimate.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 1

Open Recommendation: Notify regulators that the existing milestones are not likely to be achieved and establish new milestones based on more accurate estimates.

Action Planned: The regulators have been notified. A revised baseline will be prepared and provided by June 2006. Revised milestones will be negotiated starting not later than September 30, 2006, per an existing Tri-Party Agreement milestone.

Status: Since February 2006, in monthly project status meetings with the regulators, the Office of River Protection has reported the C-Tank Farm retrieval milestone as "unrecoverable." Formal negotiations to establish new milestones were initiated in May 2007. Negotiations are ongoing; no agreement has been reached yet.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 6/30/08

Management of the Department's Isotope Program

IG-0709

November 17, 2005

Summary: The Department's Isotope Program produces and sells radioactive and stable isotopes and related isotope services, which are used for research and development as well as biomedical and industrial applications. An Office of Inspector General review disclosed that the Department had not always provided researchers with the isotopes needed to conduct planned research, much of which was designed to identify breakthroughs in the diagnosis and treatment of various forms of cancer and other life-threatening diseases. Specifically, the Department was unable to respond to approximately 250 requests for research isotopes in FYs 2002 through 2004; had not adequately addressed recognized production problems during its Isotope Program planning process; and adopted pricing and payment policies that made it very difficult, if not impossible, for the research community to purchase the Department isotopes.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 6

Open Recommendations: 1

Open Recommendation: Ensure that processes are in place to address and/or mitigate issues identified during the Isotope Program planning process.

Action Planned: The Office of Nuclear Energy will consider the conclusions and recommendations from the jointly sponsored National Institutes of Health and the Department of Energy National Academy of Sciences study. The target date for completing this action is March 31, 2007.

Status: The National Research Council study committee on the "State of the Science of Nuclear Medicine" has completed its final report and is expected to be released to the public by the end of September 2007. The study will address impacts of shortages of isotopes, highly trained radiochemists, and medical research, among other topics. This jointly-sponsored study is financed by the National Institutes of Health and the Department of Energy Office of Science and Office of Nuclear Energy. The results of this report, as well as other assessments, will be considered in developing the Isotope Program Plan.

Original Estimated Completion Date: 3/31/07

Current Completion Date: 12/31/07

Management Controls over the Hanford Site Transuranic Mixed Tank Waste
OAS-M-06-01
November 25, 2005

Summary: In December 2003, the Department's Office of River Protection began plans to retrieve, dry, and package contact-handled transuranic mixed waste for shipment from the Hanford Site to the Waste Isolation Pilot Plant (WIPP) in Carlsbad, New Mexico. An Office of Inspector General review disclosed that the Department had not sufficiently addressed regulatory and permitting issues prior to proceeding with the transuranic mixed waste project. Specifically, the Office of River Protection initiated the project and incentivized the contractor to complete work without fully addressing issues relevant to obtaining the necessary permits to retrieve, treat, and dispose of waste; or completing regulatory actions required under the *National Environmental Policy Act of 1969*. In April 2005, the Office of River Protection decided to curtail work on this project and requested its contractor to prepare a transition plan.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: Mitigate regulatory and permitting risks, including the concerns raised by the Office of Safety and Health, before resuming work on the Transuranic Mixed Tank Waste Project.

Action Planned: Work on retrieval and processing systems for tanks containing transuranic mixed waste has been suspended. Work is ongoing to attain public input via an Environmental Impact Statement under preparation.

Status: Work continues on the Environmental Impact Statement.

Original Estimated Completion Date: 7/30/06

Current Completion Date: 3/31/09

Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Sandia Corporation Under Department of Energy Contract No. DE-AC04-94AL85000

OAS-V-06-06
December 20, 2005

Summary: An Office of Inspector General assessment disclosed conditions in the internal control structure of Sandia in effect during FY 2004, which resulted in more than a relatively low risk that unallowable costs were claimed by and reimbursed to Sandia. Specifically, the review disclosed \$299,432 of projected questionable travel costs for first class airline tickets, misuse of corporate travel cards, and unsupported airfare; \$11,080 of questioned relocation costs unrecovered for early terminations and for excessive miscellaneous items; and \$1,722,292 unresolved costs for home office expenses that have yet to be audited.

Monetary Impact: \$2,032,805 in questioned costs

Total Recommendations: 6

Open Recommendations: 2

Open Recommendation (1): The Manager, Sandia Site Office, should direct the Contracting Officer to make a determination regarding the allowability of and recover the full extent of unallowable travel and relocations costs identified in the FY 2004 SCIC audit.

Action Planned: The Contracting Officer will make a determination of allowability of costs.

Status: The Sandia Site Office Contracting Officer concurred with the Office of Field Financial Management's recommendation and, on September 11, 2007, sent Sandia an inquiry regarding the questioned costs. An analysis of Sandia's response will determine if the Sandia Site Office Contracting Officer should proceed with a Notice of Intent to disallow Costs or other appropriate path forward.

Original Estimated Completion Date: 12/30/06

Current Completion Date: 3/31/08

Open Recommendation (2): The Manager, Sandia Site Office, should obtain the DCAA review of Home Office Expenses to determine the allowability of allocations from Lockheed Martin Corporation to Sandia.

Action Planned: The Sandia Site Office concurs on the DCAA review. In addition to the DCAA audit, the DCMA negotiation settlement will have to be obtained before these costs can be settled.

Status: No Change in Status. Currently awaiting action from an external agency.

Original Estimated Completion Date: 12/30/06

Current Completion Date: 12/30/08

Status of the Mixed Oxide Fuel Fabrication Facility

IG-0713

December 21, 2005

Summary: In September 2000, the United States and the Russian Federation signed the Plutonium Management and Disposition Agreement, which committed each country to dispose of 34 metric tons of surplus plutonium. To meet this goal, the National Nuclear Security Administration planned to construct a Mixed Oxide Fuel Fabrication (MOX) Facility at the Savannah River Site. An Office of Inspector General review determined that the cost of the MOX Facility will significantly exceed the amounts reported to Congress in 2002. The National Nuclear Security Administration's project management weaknesses and limited oversight contributed, in part, to the project's cost increases.

Monetary Impact: At the time of the Office of Inspector General review, the National Nuclear Security Administration estimated the cost to design and construct the facility at around \$3.5 billion, which is nearly \$2.5 billion more than reported to Congress in 2002.

Total Recommendations: 6

Open Recommendations: 3

Open Recommendation (1): The Administrator, National Nuclear Security Administration, should incorporate performance incentives in future contract negotiation.

Action Planned: The next phases of the MOX project, which includes construction and operations, will contain an award fee and incentive fee structure to control cost growth, schedule slippage, and provide contractor performance incentives. The MOX project Contracting Officer and MOX project personnel are currently developing and negotiating these provisions, which will be in place before MOX construction begins.

Status: The Federal Project Director, Contracting Officer, and MOX project personnel are in the final stages of negotiations. The Federal Project Director plans to execute the contract option in January 2008. The contract will include an award fee, incentive fee and milestone fee structure to control cost growth and schedule slippage. We anticipate that these negotiations will be complete and that a construction contract may be in place by October 2007.

Original Estimated Completion Date: 9/30/06	Current Completion Date: 12/31/08
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Open Recommendation (2): The Administrator, National Nuclear Security Administration, should include and adhere to contract cost ceilings to control spending.

Action Planned: The existing cost-plus fixed fee structure of the design contract limits the Government's ability to penalize the contractor for poor performance without adversely impacting design completion. This phase of the contract is near completion and the next phases of the MOX project, which include construction and operations, will contain an award fee and

incentive fee structure to control cost growth, schedule slippage, and contractor performance. The MOX project Contracting Officer and MOX project personnel are currently developing and negotiating these provisions, which will be in place before MOX construction begins. In addition, the National Nuclear Security Administration will utilize Earned Value Reporting against a validated baseline to monitor cost and schedule performance against approved cost ceilings. Variances will be reported to the Deputy Secretary as part of OECM's monthly report on the Department's Major System Acquisition Projects.

Status: The Federal Project Director, Contracting Officer, and MOX project personnel are in the final stages of negotiations and the Federal Project Director plans to execute the contract option in January 2008. The contract will include an award fee, incentive fee and milestone fee structure to control cost growth and schedule slippage. The National Nuclear Security Administration continues to use Earned Value Management System Reports, which include the baseline approved by the Department's Acquisition Executive, to monitor cost and schedule performance against approved cost ceilings. Variances will be reported to the Deputy Secretary as part of the Federal Project Director's quarterly report and via monthly input into the Office of Engineering and Construction Management (OECM) Project Assessment and Reporting System (PARS).

Original Estimated Completion Date: 9/30/06
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Current Completion Date: 12/31/07
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Open Recommendation (3): The Administrator, National Nuclear Security Administration, should perform thorough, recurring, and timely reviews of contract performance, and verify that problems are corrected, including cost estimation problems identified in DCAA audits.

Action Planned: In August 2004, the Contracting Officer identified a number of deficiencies in DCS' contract management policies, practices, and procedures and directed the contractor to develop a corrective action plan. The Contracting Officer approved the DCS plan in November 2004. Corrective actions were monitored monthly and in April 2005, a Defense Contracting Management Agency (DCMA) review was conducted to confirm implementation. DCMA confirmed that corrective actions were completed and also provided additional findings and recommendations, which DCS will implement by November 2005. In September 2005, DCAA completed a review of DCS' billing and accounting systems and in October 2005, will complete a review of DCS' estimating systems. DCS will be required to implement the DCAA findings and recommendations by December 2005. Additionally, in January 2006, OEMC/DCMA is scheduled to conduct an independent assessment of DCS' Earned Value Management System, which is required prior to validating the project baseline.

Status: Shaw AREVA MOX Services (formerly DCS) has implemented corrective actions resulting from the Defense Contracting Management Agency (DCMA) independent assessment that was conducted in June 2006 on their Earned Value Management System. NNSA has requested that the Office of Engineering and Management (OECM) perform the required follow-up assessment to gain certification of the Shaw AREVA MOX Services Earned Value Management System. This assessment was scheduled for September 2007 but was postponed by OECM due to higher priorities. OECM will re-schedule the assessment as soon as possible.

Original Estimated Completion Date: 9/30/06
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Current Completion Date: 12/31/08
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Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Los Alamos National Laboratory under Department of Energy Contract No. W-7405-ENG-36

OAS-V-06-07

December 23, 2005

Summary: An Office of Inspector General assessment disclosed conditions in the internal control structure of Los Alamos in effect during FY 2003, which resulted in a more than a relatively low risk that unallowable costs were claimed by and reimbursed to Los Alamos. Specifically, the assessment disclosed that:

- Approximately \$4.8 million in questioned or unallowable subcontract costs for FYs 1992 to 2003 are unresolved;
- Self-Assessments and Procurement Reviews identified internal control weaknesses and questioned costs in freight and Just-In-Time (JIT) procurements of \$2.2 million incurred in FYs 2000 through 2003;
- The Department has not made a final determination on the allowability of about \$14.7 million in questioned costs previously reported by the Office of Inspector General for costs claimed in FYs 1996 through 2002. Los Alamos has made proposals to the Department to resolve approximately \$14.6 million of the costs; and
- An internal allowable cost audit for FY 2003 questioned claimed costs in the amount of \$935,765.

Monetary Impact: \$7,947,368 in questioned costs

Total Recommendations: 4

Open Recommendations: 3

Open Recommendation (1): The Manager, Los Alamos Site Office, should make a determination regarding the allowability of questioned costs, including unresolved questioned subcontract costs and those questioned by the SAPR Team.

Action Planned: The Los Alamos Site Office will make a determination regarding the allowability of questioned costs, including unresolved questioned subcontract costs and those questioned by the SAPR Team.

Status: The Los Alamos Site Office had discussions with the University of California the week of September 10, 2007. At that time, the University of California provided substantial documentation that substantiated the allowability of the costs identified in the subject report. With the exception of \$98,000 in questioned costs associated with freight charges, all other questioned costs were determined to be allowable. The University of California will tender payment of \$98,000. When payment is received, this recommendation will be considered closed.

Original Estimated Completion Date: 3/31/07

Current Completion Date: 3/31/08

Open Recommendation (2): The Manager, Los Alamos Site Office, should seek recovery of those costs determined to be unallowable.

Action Planned: If applicable, the Los Alamos Site Office will seek recovery of those costs determined to be unallowable.

Status: The Los Alamos Site Office had discussions with the University of California the week of September 10, 2007. At that time, the University of California provided substantial documentation that substantiated the allowability of the costs identified in the subject report. With the exception of \$98,000 in questioned costs associated with freight charges, all other questioned costs were determined to be allowable. The University of California will tender payment of \$98,000. When payment is received, this recommendation will be considered closed.

Original Estimated Completion Date: 3/31/07
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Current Completion Date: 3/31/08

Open Recommendation (3): The Manager, Los Alamos Site Office, should resolve outstanding questioned costs previously identified by the Office of Inspector General.

Action Planned: The Los Alamos Site Office will review and resolve, if applicable, any outstanding questioned costs previously identified by the Office of Inspector General.

Status: The Los Alamos Site Office had discussions with the University of California the week of September 10, 2007. At that time, the University of California provided substantial documentation that substantiated the allowability of the costs identified in the subject report. With the exception of \$98,000 in questioned costs associated with freight charges, all other questioned costs were determined to be allowable. The University of California will tender payment of \$98,000. When payment is received, this recommendation will be considered closed.

Original Estimated Completion Date: 6/30/08
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Current Completion Date: 3/31/08

*Security Clearance Terminations and Badge Retrieval at the Lawrence Livermore National
Laboratory*
IG-0716
January 19, 2006

Summary: Due to the nature of its mission, the majority of the workforce at the Lawrence Livermore National Laboratory possesses personnel security clearances. An Office of Inspector General inspection concluded that the Laboratory's internal control structure was not adequate to ensure that security badges were retrieved at the time of an employee's departure or that security clearances of departing employees were terminated in a timely manner.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 6

Open Recommendations: 4

Open Recommendation (1): The Manager, Livermore Site Office, should ensure that the Lawrence Livermore National Laboratory establishes internal controls for the timely (a) recovery of badges of terminating employees; (b) completion of Security Termination Briefings; (c) completion of Security Termination Statements; and, (d) notification to the Department when security clearances should be terminated.

Action Planned: Laboratory management is reviewing the institutional termination policy to determine how it is applied to all employees and non-employees (affiliates) and will implement necessary changes to improve internal controls and enhance compliance with requirements.

Status: Currently, the Livermore Site Office is ensuring that all security badges related to security terminations during the third quarter are appropriately tracked and documented. Prior to making a final validation decision, the Livermore Site Office will ensure that the tracking system results in timely, compliant terminations of access authorizations and the retrieval of security badges.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 12/31/07

Open Recommendation (2): The Manager, Livermore Site Office, should ensure that Lawrence Livermore National Laboratory officials improve internal controls such that all security clearances are terminated in the official Laboratory database in a timely manner.

Action Planned: Laboratory management is reviewing the institutional processes to evaluate current controls and will identify improvements. Personnel security is reviewing internal processes to determine what controls need to be implemented to terminate clearances in the Laboratory clearance database with the required timeframes.

Status: Currently, the Livermore Site Office is ensuring that all security badges related to security terminations during the third quarter are appropriately tracked and documented. Prior to making a final validation decision, the Livermore Site Office will ensure that the tracking system results in timely, compliant terminations of access authorizations and the retrieval of security badges.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 12/31/07

Open Recommendation (3): The Manager, Livermore Site Office, should ensure that the Lawrence Livermore National Laboratory establishes controls to improve compliance with out-processing procedures for terminating employees.

Action Planned: Laboratory management is reviewing the institutional processes to determine the best process for holding employees, affiliates, and programmatic personnel responsible for ensuring that terminating individuals adhere to the Laboratory out-processing procedures.

Status: Currently, the Livermore Site Office is ensuring that all security badges related to security terminations during the third quarter are appropriately tracked and documented. Prior to making a final validation decision, the Livermore Site Office will ensure that the tracking system results in timely, compliant terminations of access authorizations and the retrieval of security badges.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 12/31/07

Open Recommendation (4): The Manager, Livermore Site Office, should ensure that the Lawrence Livermore National Laboratory implements a process to monitor the employment status of subcontractor employees and affiliated personnel and provides timely notification to Personnel Security officials about employment status changes.

Action Planned: Laboratory hosts or programmatic managers in various organizations monitor the ongoing need for Laboratory access for affiliate personnel. The Personnel Security division depends on the host/managers to inform them of the need to extend or terminate access to the Laboratory for their affiliate personnel. Laboratory management is reviewing institutional contractual modifications and policies to determine how they can better hold affiliates and programmatic personnel responsible for ensuring employment status changes are monitored and reported to Personnel Security in a timely manner.

Status: Currently, the Livermore Site Office is ensuring that all security badges related to security terminations during the third quarter are appropriately tracked and documented. Prior to making a final validation decision, the Livermore Site Office will ensure that the tracking system results in timely, compliant terminations of access authorizations and the retrieval of security badges.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 12/31/07

Management of the Department's Desktop Computer Software Enterprise License Agreements
IG-0718
January 30, 2006

Summary: The Department and its facility contractors employ more than 110,000 desktop computers in their operations. Although the Department had established several Department-wide software agreements, an Office of Inspector General audit found that the Agency had not adequately managed the acquisition and maintenance of desktop computer software licenses. At the sites reviewed, the Department spent more than necessary over the last five years to acquire and maintain desktop software. The report contained several recommendations, which were designed to increase the efficiency of the Department's desktop software management practices.

Monetary Impact: By acquiring certain software at the lowest available price, the Department could save at least \$2.3 million over the next five years. Additionally, by eliminating maintenance costs on unused licenses, the Department could save about \$187,400 annually.

Total Recommendations: 3

Open Recommendations: 2

Open Recommendation (1): Develop and implement a formal policy for ensuring that software purchases are coordinated between Headquarters and field sites, to include consideration of enterprise license agreements with vendors, where appropriate, and establishment of a central source of information to allow sites and programs to identify the best available contracts or agreements.

Action Planned: A formal policy will be established requiring all software purchases use either Department enterprise-wide software license agreements or, when available, SmartBUY. This policy will include a provision which exempts Department program elements and contractors from an enterprise-wide agreement in instances in which the program or contractor secures more favorable terms for the purchase of the software. This policy is expected to be issued by June 2007. The Office of the Chief Information Officer, in coordination with the Office of Management, will establish and maintain a website that will be a central source of information that will enable all Department programs and contractors to identify the best available SmartBUY and Department enterprise-wide contracts or agreements. This website becomes operational in March 2007.

Status: The Office of the Chief Information Officer is in the process of updating DOE Order 200.1 to ensure that all policy changes related to effective IT management and efficient use of Departmental resources for enterprise-wide software acquisition, including SmartBUY, software asset management, and corporate asset management, are appropriately addressed. The draft is under review by Office of the Chief Information Officer senior management and is expected to be submitted for Departmental comment by September 2007. In addition, the SmartBUY website has been established and provided information for all Department programs and contractors on SmartBUY and enterprise-wide agreements.

Original Estimated Completion Date: 6/30/07

Current Completion Date: 3/31/08

Open Recommendation (2): Ensure that sites/programs design and implement asset management systems to effectively track software license inventories and utilization of existing licenses.

Action Planned: A formal policy will be established requiring that all programs ensure government-owned software licenses and their use are tracked through an inventory process, and that all contractors that operate systems for the Department also track all of their software licenses and their use. To the extent that it is practical, the system asset identification and management software now being deployed throughout the Department through the Department Continuous Asset Monitoring System will be used to support this software license inventory process. Additionally, the Enterprise License Agreement Program will develop policy and guidance defining an enterprise license inventory process enabling the Department to track software licenses and optimize license utilization across the enterprise. This policy is expected to be issued by June 2007. Inventory tracking processes will be in place throughout the complex no later than September 2007.

Status: The Office of the Chief Information Officer is in the process of updating DOE Order 200.1 to ensure that all policy changes related to effective IT management and efficient use of Departmental resources for enterprise-wide software acquisition, including SmartBUY, software asset management, and corporate asset management, are appropriately addressed. The draft is under review by Office of the Chief Information Officer senior management and is expected to be submitted for Departmental comment by September 2007.

Original Estimated Completion Date: 9/30/07

Current Completion Date: 3/31/08

Management Controls over BWXT's Teaming Partner Arrangement at Pantex
OAS-M-06-04
February 8, 2006

Summary: In July 2000, the Department awarded BWXT Pantex, LLC a five-year management and operating contract for Pantex based in part on a teaming arrangement with Bechtel North Texas, Inc. In 2003, BWXT approved a subcontract modification that allowed Bechtel to non-competitively obtain services from its parent corporation, Bechtel National, Inc. An Office of Inspector General review found that BWXT did not always act to minimize costs to the Department when administering the Bechtel subcontract. Specifically, although BWXT was required by its contract to limit post-retirement health benefits to its employees, BWXT included Bechtel employees in the Department-funded post-retirement health benefits plan without Departmental approval.

Monetary Impact: \$90,000 in questioned costs

Total Recommendations: 5

Open Recommendations: 3

Open Recommendation (1): The Manager, Pantex Site Office, should determine the allowability of costs incurred for purchases made from Bechtel affiliates and funds already spent to provide post-retirement health benefits to Bechtel employees.

Action Planned: The Site Office began the allowability determination process for the purchases from Bechtel affiliates by requesting that BWXT obtain completion vouchers for each of the Work Order Authorizations. These vouchers reflect the actual cost of work performed. After receipt, the Site Office and BWXT will validate the costs, and then the Site Office will seek reimbursement from Bechtel for any over payment. With regard to funds already spent to provide post-retirement health benefits, the Site Office requested that BWXT provide the actual dollar figure that has been spent to date for post-retirement benefits. At that point, an allowability cost determination will be made.

Status: The Pantex Site Office and BWXT are awaiting copies of the incurred costs audits of those Bechtel affiliates from which BWXT Pantex purchased services. The Defense Contract Audit Agency (DCAA) will perform these audits. Once the DCAA audits are received, the Pantex Site Office will determine the allowability of costs incurred for each purchase. External agency has the action.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 6/30/08

* The Office of Inspector General issued 2 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 5 individual recommendations. Of these, 3 remain unimplemented.

Open Recommendation (2): The Associate Administrator for Management and Administration, National Nuclear Security Administration, should develop and issue guidance related to employee benefits for integrated subcontractors included in teaming partner arrangements.

Action Planned: The National Nuclear Security Administration will assess the appropriate guidance vehicle working in consort with the Department during the development of their overarching pension/post retirement benefits policy. After development, the National Nuclear Security Administration will use the policy to assess adequacy of existing arrangements and to guide the design of new policy.

Status: The National Nuclear Security Administration's draft policy is being revised to be consistent with the recently approved service credit provisions at provisions used in the Lawrence Livermore National Laboratory contract competition. Discussions regarding the application of the new provisions at other National Nuclear Security Administration sites are ongoing.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 3/31/08

Open Recommendation (3): The Associate Administrator for Management and Administration, National Nuclear Security Administration, should determine whether controls over integrated subcontractors at Nevada and any other site with teaming partner arrangements are adequate to protect the Government's interest.

Action Planned: The National Nuclear Security Administration will assess the appropriate guidance vehicle working in consort with the Department during the development of their overarching pension/post retirement benefits policy. After development, the National Nuclear Security Administration will use the policy to assess the adequacy of existing arrangements and to guide the design of new policy.

Status: The National Nuclear Security Administration's draft policy is being revised to be consistent with the recently approved service credit provisions at provisions used in the Lawrence Livermore National Laboratory contract competition. Discussions regarding the application of the new provisions at other National Nuclear Security Administration sites are ongoing.

Original Estimated Completion Date: 12/31/06

Current Completion Date: 3/31/08

The Department of Energy's Performance of the Miamisburg Closure Project

IG-0721

March 14, 2006

Summary: In May 2001, the Office of Inspector General reported that the Department's Miamisburg Closure Project would not be completed under current cost and schedule requirements. A follow-up audit concluded that the Department was unlikely to achieve revised closure goals on the Project. The Department had not adequately planned for uncertainties such as employee pension costs and changes in soil volumes that require remediation.

Monetary Impact: Under the current contract, the Department was expected to spend at least \$59 million more than the baseline estimates and take longer than planned to complete the Miamisburg Closure Project, thus delaying the site's availability for commercial use.

Total Recommendations: 7

Open Recommendations: 1

Open Recommendation: For any future site closures, the Assistant Secretary for Environmental Management should ensure that proper risk analysis techniques are performed and implemented expeditiously to avoid, eliminate, or mitigate potential risks to achieving site closure according to set cost and schedule goals.

Action Planned: The Department's Office of Environmental Management uses its Quarterly Performance Review (QPR) to achieve this goal. However, the Office of Environmental Management will revisit its risk analysis techniques to address risk. The recently-awarded Ashtabula contract will serve as an excellent opportunity to evaluate these analyses.

Status: The Office of Environmental Management is in the process of closing the Ashtabula Project. The Office of Environmental Management will evaluate the Ashtabula contract for handling of soil volumes.

Original Estimated Completion Date: 3/14/07

Current Completion Date: 9/30/08

***Information Technology Support Services at the Department of Energy's Operating
Contractors***
IG-0725
April 19, 2006

Summary: In an August 2001 report, *Information Technology Support Services Contracts*, the Office of Inspector General concluded that the Department did not have a comprehensive framework for acquiring Information Technology (IT) support services. A follow-up review was initiated to determine whether the Department had re-engineered its processes and implemented an effective mechanism for managing and controlling contractor IT support services costs. The audit revealed that while the Department had initiated action to consolidate requirements for services provided to Federal employees, it continued to face a number of challenges. Specifically, the Department had not established a comprehensive framework that would provide a corporate-wide approach to providing IT support services.

Monetary Impact: The Department could save at least \$14 million through the establishment of a comprehensive framework for providing IT support services for contractor-managed sites co-located at the Hanford Complex. Additional significant unquantifiable savings could be achieved by establishing a comprehensive framework for providing IT support services for other contractor-managed sites across the complex.

Total Recommendations: 40*

Open Recommendations: 6

Open Recommendation (1): To ensure that IT support costs are effectively managed and controlled and potential cost savings are examined, the Chief Information Officer should coordinate with the Director, Office of Management; the Administrator, National Nuclear Security Administration; and the Under Secretary for Energy, Science, and Environment, to require that the Program Secretarial Officers provide guidance to field offices to ensure that contractor IT support service costs are adequately monitored and controlled.

Action Planned: The Office of Science, Office of Information Technology Management is in the process of preparing a plan.

Status: Revised direction to site managers has been submitted for the Office of Science Operating Officer signature.

Original Estimated Completion Date: 4/18/07

Current Completion Date: 12/14/07

* The Office of Inspector General issued 2 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 40 individual recommendations. Of these, 6 remain unimplemented.

Open Recommendation (2): Direct field contracting officers to examine opportunities for controlling IT support services costs, including determining the practicality of establishing consolidated IT support service contracts in support of the work programs of the Department's major contractors.

Action Planned: The Office of Science, Office of Information Technology Management is in the process of preparing a plan.

Status: Revised direction to site managers has been submitted for the Office of Science Operating Officer signature.

Original Estimated Completion Date: 4/18/07

Current Completion Date: 12/14/07

Open Recommendation (3): Review contracts for potential inclusion of IT performance incentives and/or fee-impacting performance measures consistent with the mission of the Department.

Action Planned: Department management is conducting a review of the contracts for potential inclusion of IT performance incentives and/or fee-impacting performance measures consistent with the mission of the Department.

Status: No Change in Status

Original Estimated Completion Date: 3/31/07

Current Completion Date: Unavailable

Open Recommendation (4): Direct field contracting officers to examine opportunities for controlling IT support services costs, including reviewing contracts for potential inclusion of IT performance incentives and/or fee-impacting performance measures consistent with the mission of the Department.

Action Planned: Develop a Master Service Level Agreement for Department services. In partnership with the Office of the Chief Information Officer, discuss potential opportunities for using the EES/LLC vehicle to support mission-specific work done by the Department's major contractors.

Status: A subtask was issued to programmatic elements within the Department on September 26, 2007, to support the detailed network design for the transition of Federal employees currently on a contractor-owned network to a separate IT infrastructure. An SLA is expected once the final design is agreed upon.

Original Estimated Completion Date: 4/18/07

Current Completion Date: 12/14/07

Open Recommendation (5): Direct field contracting officers to examine opportunities for controlling IT support services costs, including reviewing contracts for potential inclusion of IT

performance incentives and/or fee-impacting performance measures consistent with the mission of the Department.

Action Planned: The Office of Science, Office of Information Technology Management is in the process of preparing a plan.

Status: Revised direction to site managers has been submitted for the Office of Science Operating Officer signature.

Original Estimated Completion Date: 4/18/07

Current Completion Date: 12/14/07

Open Recommendation (6): Direct field contracting officers to examine opportunities for controlling IT support services costs, including making Departmental organizations aware of enterprise IT support contracts that meet IT services needs.

Action Planned: The Office of Science, Office of Information Technology Management is in the process of preparing a plan.

Status: Revised direction to site managers has been submitted for the Office of Science Operating Officer signature.

Original Estimated Completion Date: 4/18/07

Current Completion Date: 12/14/07

Management Controls over the State Energy Program's Formula Grants

OAS-M-06-05

April 26, 2006

Summary: The Department's State Energy Program provides grants to states to promote energy conservation and efficiency. An Office of Inspector General audit was initiated to determine whether the Department had implemented controls to ensure grant funds were used for their intended purpose. The audit disclosed that the Department did not regularly perform on-site monitoring of State Energy Offices to ensure that grant funds were being used for their intended purpose and had not established meaningful performance metrics to determine the cost benefit of the program.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4*

Open Recommendations: 2

Open Recommendation (1): The Program Management Centers will have the programmatic and financial responsibility for the State Energy Program. A monitoring schedule for the grantees based on the availability of program direction funding will be completed in the last quarter.

Action Planned: This is an on-going effort. The Department anticipates that an outside review of the evaluation assessment will be completed by August 2006.

Status: The Program Management Centers will have the programmatic and financial responsibility for the State Energy Program. A monitoring schedule for the grantees based on the availability of program direction funding will be completed in the last quarter. Quarterly desk monitoring (financial/programmatic) using our grants management system is on-going.

Original Estimated Completion Date: 3/30/07

Current Completion Date: 9/30/09

Open Recommendation (2): The Assistant Secretary shall use the results of improved performance measures to re-evaluate the cost benefit of the State Energy Program.

Action Planned: This is an open item subject to completion of Recommendation 1.

Status: The Program Management Centers will have the programmatic and financial responsibility for the State Energy Program. A monitoring schedule for the grantees based on the availability of program direction funding will be completed in the last quarter. Quarterly desk monitoring (financial/programmatic) using our grants management system is on-going.

* The Office of Inspector General issued 2 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 4 individual recommendations. Of these, 2 remain unimplemented.

Original Estimated Completion Date: 3/30/07

Current Completion Date: 9/30/09

Management of Spent Nuclear Fuel at the Savannah River Site

IG-0727

May 12, 2006

Summary: As part of an effort to identify the best method to prepare spent nuclear fuel for disposition at the Savannah River Site, the Department selected a process known as “melt and dilute” as the preferred alternative in a July 2000 Record of Decision, establishing a goal of having the technology in place by 2008. The Record of Decision also committed the Department to explore direct disposal as an alternative strategy and to maintain the current conventional processing facility, known as H-Canyon, to address any degrading of spent fuel stored at the Savannah River Site until a new disposal program was implemented. An Office of Inspector General review was initiated to determine the status of the spent nuclear fuel program at the Savannah River Site and to determine whether the Department would have to maintain H-Canyon capabilities beyond the time required to carry out defined work requirements. The review found that there have been delays in developing and implementing a spent nuclear fuel program at the Savannah River Site. As a result, H-Canyon will have to be maintained in an idle, but operation mode, for at least two years.

Monetary Impact: Given the commitment the Department made in the Record of Decision and the absence of a fully developed disposition strategy, a two-year delay is projected to cost taxpayers approximately \$300 million.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Assistant Secretary for Environmental Management should accelerate work to complete a complex-wide strategy for the disposition of spent fuel.

Action Planned: The Office of Environmental Management is working closely with each of the sites and the Office of Civilian Radioactive Waste Management to complete a complex-wide strategy for the disposition of the Office of Environmental Management’s spent nuclear fuel at Yucca Mountain. To a significant extent, this strategy is dependent on decisions that are made regarding H-Canyon operations and the schedule for the geologic repository. The Office of Environmental Management will complete the strategy as soon as practicable consistent with a resolution of these existing uncertainties.

Status: The Office of Environmental Management remains on schedule to develop a complex-wide strategy for the disposition by May 2008.

Original Estimated Completion Date: 5/31/08	Current Completion Date: 5/31/08
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Open Recommendation (2): The Assistant Secretary for Environmental Management should formally select a preferred technology for preparing spent fuel at the Site for disposition consistent with the complex-wide strategy.

Action Planned: The Office of Environmental Management expects that the spent nuclear fuel at the Savannah River Site will be prepared for disposal either by packaging for direct disposal at Yucca Mountain, conventional processing in H-Canyon, or a combination of the two approaches. An amended Record of Decision for the Savannah River Site Spent Nuclear Fuel Management Final Environmental Impact Statement will be prepared to select the preferred approach once the plans for any additional H-Canyon missions are further developed.

Status: The Office of Environmental Management is working with the Idaho National Laboratory and the Savannah River Site to prepare a Supplemental Analysis to evaluate adequacy of prior National Environmental Policy Act analyses for processing of aluminum-clad spent nuclear fuel at H-Canyon and management and disposition of non aluminum-clad spent nuclear fuel at the Idaho National Laboratory. The Supplemental Analysis is expected to be completed by December 2007. Subsequently, the Office of Environmental Management will prepare an amended Record of Decision to process and disposition aluminum-clad spent nuclear fuel through H-Canyon. The complex-wide strategy for spent nuclear fuel is being developed.

Original Estimated Completion Date: 5/31/08
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Current Completion Date: 5/31/08

Open Recommendation (3): The Assistant Secretary for Environmental Management expedite the implementation of this technology to minimize the impact of extending H-Canyon operations.

Action Planned: The Office of Environmental Management will execute the implementation of the selected approach for preparing the Savannah River Site's spent nuclear fuel for disposal consistent with the plans for H-Canyon operations, the schedule for Yucca Mountain, and the priorities of the Department.

Status: Plans are being made to begin processing aluminum-clad SNF in H-Canyon in early 2010. An Integrated Project Team has been established to develop an implementation plan for the transportation and receipt of spent nuclear fuel between the Savannah River Site and the Idaho National Laboratory. The planned spent nuclear fuel transfer will enable processing of all aluminum-clad spent nuclear fuel at H-Canyon. It should be noted that the final congressional appropriations in FY 2009 and allocation of funds in FY 2008 may impact the Department's ability to proceed with this project.

Original Estimated Completion Date: 5/31/08
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Current Completion Date: 5/31/08

Concerns Regarding Lead Contamination and Radiological Controls at the Nevada Test Site

INS-O-06-02

May 17, 2006

Summary: Responding to an allegation that lead bricks at the Nevada Test Site's Occupational Medicine Facility created a lead dust hazard and that there were numerous specified radiological control violations at the Site, an Office of Inspector General review found that surface lead dust contamination at four locations of the Occupational Medicine Facility exceeded the site contractor's established threshold levels. Further, the contractor had not taken action to make surfaces in these contaminated areas "as free as practicable" of lead dust, as required by the Occupational Safety and Health Administration. Regarding the alleged radiological control violations, a number of violations did exist, but they were self-reported by the site contractor and corrective actions were in process. The review also identified areas for improvement in the Site's sealed radioactive source program.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 1

Open Recommendation: The Manager, Nevada Site Office, should ensure that the site operating contractor takes timely and appropriate action to address the lead contamination in Building 650.

Action Planned: The Nevada Site Office will ensure that the site operating contractor takes timely and appropriate action to address lead contamination in Building 650.

Status: The remediation plan has been placed into the site Environment, Safety & Health 5-year Plan for determination of funding. The development of the abatement plan, upgrade and more resources is dependent on the funding. The National Nuclear Security Administration is awaiting a Congressional funding determination before final action can be taken.

Original Estimated Completion Date: 3/31/07

Current Completion Date: 9/30/08

The Department's Management of Non-Nuclear High Explosives

IG-0730

June 26, 2006

Summary: Due to the inherently dangerous nature of high explosives, Department regulations require that strict control and accountability be maintained over all components. An Office of Inspector General review was initiated to determine whether the Department was adequately managing its non-nuclear high explosives materials. The review found that the Los Alamos National Laboratory and the Sandia National Laboratory were not always maintaining control, accountability, and safety over a wide array of explosives. The lack of control and accountability occurred, in large part, because the Laboratories failed to design and implement effective local high explosive management strategies.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4

Open Recommendations: 4

Open Recommendation (1): The Administrator, National Nuclear Security Administration, should develop and implement life-cycle asset and property management policies and procedures that, at a minimum, require contractors to periodically verify inventory amounts, ownership, and location, including off-site locations, of high explosives under their cognizance.

Action Planned: Site Managers will instruct each of their respective Management and Operating (M&O) contractors to establish a baseline inventory of high explosives, ownership or program application of the stated inventory, location and frequency of inventory cycle of the explosives. A report will be prepared by each M&O and submitted to their respective Site Office for review, acceptance and agreement on the proposed justification to retain the high explosives in the inventory. The Site Office will submit information related to high explosives to the Deputy Administrator for Defense Programs. All appropriate documentation will be submitted no later than September 2008.

Status: The Savannah River and Livermore Site Offices report this action as completed based on work performed or that no item as described is on site. The Los Alamos National Laboratory has re-established the Storage Review Committee and several actions have been accomplished. Several actions are underway to reduce the inventory, including re-application for serviceable explosives. Sandia National Laboratory is revising elements of the inventory system to include requirements that all explosive materials be evaluated for retention based on a set of criteria that are contained in revisions to the Explosives Safety Manual. Area will continue to be a part of the validation process via personal property reviews

Original Estimated Completion Date: 9/30/08

Current Completion Date: 9/30/08

Open Recommendation (2): The Administrator, National Nuclear Security Administration, should ensure that contractors conduct periodic reviews of existing explosives inventories to establish programmatic need.

Action Planned: As stated in the response to Recommendation 1, contractors will submit their baseline inventory, ownership or programmatic application, location, and inventory cycle to their respective site office. This documentation will be completed by June 2008.

Status: The Savannah River Site and Livermore Site Offices report this action as completed based on work performed or that no item as described is on-site. Evidence has been presented to document that the Los Alamos National Laboratory is actively reviewing the explosives inventory to verify that a programmatic need for the explosives still exists. Some sites continue to work on this issue. The recommendation will remain open until all actions are complete.

Original Estimated Completion Date: 6/30/08	Current Completion Date: 6/30/08
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Open Recommendation (3): The Administrator, National Nuclear Security Administration, should ensure that contractors implement the provisions of the Department Explosives Safety Manual by establishing storage review programs and committees to evaluate the stability and safety of all explosives under their cognizance.

Action Planned: Each M&O contractor will certify to their respective Site Office that high explosives held within their inventory are safe, stable, and meet applicable Federal requirements and/or local ordinances. A copy of their submission, which will include the basis for the certification, will be provided to the National Nuclear Security Administration's Advisor for Environment, Safety and Health. Certification to the Site Office should occur no later than September 2008.

Status: The Savannah River Site and Livermore Site Offices report this action as completed based on work performed or that no item as described is on site. Sandia has reinstated a Explosives Storage Review Committee. The Committee is currently assessing the scope of activities, evaluating appropriate sampling and analytical methods for measuring stabilizer content, and developing a detailed plan to assure the safe use of all explosives after storage. A complete a draft of our storage review program will be completed by July 2008 and will begin reviewing the status of all explosive materials in coordination with our new inventory system. A Storage Review Committee has also been re-established and verified during visits by the Service Center individual tasked with providing explosives safety support to Los Alamos. Other sites continue to work this issue. Action will remain open until all are completed.

Original Estimated Completion Date: 9/30/08	Current Completion Date: 9/30/08
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Open Recommendation (4): The Administrator, National Nuclear Security Administration, should establish a Federal oversight mechanism, in coordination with the Office of Independent Oversight, for the management of high explosives that includes examining the accuracy and programmatic need of reported explosives inventories, and the existence and effectiveness of site storage review programs.

Action Planned: The National Nuclear Security Administration will instruct Department site offices to include safety, property, and/or programmatic reviews of the M&O's high explosives and will provide the property and disposition entities of Supply Chain Management with the results of those reviews. At a minimum, the appropriate elements of oversight contained in the Department's Safety Manual will be reinforced.

Status: The Savannah River Site and Livermore Site Offices report this action as completed based on work performed or that no item as described is on site. Some sites continue to work this issue. Los Alamos National Laboratory organizations are required to provide a complete programmatic justification of need. The Sandia Site Office has been scheduling and conducting assessments at Sandia National Laboratory-California and Sandia National Laboratory-New Mexico, but will review current plans (and assessment scope) in light of the above recommendations. Area will continue to be a part of the validation process via personal property reviews. Action will remain open until all actions are complete.

Original Estimated Completion Date: 12/30/08

Current Completion Date: 12/30/08

The Human Reliability Program at Lawrence Livermore National Laboratory
IG-0732
June 30, 2006

Summary: The Lawrence Livermore National Laboratory has an extensive Human Reliability Program (HRP) intended to ensure that its many employees working in the nuclear weapons program meet the highest standards of physical and mental stability. Strict compliance with applicable procedures and processes is essential. An Office of Inspector General review found that the HRP at Livermore was not administered in full accordance with applicable requirements. For example, the methodology used to select individuals for drug and alcohol testing did not ensure that the tests were random, as required. In addition, HRP medical reviews were not always as comprehensive as required by Department regulations.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 8

Open Recommendations: 1

Open Recommendation: The Manager, Livermore Site Office, should ensure that Lawrence Livermore National Laboratory supervisors are aware of and act on their responsibility to question HRP individuals about alcohol consumption when called in for unscheduled duty.

Action Planned: Not Provided

Status: The Lawrence Livermore National Laboratory Assurance Office (LAO) has provided copies of memoranda dated March 15, 2007, and August 30, 2007, that demonstrate that all HRP supervisors were notified of the new HRP training. As of April 30, 2007, approximately 50 percent of HRP supervisors participated in HRP Supervisor Safety Training and Security “Round Table” Training. LAO has scheduled four additional training sessions. It is expected that all HRP supervisors will have completed the training by December 31, 2007.

Original Estimated Completion Date: 6/30/07

Current Completion Date: 3/31/08

Assessment of Changes to the Internal Control Structure and their Impact on the Allowability of Costs Claimed by and Reimbursed to Los Alamos National Laboratory under Department of Energy Contract No. W-7405-ENG-36

OAS-V-06-11

July 19, 2006

Summary: Except for questioned costs of \$1,337,913, changes to the internal control structure of Los Alamos provide reasonable assurance that costs claimed by Los Alamos and reimbursed by the Department are allowable. Specific areas of concern identified during the assessment included:

- Internal Audit's FY 2004 Allowable Cost Audit questioned claimed costs in the amount of \$895,272 incurred between 1997 and 2004; and identified an internal control weakness pertaining to Intergovernmental Personnel Act agreements and Change of Station reimbursements;
- Los Alamos incurred \$250,322 in questionable Home Office expenses; and
- Internal control weaknesses were identified in the management of General Plant Projects and, as a result, the Office of Inspector General questioned \$192,319 in furnishings paid with operating expense funds.

In addition, the Field Director of Procurement had not signed the FY 2004 SCIC as required by the Department's Accounting Handbook.

Monetary Impact: \$1,337,913 in questioned costs

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Manager, Los Alamos Site Office, should make a determination regarding the allowability of question costs.

Action Planned: The Contracting Office will review all questioned costs and make a determination of the cost allowability.

Status: The Los Alamos Site Office had discussions with the University of California the week of September 10, 2007. The Los Alamos Site Office Contracting Officer will issue a final determination on outstanding costs associated with the recommendation. Closure of this item is not expected for another year to 18 months.

Original Estimated Completion Date: 7/21/07

Current Completion Date: 6/30/08

Open Recommendation (2): The Manager, Los Alamos Site Office, should seek recovery of those costs determined to be unallowable.

Action Planned: Any costs that the Contracting Officer determines to be unallowable, will be recovered.

Status: The Los Alamos Site Office had discussions with the University of California the week of September 10, 2007. The Los Alamos Site Office Contracting Officer will issue a final determination on outstanding costs associated with the recommendation. Closure of this item is not expected for another year to 18 months.

Original Estimated Completion Date: 7/21/07

Current Completion Date: 6/30/08

Access Controls for Foreign Nationals at the Lawrence Berkeley National Laboratory
INS-L-06-08
August 28, 2006

Summary: An Office of Inspector General review concluded that access controls for foreign nationals at the Lawrence Berkeley National Laboratory could be improved. The review found that the failure of Laboratory human resources officials to fully execute their responsibilities regarding the processing of foreign national visitors and assignees resulted in at least one occasion when a foreign national from a state sponsor of terrorism was allowed admission to a controlled access facility without the required counterintelligence screening and Department approval. In addition, the review noted that hosts were not sufficiently knowledgeable of export control regulations to recognize potential export control issues involving the foreign nationals they hosted.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Manager, Berkeley Site Office, should ensure that Lawrence Berkeley National Laboratory hosts and human resource officials receive appropriate training regarding their responsibilities for processing and hosting foreign nationals visiting or assigned to the Laboratory.

Action Planned: The Lawrence Berkeley National Laboratory will develop a training module for all hosts and human resources employees that address the responsibilities described in Departmental policy. A deployment plan will be in place for this training by January 30, 2007.

Status: All of the Lawrence Berkeley National Laboratory fundamental training milestones, to date, have been completed and the Department is on target to complete the last fundamental training piece, the desk reference. This includes the processing and hosting of foreign nationals visiting or assigned to the Laboratory. The Berkeley Site Office will confirm that this has occurred prior to October 30, 2007, which will complete this recommendation. A certification of effectiveness of corrective action will follow.

Original Estimated Completion Date: 7/30/07	Current Completion Date: 10/30/07
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Open Recommendation (2): The Manager, Berkeley Site Office, should ensure that Lawrence Berkeley National Laboratory personnel are aware of, and adhere to, export control regulations and guidance to control possible loss of sensitive United States technology.

Action Planned: The Lawrence Berkeley National Laboratory will develop a training, education, and awareness plan for export control compliance that focuses on hosts, researchers known to work with export control technology, and ongoing awareness for the Laboratory

population was a whole. Export control awareness will be integrated into the host training described above, and a schedule for ongoing training, education, and awareness will be developed.

Status: All of the Lawrence Berkeley National Laboratory fundamental training milestones, to date, have been completed and the Department is on target to complete the last fundamental training piece, the desk reference. This includes export control guidance and regulations. The Berkeley Site Office will confirm that this has occurred prior to October 30, 2007, which will complete this recommendation. A certification of effectiveness of corrective action will follow.

Original Estimated Completion Date: 7/30/07

Current Completion Date: 10/30/07

Follow-up on the Management of Plutonium-239 Sealed Sources Recovery Activities
OAS-M-06-09
September 12, 2006

Summary: The mission of the National Nuclear Security Administration's Off-Site Recovery Project (OSRP) is to recover unwanted radioactive sealed sources held in the public sector, thereby reducing the threat of the sources being used in radiological dispersal devices or a "dirty bomb." Plutonium-239, one of the radioactive sealed sources recovered by OSRP, requires additional safeguards because it is a special nuclear material. On August 1, 2005, the Office of Inspector General reported that OSRP could not immediately recover Pu-239 sources when they became excess and unwanted because of a lack of secure interim storage. In a follow-up review, it was revealed that as a result of the Department's Waste Isolation Pilot Plant's approval of the Pu-239 waste stream, OSRP no longer had a need for the quantity of additional interim storage space identified in 2004. Consequently, neither Los Alamos nor the Nevada Test Site fulfilled the commitment to provide additional storage space. However, the follow-up review noted that because these sites had not been specifically dedicated space for Pu-239 storage, OSRP continued to experience difficulties in planning to recover sealed sources.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: The Manager, Los Alamos Site Office, should prepare a contingency plan for the storage of recovered sources in the event final disposal of Pu-239 at the Waste Isolation Pilot Plant is interrupted.

Action Planned: The Manager, Los Alamos Site Office, will prepare a contingency plan for the storage of recovered sources in the event final disposal of Pu-239 at the Waste Isolation Pilot Plant is interrupted.

Status: The Los Alamos National Laboratory contractor, Los Alamos National Security, LLC, (LANS) TA-55 staff have approved of 250g of contingency storage space could be made available in the basement. However, Los Alamos Site Office management has recently changed and the new Site Manager will need to review and accept the contingency plan as a short-term risk until final disposition is completed. The LANS group NN-GTR is drafting a contingency plan, which will need to be submitted to Los Alamos Site Office management for review and approval by the end of the first quarter of FY 2008.

Original Estimated Completion Date: 6/30/07

Current Completion Date: 3/31/08

The Department's Unclassified Cyber Security Program - 2006

IG-0738

September 19, 2006

Summary: As required by the Federal Information Security Management Act (FISMA), an Office of Inspector General review was initiated to determine whether the Department's unclassified cyber security program adequately protected data and information systems. During the previous year, the Department launched a cyber security revitalization program and issued enhanced guidance designed to strengthen protective efforts. While these were positive steps, the evaluation continued to observe deficiencies that exposed the Department's critical systems to an increased risk of compromise. Continuing cyber security weaknesses occurred, at least in part, because program and field elements had not always implemented or properly executed Departmental and Federal cyber security requirements.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 5

Open Recommendations: 2

Open Recommendation (1): Perform compliance monitoring activities to ensure the adequacy of cyber security program performance.

Action Planned: Implement a compliance review program to monitor activities to ensure the adequacy of cyber security program performance.

Status: The concept of operations is not yet completed. Completion is anticipated by the 2nd Quarter of FY 2008.

Original Estimated Completion Date: 9/16/07

Current Completion Date: 3/31/08

Open Recommendation (2): Ensure that the Plan of Action and Milestones (POA&M) management tool is used to its maximum advantage by identifying, tracking to resolution, and sharing cyber security weaknesses across organizational elements.

Action Planned: The Office of the Chief Information Officer will conduct routine analysis of the POA&M database to brief Cyber Security Working Group of systemic cyber security weaknesses and POA&M deficiencies on a quarterly basis.

Status: The Policy and Planning Division Director will provide monthly briefings to the Cyber Security Working Group.

Original Estimated Completion Date: 9/16/07

Current Completion Date: 3/31/08

Performance-Based Contract Incentives at the Hanford Site

IG-0739

September 20, 2006

Summary: As a result of the extraordinary health and safety risks that exist at the Hanford Site and the sizable commitment of funds for site environmental remediation, an Office of Inspector General review was initiated to determine whether the Department had effectively implemented the performance-based incentives program at the site. The review found that although the Office of River Protection and the Richland Operations Office intended for their performance-based contract incentives to be result-oriented, in certain cases, fees were paid on projects where the work assigned was not realistic or achievable.

Monetary Impact: The Department was not able to maximize the amount of successful cleanup work possible within available funding constraints. Specifically, the Department was slow to reorient funds available for incentive fees to accelerate other high priority work at the Hanford Site.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: Reevaluate the contract fee change and review process to determine if the current structure is providing timely results and to consider allowing greater authority to the field to adjust and realign incentives, in a timely manner, as circumstances change.

Action Planned: The Department's Office of Environmental Management will initiate an analysis of its review and approval processes as a part of its business process improvement program and will develop and implement needed improvements based on this review process.

Status: In order to expedite Performance Based Incentives (PBI) approval processes, the Office of Environmental Management, in conjunction with the other Departmental offices with jurisdiction over contractual matters, is attempting to define the overall approval processes with the context of the single Head of Contracting Authority (HCA) implementation. An Implementation Plan (IP) for this delegation of authority was transmitted by the Assistant Secretary for Environmental Management to the Director, Office of Procurement and Assistance Management (OPAM) on August 31, 2007. The IP addresses roles, responsibilities and processes for review and approval of proposed contract modifications, including changes required for new and revised PBIs. Additionally, the Office of Environmental Management requested that OPAM consider higher dollar thresholds for approval of contract modifications as a means of expediting the approval and implementation of necessary PBI changes. The Office of Environmental Management is working with the Office of Procurement and Assistance Management on implementation issues with a goal of launching the Environmental Management HCA in early FY 2008.

Original Estimated Completion Date: 9/20/07

Current Completion Date: 12/31/07

The National Nuclear Security Administration's B61 Spin Rocket Motor Project

IG-0740

September 26, 2006

Summary: The Department's Sandia National Laboratory has a program to refurbish the Spin Rocket Motor, which is a prime component of the B61 nuclear weapon system. Upon receiving allegations raising concerns about the Department's decision to proceed with the B61 Spin Rocket Motor project, an Office of Inspector General review was initiated to evaluate the performance of the motor. Based on reported test anomalies, coupled with the fact that some versions of the Spin Rocket Motor had been in use for over 30 years, we concluded that there was a reasonable basis to be concerned about the aging and future performance of the motor. However, the Department did not have conclusive information on the cause and impact of observed test anomalies or of the cost of alternative options, both of which were needed to prioritize the development of a new motor in the context of competing weapons development requirements.

Monetary Impact: The Spin Rocket Motor project has an estimated \$60 million budget. Had the Department fully investigated the cause and impact of test anomalies and inspection observations, it may have allocated the estimated \$60 million being spent on the Spin Rocket Motor to other refurbishments with more urgent needs.

Total Recommendations: 4

Open Recommendations: 1

Open Recommendation: The Administrator, National Nuclear Security Administration, should ensure that for future weapons refurbishment projects that data supporting the need for refurbishments and cost estimates for refurbished components are validated prior to committing Department resources.

Action Planned: The National Nuclear Security Administration will ensure that cost validation will be performed prior to committing resources for weapons refurbishments.

Status: The National Nuclear Security Administration has begun the first step in developing a validation process plan for cost validations of major weapons retrofits, alterations and modifications. In March 2007, a team was formed to write the Program Baseline Guidance which will provide programs with the tools necessary to baseline scope, cost, and schedule consistently, and will provide the basis to form the validation process. Cost validation guidance will be developed subsequent to issuance of the Program Baseline Guidance. No date has been set for implementation.

Original Estimated Completion Date: 3/31/07

Current Completion Date: 12/31/07

Remediation of the Burial Grounds at the Hanford Site

IG-0743

October 18, 2006

Summary: An Office of Inspector General review was initiated to determine if the Department had developed a comprehensive cleanup strategy for the remediation of the burial grounds storing nuclear waste at the Hanford Site. The review found that the Department's remediation strategy: (1) may produce a waste form or waste package that, in some cases, will not meet the Department's current acceptance criteria for interim storage or disposal, and (2) did not reflect the cost to prepare the retrieved waste to meet waste acceptance criteria for storage or final disposal.

Monetary Impact: Because the Department did not have a comprehensive strategy for remediating the 618-10 and 618-11 burial grounds at the Hanford Site, it may incur approximately \$188 million more than planned to store, monitor, and manage the waste from these burial grounds.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Assistant Secretary for Environmental Management should manage the remediation of the 618-10 and 618-11 burial grounds as a "cradle-to-grave" project by integrating and coordinating retrieval technologies with waste disposal requirements.

Action Planned: The Assistant Secretary for Environmental Management will evaluate the approach used to manage the remediation of the 618-10 and 618-11 burial grounds as well as risks associated with the remediation to ensure a comprehensive cleanup strategy is implemented.

Status: Richland Assistant Manager for the River Corridor (AMRC) has completed Phase I review of the Washington Closure Hanford (WCH) strategic plan for additional site investigation and characterization efforts at the 618-10/11 Burial Grounds. The Contracting Officer directed WCH to initiate identified work scope associated with Phase 2 of the proposed approach on August 8, 2007. Phase 2 is continuing development of a detailed plan for characterization activities. The plan will include the documentation needed to perform the characterization activities, evaluate the data from the characterization activities, revise the conceptual design, and prepare the detailed design. The plan will augment previous WCH historical record research efforts and when combined with previously completed research, will provide a more accurate waste characterization determination. The plan will include a description of the overall path forward and a resource loaded schedule depicting the costs for the Phase 1 design solution. The Department will continue to conduct technical reviews of each phased strategic plan deliverable. WCH will not proceed with the next phase of the strategic plan until the Department has verified the submitted document satisfies open technical issues previously identified in the Design Solution review. The current submitted WCH schedule shows completion of Phase 2 by January 31, 2008.

Original Estimated Completion Date: 10/18/07

Current Completion Date: 1/31/08

Open Recommendation (2): The Assistant Secretary for Environmental Management should revise the Department's baseline to accurately quantify the risks associated with remediation of the 618-10 and 618-11 burial grounds from the "cradle-to-grave."

Action Planned: The Assistant Secretary for Environmental Management will evaluate the approach used to manage the remediation of the 618-10 and 618-11 burial grounds as well as risks associated with the remediation to ensure a comprehensive cleanup strategy is implemented.

Status: The Richland Assistant Manager for the River Corridor (AMRC) has completed Phase I review of the Washington Closure Hanford (WCH) strategic plan for additional site investigation and characterization efforts at the 618-10/11 Burial Grounds. The Contracting Officer directed WCH to initiate identified work scope associated with Phase 2 of the proposed approach on August 8, 2007. Phase 2 is continuing development of a detailed plan for characterization activities. The plan will include the documentation needed to perform the characterization activities, evaluate the data from the characterization activities, revise the conceptual design, and prepare the detailed design. The plan will augment previous WCH historical record research efforts and when combined with previously completed research, will provide a more accurate waste characterization determination. The plan will include a description of the overall path forward and a resource loaded schedule depicting the costs for the Phase 1 design solution. The Department will continue to conduct technical reviews of each phased strategic plan deliverable. WCH will not proceed with the next phase of the strategic plan until the Department has verified the submitted document satisfies open technical issues previously identified in the Design Solution review. The current submitted WCH schedule shows completion of Phase 2 by January 31, 2008.

Original Estimated Completion Date: 10/18/07

Current Completion Date: 1/31/08

Open Recommendation (3): Continue to conduct research on historical records containing waste characterization information for the waste in the burial grounds and incorporate results into the Design Solution.

Action Planned: The historical records research is continuing and the results will be incorporated into the design solution.

Status: In response to the Department's Subject Matter Expert (SME) Review Team, comments and subsequent Contracting Officer direction (07-AMRC-0173), WCH has developed a five-phase, detailed plan for the characterization/sampling portion of the path forward to mitigate the SME concerns. This characterization/sampling plan will augment previous WCH historical record research efforts. When combined with previously completed historical research, this plan will provide a more accurate waste characterization determination. In addition, WCH continues to coordinate with PNNL to search for additional relevant historical records. The plan includes a description of the overall path forward and a resource loaded schedule depicting the costs for Phase 1. The Contracting Officer directed WCH to initiate identified work scope associated with

the second phase of the proposed approach on August 8, 2007 (07-AMRC-0250). This phase will develop a detailed plan for characterization activities. The characterization activities will include necessary documentation required prior to initiating the characterization activities, performing characterization activities, evaluating the data from the characterization activities, revising the conceptual design, and preparing the detailed design. The current submitted WCH schedule shows completion of Phase 2 by January 31, 2008.

Original Estimated Completion Date: 10/18/07

Current Completion Date: 1/31/08

Drug Testing for Security Positions at the Department's Portsmouth and Paducah Sites
INS-L-07-01
October 18, 2006

Summary: According to Department regulations, specified individuals, including protective force personnel who possess firearms, will be subject to random drug testing. The Office of Inspector General initiated an inspection at the Department's Portsmouth and Paducah Gaseous Diffusion Plants to evaluate their drug testing programs. The inspection revealed that random drug testing requirements for protective force personnel had not been implemented at either site.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 1

Open Recommendations: 1

Open Recommendation: The Manager, Oak Ridge Office should ensure that a Workplace Substance Abuse Program for Protective Force Officers is established at the Portsmouth and Paducah Sites consistent with the requirements of 10 CFR 707.

Action Planned: Oak Ridge supports the Inspector General's position for random drug testing. However, Oak Ridge is in a unique position with the United States Enrichment Corporation (USEC) and is in the process of determining the appropriate mechanism to impose 10 CFR 707. A plan of action is in process and is targeted to be completed by 12/31/2006.

Status: The Department has received the implementation procedures issued by USEC for random drug testing. Also, the Department has been notified that USEC will initiate implementation of these procedures at Portsmouth and Paducah during the week of September 24, 2007. Initially USEC will implement the random drug testing procedures for salary Security Police Officers (SPO) at the Portsmouth and Paducah sites. At Paducah, negotiations are underway with the SPO hourly personnel regarding implementation of random drug testing. At Portsmouth, the general contract is being negotiated with the random drug testing requirement being a part of those negotiations. The SPO hourly personnel will be included in the random drug testing at each site upon completion of these negotiations. Based on these actions, ORO is assured that a workplace substance abuse program for Pro-Force Officers is in place.

Original Estimated Completion Date: 9/30/07

Current Completion Date: 3/31/08

Work Packages for Site Support Services at Los Alamos National Laboratory

IG-0746

November 29, 2006

Summary: Based upon an allegation that work packages at the Los Alamos National Laboratory were being falsified in certain respects, which compromised the safety of work activities, an Office of Inspector General review was initiated. The review identified various work package issues and instances of non-compliance with applicable policies and procedures. For example, work package authorizing signatures and dates were often missing. In addition, several internal and external reviews at Los Alamos demonstrated similar work package issues had existed since at least 2002, with various corrective actions having failed to resolve these problems.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): Given the potential significance of the issues associated with KSL work activities at the Los Alamos National Laboratory and their impact on safety and security, the Manager, Los Alamos Site Office, should ensure that the Laboratory provides immediate attention to and continued oversight of KSL work package activities and ensures that all KSL work packages are developed and approved in accordance with applicable policies and procedures.

Action Planned: The Laboratory is developing new programs to facilitate the compliant execution of work such as a Conduct of Operations Manual, a Conduct of Maintenance Manual, and a Conduct of Engineering Manual. A working group has been formed to enhance the Implementation Plan for IMP 300.2. The Laboratory is implementing the Maintenance Planner Training and Qualification Program.

Status: The Los Alamos Site Office has requested a validation and verification of the work packages and subcontract administration performed by LANS on the subcontract associated with KSL. The Los Alamos Site Office Contracting Officer is awaiting the report from the Los Alamos Site Office Subject Matter Expert.

Original Estimated Completion Date: 9/30/07

Current Completion Date: 6/30/08

Open Recommendation (2): Given the potential significance of the issues associated with KSL work activities at the Los Alamos National Laboratory and their impact on safety and security, the Manager, Los Alamos Site Office, should ensure that the Laboratory provides immediate attention to and continued oversight of KSL work package activities and ensures that all KSL work package activities are conducted in accordance with the requirements of IMP 300.2 and the IWM process.

Action Planned: The Laboratory issued an Integrated Corrective Action Plan which addresses several of the noted issues related to “IMP 300.2” and the Integrated Work Management Processes observed in assessments. An Improvement Plan for the Integrated Work Management (IWM) processes will be issued in January 2007.

Status: The Los Alamos Site Office has requested a validation and verification of the work packages and subcontract administration performed by LANS on the subcontract associated with KSL. The Los Alamos Site Office Contracting Officer is awaiting the report from the Los Alamos Site Office Subject Matter Expert.

Original Estimated Completion Date: 3/31/07

Current Completion Date: 6/30/08

Open Recommendation (3): The Manager, Los Alamos Site Office, should have the Los Alamos National Laboratory and KSL evaluate the recent assessments of the IMP 300.2 and the IWM processes and develop a "lessons learned" to be used in correcting work package deficiencies.

Action Planned: The Laboratory and the subcontractor is incorporating any lessons learned into the Maintenance Planner training program and will share, as appropriate, lessons learned with others in the National Nuclear Security Administration complex. The National Nuclear Security Administration will monitor the Laboratory’s success and progress through the Laboratory’s verification and audit process in its Contractor Assurance System.

Status: The Los Alamos Site Office has requested a validation and verification of the work packages and subcontract administration performed by LANS on the subcontract associated with KSL. The Los Alamos Site Office Contracting Officer is awaiting the report from the Los Alamos Site Office Subject Matter Expert.

Original Estimated Completion Date: 9/30/07

Current Completion Date: 6/30/08

The Department's Energy, Science, and Environment Sites' Implementation of the Design Basis Threat

IG-0749

December 14, 2006

Summary: The Department uses the Design Basis Threat (DBT) process to identify the most credible threats adversaries pose to highly sensitive and classified Departmental assets and operations. Sites engaged in the Energy, Science, and Environmental (ESE) components of the Department's mission are required to comply with the DBT. An Office of Inspector General review was initiated to review implementation of the DBT at various ESE sites containing substantial quantities of sensitive special nuclear materials. Although significant progress in implementing measures necessary to meet the first phase of the DBT requirements had been made, the majority of ESE sites reviewed were unlikely to meet the more stringent DBT provisions required by the end of September 2008.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 8*

Open Recommendations: 3

Open Recommendation (1): The Under Secretaries of Energy and Science should ensure timely resolution of material categorization issues between HSS, program offices, and sites.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/30/07
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Current Completion Date: 3/31/08

Open Recommendation (2): The Under Secretaries of Energy and Science should ensure timely updating of site plans, as appropriate, to account for delays in meeting DBT requirements.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/30/07
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Current Completion Date: 3/31/08

* The Office of Inspector General issued 3 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 8 individual recommendations. Of these, 3 remain unimplemented.

Open Recommendation (3): The Under Secretary for Science should ensure the availability of adequate analytical resources to plan for cost-effective approaches to meeting the DBT requirements.

Action Planned: The Annual Performance Assurance Plan will outline a risk based program that will include, but not be limited to, those activities that conduct performance, acceptance, operability, effectiveness, and validation tests in support of the protection of the SNM at building the Oak Ridge National Laboratory.

Status: The Annual Performance Assurance Plan is due to be completed by December 31, 2007, and this action will remain open until the 1st Quarter, FY 2008. The Department has held multiple meetings to ensure that vulnerability assessment resources are available after construction is completed.

Original Estimated Completion Date: 12/14/07

Current Completion Date: 12/14/07

Assessment of Changes to the Internal Control Structure and their Impact on the Allowability of Costs Claimed by and Reimbursed to Sandia Corporation under Department of Energy Contract No. DE-AC04-94AL85000

OAS-V-07-05

January 16, 2007

Summary: Except for questioned costs of \$2,836,181, the internal control structure of Sandia for FY 2005 provided reasonable assurance that costs claimed by the Laboratory and reimbursed by the Department were allowable. Specifically, the assessment disclosed that:

- Sandia's FY 2005 Incurred Cost Audit questioned costs of \$1,045,517, of which \$108,611 had been reimbursed to the Department. The Office of Inspector General questioned the difference of \$936,906.
- Sandia's Contract Audit questioned subcontract costs of \$87,226 incurred in FY 2005 and \$2,345,425 incurred in FY's 1991 through 2004. However, \$621,633 remained to be recovered or resolved.
- Sandia incurred about \$1,277,642 in Home Office Expenses that have yet to be audited by the Defense Contract Audit Agency.

Monetary Impact: \$2,836,181 in questioned costs

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Manager, Sandia Site Office, should direct the Contracting Officer to make a determination regarding the allowability of questioned costs, and recover amounts determined to be unallowable.

Action Planned: The questioned costs identified should be adjusted to reflect the additional amount of \$83,910 reimbursed to the National Nuclear Security Administration by the Sandia Corporation. This is related to non-employee expense vouchers and is in addition to the reimbursed amount of \$24,701 identified in the Audit Report. In addition, Sandia's response indicates that \$19,600 has been reimbursed, but the Sandia Site Office Contract Officer has not received documentation, and is in the process of validating this statement. Final disposition of these questioned costs and other questioned costs will take into consideration what can be verified and what the Contract Officer determines reasonable.

Status: As of September 13, 2007, the Service Center's Office of Field Financial Management is conducting a review of Sandia's proposed resolution of the \$936,906 questioned costs.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Open Recommendation (2): The Manager, Sandia Site Office, should obtain the DCAA review of Home Office Expenses to determine the allowability of allocations from Lockheed Martin Corporation and recover amounts determined to be unallowable.

Action Planned: In addition to the DCAA audit, the DCMA negotiation settlement will have to be obtained before the Sandia Site Office can settle these costs. This is a process that takes years to produce a final settlement agreement.

Status: Action pending DCAA review of Lockheed Martin corporate costs and subsequent negotiation between the Defense Contract Corporate Executive and Lockheed Martin. External agency has action.

Original Estimated Completion Date: 12/31/09

Current Completion Date: 12/31/09

Management Controls over the Department of Energy's Superconductivity Partnerships
OAS-M-07-01
January 18, 2007

Summary: The Office of Inspector General initiated an audit to determine whether the Office of Electricity Delivery and Energy Reliability (OE) had effectively managed financial assistance provided to its Superconductivity Partnership projects. The audit found that while efforts were taken to address certain technical risks, the financial risks were not always addressed, and changes in market conditions were not always fully assessed. Of the 16 open Partnership projects reviewed during its audit, 5 were identified as needing stronger financial review. Consistent with Department guidance and sound business practices, the OE Director should ensure that policies and procedures relating to the financial management of its Partnership cooperative agreements are developed and implemented.

Monetary Impact: \$5 million was spent to redesign a project and on other unnecessary costs that could have been better spent by the Department.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): Prepare a financial risk mitigation plan at the time of project award and periodically update.

Action Planned: OE will complete a financial risk mitigation plan at the time of project award and periodically update thereafter. OE will initiate this with FY 2007 awards made under Funding Opportunity Announcement DE-PS26-06NT42874, Superconducting Power Equipment. The project manager at the National Energy Technology Laboratory and the applicant's project team will identify financial risks and will prepare a financial risk mitigation plan. The National Energy Technology Laboratory will conduct an initial financial risk assessment as part of the application evaluation. These financial risks, as well as any others that may be identified subsequently during discussions with the applicant, will be analyzed for their probability and potential impact. In addition, a Department financial analyst will review the financial management system as part of the negotiation process to ensure it meets Federal standards.

Status: The Department has completed a financial risk mitigation plan at the time of each project award and periodically updated it thereafter in FY 2007. The Project Manager, National Energy Technology Laboratory, and the applicant's project team identified financial risks and prepared a financial risk mitigation plan. The plan included formal updates at each decision step in the project. In addition, a Department financial analyst reviewed the participant's financial management system as part of the negotiation process to ensure it met the Federal standards.

Original Estimated Completion Date: 12/31/07 Current Completion Date: Not Provided
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Open Recommendation (2): Ensure that each cooperative agreement clearly delineates the substantial involvement anticipated between the Department and industry partners.

Action Planned: Each cooperative agreement will clearly delineate the substantial involvement anticipated between the government and the industry partners. OE will adhere to the following procedures, based primarily upon the Funding Opportunity Announcement, *Administrative and National Policy Requirements*.

Status: OE ensured that each cooperative agreement clearly delineates the substantial involvement anticipated between the Department and industry partners. OE adhered to procedures based primarily upon the FOA VI.B., “Administrative and National Policy Requirements.”

Original Estimated Completion Date: 12/31/07 Current Completion Date: Not Provided
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Open Recommendation (3): Evaluate the viability of continuing projects when industry partners request termination of the project or believe the markets no longer support the continued financial investment.

Action Planned: OE will continue projects only after industry partners submit a Continuation Application, which OE must approve before projects advance into the next performance period. The Funding Opportunity Agreement requires that the applicant divide the total project period of performance into budget periods for funding purposes. At the end of each budget period, the successful applicant will prepare a Continuation Application, which OE will evaluate to assess technical and financial performance, ability to meet cost, schedule and performance milestones, compliance with reporting requirements, and provision for cost share.

Status: OE has made it a practice to continue a project only after industry partners submitted a Continuation Application, which must be approved by OE before projects advance to the next performance period. At the end of each budget period, the successful applicant prepares Continuation Application, which OE evaluates to assess technical and financial performance, ability to meet cost, schedule and performance milestones, compliance with reporting requirements, and provision for cost share.

Original Estimated Completion Date: 12/31/07 Current Completion Date: Not Provided
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Sandia National Laboratory – California Procurement Card Program
IG-0754
January 18, 2007

Summary: An Office of Inspector General review was conducted of Sandia National Laboratory-California’s procurement card program. The review revealed that Sandia’s internal controls did not ensure that purchases made using procurement cards were in accordance with applicable policies and procedures. Specifically, managers approved transactions that lacked adequate descriptions and restricted items were purchased without the appropriate authorization. The review also identified items of questionable allowability, such as catered meals and “souvenirs.” Further, the review questioned whether the issuance of procurement cards to 44 percent of Sandia employees was consistent with procurement card guidance on limiting the number of procurement card users.

Monetary Impact: \$102,277 in questioned costs

Total Recommendations: 7

Open Recommendations: 3

Open Recommendation (1): The Manager, Sandia Site Office, should direct the Sandia Site Office Contracting Officer to make a cost allowability determination for the \$102,277 in questioned costs associated with the purchases by Sandia employees, and recover funds that are determined to be unallowable.

Action Planned: The Sandia Site Office has requested that Sandia provide all detail data associated with the questioned purchases so that the Site Office Contracting Officer may make a cost allowability determination. Any costs determined to be unallowable will be recovered.

Status: The Sandia Site Office is in the process of reviewing the additional data provided by Sandia. Upon completion, the Contracting Officer will request recovery of the costs that are deemed unallowable.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (2): The Manager, Sandia Site Office, should direct the Sandia Site Office Contracting Officer to conduct a review of the Sandia Financial Manual meal policy to ensure that it is consistent with Comptroller General Decisions.

Action Planned: Sandia’s Financial Manual meal policy has been reviewed by the Sandia Site Office and aligns with current FAR and DEAR requirements. Sandia looks at each cost against the allowability criteria set forth in FAR 31.205. Specifically, the cost must be allocable to the contract, the cost must be reasonable in nature and the amount must not include unallowable costs such as alcohol. However, over the last few months and as a result of separate Office of Inspector General reports related to both travel and meals expense, the Site Office has been

working with other National Nuclear Security Administration site offices to draft policy which will further limit Management and Operating Contractors use of funds for business meals. When the National Nuclear Security Administration issues its policy it will be provided to the site offices for implementation.

Status: The Sandia Site Office is awaiting the issuance of policy by the National Nuclear Security Administration.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (3): The Manager, Sandia Site Office, should direct Sandia-New Mexico to conduct a review of the \$272,009 in procurement card transactions that lacked a description to ensure that an appropriate business necessity existed for these purchases, and recover funds that are determined to be unallowable.

Action Planned: The Site Office has requested that Sandia review the details of each procurement card transaction that lacked a description to ensure that a legitimate business necessity existed and that any questionable costs are identified. After Contracting Officer review of the information, any costs determined to be unallowable will be recovered.

Status: The Sandia Site Office is in the process of reviewing the additional data provided by Sandia National Laboratory. Upon completion, the Contracting Officer will request recovery of the costs that are deemed unallowable.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Review of the Department of Energy's Canine Program at Selected DOE Sites
IG-0755
January 23, 2007

Summary: The Department's Canine Program is used to identify and deter potential threats to facilities and personnel. Department site canine teams are trained in explosives detection, suspect apprehension, and search techniques. The Office of Inspector General initiated an inspection to review the Canine Programs at three Department sites and found that the programs were inadequate in a number of respects. Specifically, half of the canine teams failed explosive detection evaluations; each of the canines observed in suspect apprehension demonstrations failed to respond to at least one of the handler's commands; and the canines were not receiving the minimum number of hours of weekly training for explosives detection.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4

Open Recommendations: 2

Open Recommendation (1): The Assistant Secretary for Fossil Energy should take immediate action to ensure the Canine Program [at specified sites] provides an adequate level of protection for Departmental personnel and facilities in accordance with applicable Federal standards.

Action Planned: The Strategic Petroleum Reserve Project Management Office (SPRPMO) Security and Emergency Operations Division (SEOD) identified six actions to ensure the Explosive Detection Dog Program provides an adequate level of protection for Department personnel and facilities in accordance with applicable Federal standards. Four of the six actions have been completed thus far.

Status: On August 4, 2007, the two canine teams that failed some elements of certification testing were retested by Tarheel Canine Training, Inc. at the Strategic Petroleum Reserve's West Hackberry Crude Oil Storage Facility near Lake Charles, Louisiana. Additionally, a new canine team was tested for certification on that date. One of the two teams retested successfully completed all required re-certification. One team was given a conditional pass on explosives detection, but failed in patrol. The new team passed all required testing and was certified. The team that received a conditional pass on explosives detection, but failed in patrol will continue training and be further evaluated.

Original Estimated Completion Date: 1/15/08

Current Completion Date: 1/15/08

Open Recommendation (2): The Chief, Office of Health, Safety and Security should develop policies and procedures for the Department Canine Program to establish minimum training and testing requirements for canine teams at Department facilities.

Action Planned: Not Provided

Status: Revisions to the Protective Force Manual will not be submitted until all revisions to the entire manual series (470.4) have been completed. This is not expected to occur until next year. The Office of Policy (HS-71), Office of Security Policy (HS-70) has drafted language to modify the Protective Force Manual, DOE 470.4-3, to address the issue raised by the Inspector General.

Original Estimated Completion Date: 1/31/08

Current Completion Date: 1/31/08

Alleged Loss or Theft of Personally Identifiable Information at Pantex

INS-L-07-05

February 2, 2007

Summary: The Office of Inspector General initiated a review based on an allegation that over 400 employees' I-9 forms, which are used to record verification of proof of citizenship, were either lost or stolen from the Department's Pantex Plant. Concern was expressed that the missing forms, which contained personally identifiable information, such as social security number and date of birth, could be used to steal identities or create false documentation to gain unauthorized access to Pantex. The review concluded that Pantex had significant internal control weaknesses in the management and retention of I-9 forms. However, a definitive conclusion regarding whether I-9 forms were lost or stolen from Pantex could not be reached. Specifically, in May 2006, the Pantex contractor, BWXT, could not locate 442 I-9 forms that should have been on file for current and terminated employees hired between November 1986 and April 2006.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 5

Open Recommendations: 1

Open Recommendation: Any fines levied by Immigration and Customs Enforcement (ICE) should be reviewed for allowability. Therefore, the Manager, Pantex Site Office, should ensure that the Contracting Officer makes an allowability determination if ICE imposes any civil penalties on the contractor, BWXT.

Action Planned: Should ICE impose any civil penalties on BWXT, the Contracting Officer will conduct an allowability of cost review and will make a cost determination.

Status: ICE has not contacted Pantex concerning this issue since March 27, 2007. It is anticipated that ICE may take years to review these documents.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/08

Chemical Safety Protocols at the Pantex Plant

IG-0756

February 2, 2007

Summary: The Pantex Plant, a nuclear weapons assembly and disassembly facility, uses approximately 3,000 different kinds of hazardous chemicals, including acids, bases, flammable and combustible liquids, compressed gases, toxics, and explosives. The Office of Inspector General initiated a review at Pantex to determine if the site management contractor implemented an effective chemical safety program. The review revealed that several aspects of the program needed improvement. It also noted significant discrepancies in the hazardous chemical inventory at Pantex.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4

Open Recommendations: 3

Open Recommendation (1): The Manager, Pantex Site Office, should ensure that BWXT assesses all hazards and conducts fire protection engineering activities to mitigate any hazards on an ongoing basis.

Action Planned: Chemical storage areas are assessed quarterly by the Fire Department. Both the Fire Department and Fire Protection Engineering personnel inspections are formalized in the Work Instructions. During the quarterly review conducted January through March 2007, personnel inspecting the areas will be directed to have a special emphasis placed on the chemical storage areas to assess that fire extinguishers and a means to summon the fire department are present.

Status: The Pantex Site Office personnel, System Engineering, the Fire Protection Engineer accompanied BWXT personnel in walking down buildings and the connecting ramps, to verify that the processes put in place has been implemented and is effective. Signs were posted for the chemicals storage areas as well as for compressed cylinder storage areas; updated building lists have been created and are being used, training for affected personnel has been completed; and the inspection criteria have been added to the Fire Department Fire Inspection criteria. The National Nuclear Security Administration considers the actions related to this recommendation closed.

Original Estimated Completion Date: 12/31/07 **Current Completion Date:** Not Provided

Open Recommendation (2): The Manager, Pantex Site Office, should ensure that BWXT posts appropriate safety warning signs at appropriate locations at all facilities that contain hazardous chemicals.

Action Planned: BWXT Safety & Industrial Hygiene will conduct a review of adequate signage for chemical storage locations to determine if any additional concerns exist.

Status: From March 26 to April 13, 2007, BWXT Safety & Industrial Hygiene (S&IH) conducted a review of adequate signage for chemical storage locations to determine if any additional concerns exist. Due to this review, placarding was added to areas that contained compressed gas storage, in accordance with the Compressed Gas Storage pamphlet CGA P-1, Safe Handling Of Compressed Gases In Containers; explosives magazines are marked, and no oxygen systems meeting the definition of bulk oxygen exist on the plant; and the bulk chemical storage areas were labeled using the composite-individual combined methods of NFPA 704, section 4.2.3.3. The Pantex Site Office, Safety and Health Staff conducted walk-through surveys of different areas of the Pantex Plant, which contained chemical storage areas. The surveys verified that warnings signs were posted in the appropriate areas. The National Nuclear Security Administration considers the actions related to this recommendation closed.

Original Estimated Completion Date: 9/30/07 Current Completion Date: Not Provided

Open Recommendation (3): The Manager, Pantex Site Office, should ensure that BWXT continues to implement improvements that will enhance the accuracy of the central hazardous chemicals database and considers establishing a requirement to conduct recurring periodic physical inventories of its hazardous chemicals.

Action Planned: In order to assure continuous improvement in the system, BWXT will conduct random physical inventories of individually targeted chemical storage facilities on a periodic basis to determine the adequacy of the new system. Any need to adjust issues will be made at this time. By using this approach, the system will be validated and continuously approved over the lifetime of the program.

Status: BWXT has conducted random physical inventories of individually targeted chemical storage facilities to determine the adequacy of the new system. Due to this review S&IH updated their internal procedure to include periodic inspections of chemical inventories in Plant facilities by the Hazard Communication staff. Additional spot inventories will also be conducted during safety, industrial hygiene and fire protection walk-downs and the DESKAID-0412, Processing the PX-761, Chemical Request Form has been revised. The Pantex Site Office, Safety and Health Staff, conducted walk-through surveys of various areas that contain chemical inventories. The surveys were conducted validated the adequacy of the improved process and to ensure closure of the finding. The National Nuclear Security Administration considers the actions related to this recommendation closed.

Original Estimated Completion Date: 9/30/07 Current Completion Date: Not Provided

Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Lawrence Berkeley National Laboratory Under Department of Energy Contract No. DE-AC03-76SF00098

OAS-V-07-06

February 21, 2007

Summary: The Lawrence Berkeley National Laboratory's financial accounts are integrated with those of the Department and the results of financial transactions are reported monthly according to a uniform set of accounts. Berkeley is required to account for all funds advanced by the Department and to safeguard the Department's assets in its care. An Office of Inspector General assessment concluded that except for questioned costs of \$300,000, the internal control structure of Berkeley provided reasonable assurance that costs claimed by Berkeley and reimbursed by the Department were allowable. Specifically, the assessment disclosed that in FY 2005, Berkeley incurred \$300,000 in home office expenses, including the Office of Vice President for Laboratory Management (VPLM) costs, which had not yet been audited. In addition to the above questioned costs, Berkeley claimed and was reimbursed \$12,764 for uncollectible employee and student debts in FY 2004.

Monetary Impact: \$312,764 in questioned costs

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: The Manager, Berkeley Site Office, should request reimbursement of the total amount of unallowable VPLM costs.

Action Planned: If required as a result of the audit of VPLM costs, the BSO Contracting Officer will follow the requirements of clause 5.11 - FAR 52.242-1, *Notice of Intent to Disallow Costs*, to render a final determination and request repayment of any unallowable costs.

Status: Based on the Contracting Officer's determination of \$22,695 to be unallowable, the University of California will not contest the findings of the audit and has indicated that the money will be returned. Upon notice of receipt of these funds, this recommendation will be closed and a certification of effectiveness of corrective action will be submitted.

Original Estimated Completion Date: 1/4/08

Current Completion Date: 1/4/08

The National Nuclear Security Administration's Implementation of the Federal Information Security Management Act

IG-0758

February 22, 2007

Summary: At the National Nuclear Security Administration's request, and consistent with findings in our annual evaluation report on *The Department's Unclassified Cyber Security Program - 2006*, an Office of Inspector General review was initiated of the National Nuclear Security Administration's unclassified cyber security program. The audit found that the National Nuclear Security Administration had implemented a number of measures designed to reduce cyber security risks and vulnerabilities. However, a number of deficiencies that exposed critical unclassified systems to an increased risk of compromise continued to exist.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 1

Open Recommendation: To ensure the protection of the National Nuclear Security Administration's unclassified data and information systems, the Department should evaluate the NAPs to ensure that they meet all current Federal, NIST, OMB, and Department cyber security requirements. If necessary, modify NAPs to ensure compliance with Federal and Department cyber security requirements.

Action Planned: Updates are currently being done to the National Nuclear Security Administration policies and procedures related to cyber security. The updates instruct National Nuclear Security Administration sites and laboratories to implement DOE orders, manuals and directives until policies are issued to implement the requirement established in those documents.

Status: All comments have been adjudicated by the Cyber Security Program Manager.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Excessing of Computers Used for Unclassified Controlled Information at Lawrence Livermore National Laboratory

IG-0759

March 5, 2007

Summary: The Office of Inspector General initiated a review to determine if Livermore: (1) had excessed unclassified computers and other electronic memory devices in accordance with applicable policies and procedures and (2) had adequate internal controls in place to prevent the unauthorized dissemination of unclassified controlled information during the excessing process. The review concluded that Livermore's policies, procedures, and internal controls for excessing unclassified computers and other electronic memory devices were not always consistent with applicable Department policies.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 4

Open Recommendations: 2

Open Recommendation (1): The Manager, Livermore Site Office, should ensure that all computers and other equipment with electronic memory devices that contain or may contain unclassified controlled information are sanitized in accordance with the requirements in DOE Manual 205.1 -2 and NAP- 14.16 prior to transfer to a new user within a DOE-controlled environment.

Action Planned: The Site Office and Laboratory have developed an implementation plan to address the requirements of NAP 14.16, and the Laboratory is currently revising internal policies and practices appropriately.

Status: The Lawrence Livermore National Laboratory has developed a draft disposition plan for equipment with embedded memory, e.g., facsimile machines, PDAs, printers, copiers and cameras. The draft plan is undergoing review.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (2): The Manager, Livermore Site Office, should ensure that the Lawrence Livermore National Laboratory implements DOE Manual 205.1-2 and NAP- 14.16 requirements pertaining to: (a) documentation of the clearing and/or sanitization of unclassified controlled information memory devices; and (b) the examination of electronic equipment that potentially has embedded memory devices.

Action Planned: The Site Office and Laboratory have developed an implementation plan to address the requirements of NAP 14.16, and the Laboratory is currently revising internal policies and practices appropriately.

Status: The Laboratory's Cyber Security Organization, in conjunction with Property Management, has developed a draft cyber security policy and implementation manual with procedures to clear, sanitize, or destroy unclassified information storage media, memory devices, and other related hardware. The Lawrence Livermore National Laboratory will update its cyber security training material to reflect the new clearing, sanitization, and destruction policy and procedures.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

The Department's Wildland Fire Planning and Preparation Efforts

IG-0760

March 6, 2007

Summary: In 2000, the Department experienced several large wildland fires that threatened the safety of personnel, facilities, and equipment at the Los Alamos National Laboratory, the Hanford Site, and the Idaho National Laboratory. These fires burned over 212,000 acres of Department land, resulting in fire-related costs totaling almost \$130 million at Los Alamos alone. An Office of Inspector General review was initiated to determine whether the Department had taken action to identify possible hazards associated with wildland fires and mitigate the impacts of these fires. The review revealed that all three sites had made a number of improvements in this area. However, essential wildland fire mitigation activities involving the assessment and removal of vegetation and the maintenance of roads had either not been performed or were not completely effective.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 9*

Open Recommendations: 2

Open Recommendation (1): To ensure that wildland fire management is consistently applied, the Chief Health, Safety and Security Officer should ensure that the Federal Wildland Fire Management Policy is specifically incorporated into Departmental directives.

Action Planned: Not Provided

Status: The Office of Health, Safety and Security is currently in the rewrite phase of DOE Order 450.1, "Environmental Protection Program," and a part of this rewrite includes stronger reference to the Federal Wildland Fire Management Policy and its implementation guide DOE Order 450.1-4.

Original Estimated Completion Date: 12/30/07

Current Completion Date: 9/30/08

Open Recommendation (2): To help reduce the risks associated with wildland fires, the Administrator, National Nuclear Security Administration, and the Assistant Secretary for Nuclear Energy, in coordination with the Chief Health, Safety and Security Officer, should require that site Federal fire protection officials review and approve Fire Plans and verify that vegetation removal activities have been conducted as planned.

* The Office of Inspector General issued 5 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 9 individual recommendations. Of these, 2 remain unimplemented.

Action Planned: The National Nuclear Security Administration's Office of Environment, Safety and Health will require that site Federal fire protection officials verify activities have been conducted as planned.

Status: In conjunction with the Department's Office of Health, Safety and Security, National Nuclear Security Administration, and other Program Office fire safety SMEs, Department fire protection and emergency response criteria have been expanded. Publication of the criteria is pending National Nuclear Security Administration CTA concurrence of a revised Department Fire Protection and Emergency Response Implementation Guide.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

The Department of Energy's Management of Contractor Intergovernmental Personnel and Change of Station Assignments

IG-0761

March 26, 2007

Summary: The Department's contractor-operated facilities use Intergovernmental Personnel Act (IPA) and Change of Station (COS) assignments to permit contractor employees to work at other organizations. IPA assignments are temporary transfers of personnel between the contractor and a Federal agency. Under COS assignments, personnel are temporarily transferred to a non-Federal organization. A review was initiated to determine whether the Department was effectively managing contractor use of IPA and COS assignments at three National Nuclear Security Administration national laboratories and three science laboratories. A detailed review of 77 active IPA and COS assignments found that the Department was not actively ensuring that the assignments were cost effective; operated in accordance with existing procedures or good business practice; or that taxpayer-provided funds supporting IPA and COS assignments were put to the best possible use.

Monetary Impact: \$11.9 million in funds that could be put to better use and \$289,000 in questioned costs were identified.

Total Recommendations: 9*

Open Recommendations: 7

Open Recommendation (1): As part of the Department-wide guidance, the Chairman, Field Managers Council, should require a determination of the cost benefit of alternatives to meeting the mission objectives of IPA and COS assignments.

Action Planned: To be determined based on the results of the National Nuclear Security Administration's actions. Data Plans should be developed 1st Quarter FY 2008.

Status: Data Plans are still being developed.

Original Estimated Completion Date: 12/31/07	Current Completion Date: 6/30/08
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Open Recommendation (2): As part of the Department-wide guidance, the Chairman, Field Managers Council, should establish parameters and requirements for length of assignments; reimbursement of dislocation allowances; and cost sharing.

Action Planned: The National Nuclear Security Administration will develop guidance for both IPA and COS assignments. This guidance will be presented to the Field Managers Council for their review and possible implementation Department-wide.

* The Office of Inspector General issued 5 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 9 individual recommendations. Of these, 7 remain unimplemented.

Status: National Nuclear Security Administration guidance for both IPAs and COS will be issued by the end of the calendar year. Initial review was conducted and guidance documents will go to Site Offices the early part of October 2007.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Open Recommendation (3): The Manager, Los Alamos Site Office, should develop and implement processes to ensure that the requirements of the established guidance are followed.

Action Planned: The Los Alamos Site Office will develop and implement processes to ensure that the requirements of the established guidance are followed.

Status: Due to revised guidance, the Las Alamos Site Office and OFFM are reviewing the payments made under NMGRT, as well as any exemptions claimed by the Los Alamos National Laboratory. Any issues that arise will be identified in the FY 2006 SCIC audit. This issue will also be reviewed as part of the FY 2007 financial audit performed by OFFM in their A-123 reviews.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (4): The Manager, Sandia Site Office, should develop and implement processes to ensure that the requirements of the established guidance are followed.

Action Planned: The Sandia Site Office will develop and implement processes to ensure that the requirements of the established guidance are followed.

Status: On September 17, 2007, the Sandia Site Office Contracting Officer requested Sandia finalize the last document which discussed the relocation policies agreed to pending issuance of any subsequent Department or National Nuclear Security Administration policy.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Open Recommendation (5): The Manager, Livermore Site Office, should develop and implement processes to ensure that the requirements of the established guidance are followed.

Action Planned: Not Provided

Status: The Livermore Site Office receives and reviews a Monthly Updated Lawrence Livermore National Laboratory COS Listing, and Bi-Yearly Dislocation Report. The Livermore Site Office development and implementation of further processes will be reflective of management's response to Recommendation 1 that "the Associate Administration for Management and Administration, National Nuclear Security Administration, develop guidance for contractor use of IPA/COS assignments to be presented to the Field Managers Council for adoption throughout the Department." However, as a result of recent self-assessment of its IPA/COS policy & procedure, the Lawrence Livermore National Laboratory is currently making

changes, including requirements to more fully document assignment benefits to the Lawrence Livermore National Laboratory, the expected costs, the terms and conditions, and the transition plans for beginning and ending each assignment. The enhanced IPA/COS practices are expected to be fully implemented by September 30, 2007. In the meantime, the Livermore Site Office will be provided an update on the status of the Laboratory's efforts to implement its enhanced practices by its established completion date.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (6): The Manager, Sandia Site Office, should make cost allowability determinations on amounts paid for assignees discussed in this report under IPA agreements and COS assignments and collect any unallowable amounts.

Action Planned: The Sandia Site Office Contract Officer will review the questioned costs and make a determination of allowability.

Status: As indicated in the Office of Inspector General report, the Sandia Site Office has been reviewing some of the questioned costs and has exchanged correspondence with Sandia. The Sandia Site Office is still in the process of fact finding.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Open Recommendation (7): The Manager, Livermore Site Office, should make cost allowability determinations on amounts paid for assignees discussed in this report under IPA agreements and COS assignments and collect any unallowable amounts.

Action Planned: Not Provided

Status: The Livermore Site Office is pursuing a review for cost allowability determinations on the amounts paid for assignees discussed in this report under IPA agreements/COS assignments. The Laboratory is providing documentation to the Contracting Officer for review and cost allowability determination.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 3/31/08

Internal Controls Over Computer Property at the Department's Counterintelligence Directorate
IG-0762
March 28, 2007

Summary: The Office of Inspector General initiated a review to evaluate the adequacy of internal controls over computer property maintained by the Department's Counterintelligence Directorate at Headquarters. The review concluded that internal controls over classified and unclassified computer property at the program office were inadequate. Specifically, the Counterintelligence Directorate: (1) could not locate 20 desktop computers listed on its property inventory that either processed or may have processed classified information; (2) had 57 computers that were not included on the Counterintelligence Directorate's property inventory; (3) had expired loan agreements for 96 Headquarters computers that were located at field sites; and (4) had no labels affixed to 74 computers indicating classification level.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Director, Office of Intelligence and Counterintelligence, should ensure that internal controls over Counterintelligence Directorate computer property are strengthened so that it is accounted for in a timely manner.

Action Planned: Not Provided

Status: The Office of Intelligence and Counterintelligence (IN) has instituted multiple measures to help strengthen its control of accountable property. These include the creation of a position for which the principle responsibility is property accountability, the implementation of policies that require each piece of property be assigned to a specific user in a specific location and that requires the immediate report of the relocation of any accountable property item.

Original Estimated Completion Date: 12/1/07

Current Completion Date: 12/1/07

Open Recommendation (2): The Director, Office of Intelligence and Counterintelligence, should ensure that all items previously reported to the Office of Management on Retirement Work Orders are appropriately reported to the Office of Security Operations.

Action Planned: Not Provided

Status: The remaining computers, originally submitted by this Office on Retirement Work Orders, were reported to the Office of Security.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (3): The Director, Office of Intelligence and Counterintelligence should ensure that all computer equipment assigned to the Counterintelligence Directorate is appropriately marked as processing Unclassified, Confidential, Secret or Top Secret information.

Action Planned: Not Provided

Status: On April 3, 2007, all Office of Intelligence and Counterintelligence computers at Department headquarters workspaces were inspected to confirm whether they were missing stickers; however, none were found unmarked. The Office is in the process of reviewing a list provided by the Office of Inspector General on July 17, 2007, which identifies the 74 computers and their corresponding Department headquarters property identification stickers that were found not be affixed with classifications stickers.

Original Estimated Completion Date: Not Provided Current Completion Date: Not Provided
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The Department's Efforts to Implement Common Information Technology Services at Headquarters

IG-0763

March 30, 2007

Summary: In 2003, the Department launched an initiative to consolidate all aspects of common information technology systems. The Office of Inspector General initiated a review to determine whether the Department's Common Operating Environment (COE) initiative was meeting planned goals and objectives. The review found that although the Department had made progress in implementing COE at Headquarters, it had not fully achieved the goals and objectives envisioned by the original initiative.

Monetary Impact: The Department's organizations spent \$706,500 more than necessary on user access accounts.

Total Recommendations: 6*

Open Recommendations: 6

Open Recommendation (1): To address issues with COE implementation, the Office of the Chief Information Officer, in conjunction with responsible National Nuclear Security Administration and other program officials should complete the Headquarters migration to COE. To facilitate this effort, ensure that migration plans are completed.

Action Planned: Not Provided

Status: With the exception of the Office of Science and the Office of Energy Efficiency, all Department Headquarters organizations have migrated to COE. The Office of Energy Efficiency migration is ongoing and will be completed by February 28, 2008. Discussions between the Office of Science and the Office of the Chief Information Officer are ongoing while the Office of Science reviews the Office of the Chief Information Officer's proposed migration plan.

Original Estimated Completion Date: 3/29/08	Current Completion Date: 9/30/08
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Open Recommendation (2): To address issues with COE implementation, the Office of the Chief Information Officer, in conjunction with responsible National Nuclear Security Administration and other program officials should complete the Headquarters migration to COE. To facilitate this effort, ensure that requirements analyses are conducted.

Action Planned: Not Provided

* The Office of Inspector General issued 3 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 6 individual recommendations. Of these, 6 remain unimplemented.

Status: With the exception of the Office of Science and the Office of Energy Efficiency, all Department Headquarters organizations have migrated to COE. The Office of Energy Efficiency migration is ongoing and will be completed by February 28, 2008. Discussions between the Office of Science and the Office of the Chief Information Officer are ongoing while the Office of Science reviews the Office of the Chief Information Officer's proposed migration plan.

Original Estimated Completion Date: 3/29/08

Current Completion Date: 3/29/08

Open Recommendation (3): Prior to extending the initiative to the field, ensure that formal migration plans are developed.

Action Planned: Not Provided

Status: As part of the CIO migration process, formal migration plans are developed for field COE initiatives. The first field migration is the Albuquerque office of the National Nuclear Security Administration, which is scheduled for migration plan completion by October 31, 2007. A standard plan is tailored for each field site. The migration plan process includes a functional requirements analysis and a cost benefit analysis.

Original Estimated Completion Date: 3/29/08

Current Completion Date: 3/29/08

Open Recommendation (4): Prior to extending the initiative to the field, ensure that functional requirements analyses are conducted.

Action Planned: Not Provided

Status: As part of the CIO migration process, formal migration plans are developed for field COE initiatives. The first field migration is the Albuquerque office of the National Nuclear Security Administration, which is scheduled for migration plan completion by October 31, 2007. A standard plan is tailored for each field site. The migration plan process includes a functional requirements analysis and a cost benefit analysis.

Original Estimated Completion Date: 3/29/08

Current Completion Date: 3/29/08

Open Recommendation (5): Prior to extending the initiative to the field, ensure that cost benefit analyses are performed.

Action Planned: Not Provided

Status: As part of the CIO migration process, formal migration plans are developed for field COE initiatives. The first field migration is the Albuquerque office of the National Nuclear Security Administration, which is scheduled for migration plan completion by October 31, 2007. A standard plan is tailored for each field site. The migration plan process includes a functional requirements analysis and a cost benefit analysis.

Original Estimated Completion Date: 3/29/08

Current Completion Date: 3/29/08

Open Recommendation (6): Revise account management procedures to ensure account termination in a timely manner.

Action Planned: Not Provided

Status: A management and financial plan has been created and returned by the contractor to the Office of the Chief Information Officer. The Office of the Chief Information Officer is in the process of reviewing these plans and identifying funding for implementation. Once funding has been identified, work can begin and an expected completion date will be provided.

Original Estimated Completion Date: 3/29/08

Current Completion Date: 3/29/08

Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to the Washington Savannah River Company, LLC Under Department of Energy Contract No. DE-AC09-96SR18500

OAS-V-07-08
April 10, 2007

Summary: The Washington Savannah River Company's (WSRC) financial accounts are integrated with those of the Department and the results of financial transactions are reported monthly according to a uniform set of accounts. Further, WSRC is required to account for all funds advanced by the Department, and to safeguard the Department's assets in its care. The assessment found that changes to the internal control structure of WSRC for FY 2005 provide reasonable, but not absolute, assurance that costs claimed by WSRC and reimbursed by the Department are allowable. However, the assessment did identify that opportunities for improvement in WSRC's adherence to its own internal procedures.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Manager, Savannah River Operations Office, should direct Washington Savannah River Company Internal Audit to comply with established policies and procedures to ensure that supervisory review is thorough and sufficiently documented in a timely manner.

Action Planned: Not Provided

Status: The Chief Financial Officer, Savannah River Operations Office, has requested that the Financial Evaluation Team conduct a follow-up review to ensure corrective actions have been implemented. This review is to be completed before November 30, 2007, to ensure that Washington Savannah River Company has complied with established policies and procedures.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 4/10/08

Open Recommendation (2): The Manager, Savannah River Operations, should direct WSRC to establish a procedure identifying how TeamMate will be used in performing and documenting audit work to include finalizing and archiving workpaper files.

Action Planned: Not Provided

Status: The Chief Financial Officer, Savannah River Operations Office, has requested that the Financial Evaluation Team conduct a follow-up review to ensure corrective actions have been implemented. This review is to be completed before November 30, 2007, to ensure that

Washington Savannah River Company has complied with established policies and procedures. The Washington Savannah River Company has updated its Peer Review Process to address finalizing and archiving workpapers , including the utilization of a Quality Assurance Checklist to ensure that the respective audit complies with proper standards and procedures.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 4/10/08

Quality Assurance Standards for the Integrated Control Network at the Hanford Site's Waste Treatment Plant

IG-0764
May 4, 2007

Summary: An Office of Inspector General review found that the computerized integrated control network at Hanford's Waste Treatment Plant did not meet applicable quality assurance standards. The control network provides central communications for the Plant's pumps, valves, and instruments. The review recommended that senior Environmental Management officials conduct necessary tests to ensure that the control system for the integrated control network at the Plant meets appropriate quality assurance requirements.

Monetary Impact: \$13 million in questioned costs

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Assistant Secretary for Environmental Management should ensure that the integrated control network for the Plant meets appropriate quality assurance standards for its immobilization of high-level waste functions.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 5/4/08

Current Completion Date: 5/4/08

Open Recommendation (2): The Assistant Secretary for Environmental Management should determine whether the quality assurance requirements for safety software apply to the integrated control network.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 5/4/08

Current Completion Date: 5/4/08

Open Recommendation (3): The Assistant Secretary for Environmental Management should direct the Office of River Protection to provide more stringent oversight of Bechtel National's procurement process, including a review of the adequacy of Bechtel National's procurement system.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 5/4/08

Current Completion Date: 5/4/08

Voluntary Separation Program at the Idaho Cleanup Project

IG-0765

May 18, 2007

Summary: The Office of Inspector General initiated a review to determine whether the cost and benefits associated with the Idaho Cleanup Project's voluntary separation program were consistent with recent similar efforts at other Department facilities and whether the separation was structured to ensure that the Idaho Project retained the skill mix necessary to meet mission objectives. The review found that the managing and operating contractor at the Idaho Project reduced the size of its workforce by 291 employees under the voluntary separation program at a cost to the Department of \$14 million. However, the separation program proved to be exceptionally costly and, in certain respects, inefficient. To ensure the reasonable and equitable treatment for separated employees and their affected communities, the Department needs a consistent approach to workforce restructuring.

Monetary Impact: The Department spent over \$6 million more at Idaho than comparable Departmental sites for a voluntary incentive portion of a workforce separation plan. Additionally, \$2 million of the separation incentive was paid to employees who were still needed to complete the contractor mission activities.

Total Recommendations: 7*

Open Recommendations: 5

Open Recommendation (1): Work with programmatic secretarial offices to clearly delineate roles and responsibilities for workforce restructuring.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (2): Develop and issue Department-wide guidance to assist field offices and contractors in planning workforce restructuring actions, including methodologies for determining appropriate amounts of benefits offered and corporate parameters on restructuring activities.

Action Planned: Not Provided

Status: Not Provided

* The Office of Inspector General issued 3 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 7 individual recommendations. Of these, 5 remain unimplemented.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (3): Establish Department-wide performance standards to evaluate and weigh the relative cost and benefits of workforce restructuring activities to assist management in its evaluation of proposed actions.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (4): The Assistant Secretary for Environmental Management should require sites to justify and document the reasoning behind benefits offered in workforce restructuring activities, and considers factors such as community impact, industry standards and Department trends.

Action Planned: The Office of Environmental Management will review current workforce restructuring guidance as part of the review of Department guidance concerning workforce restructuring.

Status: The Office of Environmental Management has designated a staff member to participate in a working group, led by the Office of Legacy Management to discuss Department methodologies for determining appropriate amounts of benefits offered and corporate parameters on workforce restructuring activities.

Original Estimated Completion Date: 5/18/08

Current Completion Date: 5/18/08

Open Recommendation (5): Evaluate whether any of the nearly \$2 million in payments for separated positions that were backfilled are allowable under the contract.

Action Planned: The Department will perform a review of the \$2 million in payments for separated positions that were backfilled to determine if the costs are allowable under CWI's contract.

Status: The Department has completed an evaluation of the nearly \$2 million in payments made by CWI to separate positions that were backfilled to determine if these payments are allowable under the contract. The results of this evaluation are currently being reviewed by Department management.

Original Estimated Completion Date: 9/30/07

Current Completion Date: Not Provided

Review of Status of Prior Export Control Recommendations at the Department of Energy
INS-O-07-01
May 18, 2007

Summary: As mandated by the National Defense Authorization Act of 2000, the Office of Inspector General conducted a review of the status of all 17 prior export control recommendations made to the Department by our office. The review found that the actions taken by the Department regarding 16 of the 17 recommendations appeared responsive and should be closed. To fully implement the remaining recommendation, National Nuclear Security Administration management should expedite action to issue a directive or modify the Department of Energy Acquisition Regulation (DEAR). It was also recommended that Energy Order 142.3, "Unclassified Foreign Visits and Assignments," be revised to reflect the current Energy process for reviewing foreign national visitors and assignees from certain designated nations.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Deputy Administrator, Defense Nuclear Nonproliferation, should expedite actions, such as issuing a directive or modifying the DEAR, to ensure compliance with export control requirements throughout the Energy complex.

Action Planned: The National Nuclear Security Administration is examining the modification of the Department's Acquisition Regulations. This would then require any contractor who has business with the Department to comply with Export Controls rules.

Status: The National Nuclear Security Administration's Office of International Regimes and Agreements has completed the National Nuclear Security Administration DEAR language as discussed in meetings with National Nuclear Security Administration's General Counsel and the Department's procurement staff, and submitted it for processing via the Assistant Deputy Administrator for Nonproliferation and International Security to the Office of Procurement and Management Assistance. The latter will reproduce the prescription clause listed below as an instant flash message to the Department and National Nuclear Security Administration procurement while simultaneously starting the Department of Energy's Acquisitions Regulation modification process, which may take up to two years. Currently, the Office of International Regimes and Agreements is awaiting response to the request. With this language, the National Nuclear Security Administration would be recognized as the subject matter expert in providing assistance to the Contracting Officer when the Contracting Officer executes due diligence in performing export control compliance oversight over Department M&O contractors.

Original Estimated Completion Date: 3/31/08

Current Completion Date: 3/31/08

Open Recommendation (2): The Chief Health, Safety and Security Officer should revise Order 142.3 to reflect the actual process for reviewing access requests for nationals of state sponsors of terrorism.

Action Planned: Not Provided

Status: The requested revision is currently undergoing an Office of Management review process separate from that required by DOE M 251.1-B, *Departmental Directives Program*. To date, numerous milestones have been completed related to the recommendation.

Original Estimated Completion Date: 11/30/07

Current Completion Date: 2/28/08

The Department's Audit Resolution and Follow-Up Process

IG-0766

May 24, 2007

Summary: An Office of Inspector General review was initiated to evaluate the Department's progress in correcting prior audit follow-up issues and to determine whether issues identified through recent Office of Inspector General audits had been resolved. The review found that the Department had made significant improvements to many aspects of its follow-up system. In particular, it had ensured that target closure dates were established for all agreed-upon recommendations and that, in most cases, audit recommendations were closed in a timely manner. However, in some cases, agreed-upon recommendations had been closed, but corrective actions either had not been completed or were ineffective.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 8*

Open Recommendations: 5

Open Recommendation (1): Ensure that formal corrective action plans are communicated to all applicable sites for implementation.

Action Planned: The Department will issue guidance to re-emphasize the requirements of the audit resolution and follow-up program. This guidance will focus on the efficient and effective resolution of audit findings and recommendations; the assignment of accountability to senior program element managers for the management of their respective audit resolution processes; and senior manager requirements for providing corporate oversight, review and resolution of audit issues. Additionally, the Office of the Chief Financial Officer will be issuing a revised Audit Coordinator's Handbook which identifies the roles and responsibilities of the Program Secretarial Offices' (PSO) designated audit coordinators in supporting this objective.

Status: Guidance has been drafted and is awaiting management review. The Audit Coordinator's Handbook has been updated and is available on the web at: <http://www.mbe.doe.gov/cf1-2/auditresolution.htm>. Issuance of the second annual Trend Analysis report by the Office of Internal Review is also scheduled for completion by 12/31/2007 to further ensure that potentially cross-cutting issues are adequately disseminated for consideration across the complex.

Original Estimated Completion Date: 12/30/07

Current Completion Date: 12/30/07

* The Office of Inspector General issued 4 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 8 individual recommendations. Of these, 5 remain unimplemented.

Open Recommendation (2): Develop formal audit follow-up assessment review procedures as required by Departmental Order, to verify and document that actions taken have corrected the issues identified through audits prior to the submission of the assurance certification.

Action Planned: The Department will issue guidance to reemphasize the requirements of the audit resolution and follow-up program. This guidance will provide specific clarification of requirements for PSOs to maintain operating procedures and systems for audit resolution and follow-up, and ensure corrective actions have been implemented to effectively address audit report recommendations prior to submission of assurance certificates. The Office of the Chief Financial Officer will conduct periodic validations to ensure that these procedures are in place.

Status: Guidance has been drafted and is awaiting management review. The Office of Internal Review has performed two on-site field reviews to validate that corporate procedures and systems are being effectively implemented. Two Department Headquarters validations are planned for completion by December 31, 2007.

Original Estimated Completion Date: 12/30/07

Current Completion Date: 3/31/08

Open Recommendation (3): Ensure that appropriate officials are held accountable for carrying out formal assessments and reviews.

Action Planned: Current Departmental guidelines define clear lines of accountability for audit resolution activities, including assessments and reviews. The Department will issue guidance to reemphasize the requirements of the audit resolution and follow-up program, including the conduct of audit follow-up assessments or reviews on the implementation of corrective actions to address all audit report recommendations prior to providing an Assurance of Effectiveness of Corrective Actions Taken. Periodic validations of PSO procedures to accomplish these assessments will help enhance that accountability.

Status: Guidance has been drafted and is awaiting management review. The Office of Internal Review has performed two on-site field reviews to validate that corporate procedures and systems are being effectively implemented. Two Department Headquarters validations are planned for completion by December 31, 2007.

Original Estimated Completion Date: 12/30/07

Current Completion Date: 3/31/08

Open Recommendation (4): Either Program Secretarial Officers, in coordination with the Chief Financial Officers or the Administrator, National Nuclear Security Administration should reinforce existing requirements by reviewing all Inspector General findings and recommendations to determine the applicability of the issues identified and whether actions need to be taken at sites/programs other than those specifically mentioned in the audit.

Action Planned: The National Nuclear Security Administration has an established process to allow all elements to review for applicability to their specific sites or programs those issues that are being raised in audit reports. This process includes the following steps:

- All draft reports, regardless of topical area audited or site visited, are provided to the National Nuclear Security Administration complex. This communications process includes senior managers (Administrator, Deputy and Associate Administrators, Service Center Director, and appropriate Site Manager), Senior Program Managers, Federal Internal Controls community, and Internal Auditors.
- All final reports are provided to the entire National Nuclear Security Administration complex as described above.
- The National Nuclear Security Administration Internal Controls community is informed, on a weekly basis during a conference call, of draft and/or final reports that have been issued.

Status: No further action will be taken on this item.

Original Estimated Completion Date: 12/31/07	Current Completion Date: 12/31/07
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Open Recommendation (5): Review all Office of Inspector General findings and recommendations to determine the applicability of the issues identified and whether actions need to be taken at sites/programs other than those specifically mentioned in the audit.

Action Planned: The Department will issue guidance to reemphasize primary responsibilities of the head of each Departmental organization to review all audit report findings and recommendations assigned to other organizations to determine whether they may be applicable within their own organizations. To help facilitate the programs' assessments of applicability, the Office of the Chief Financial Officer recently implemented an Audit Trends/Crosscutting Issues Analysis, which identifies significant audit issues that may impact multiple programs and sites.

Status: Guidance has been drafted and is awaiting management review. The Audit Coordinator's Handbook has been updated and is available on the web at: <http://www.mbe.doe.gov/cf1-2/auditresolution.htm>. Issuance of the second annual Trend Analysis report by the Office of Internal Review is also scheduled for completion by 12/31/2007 to further ensure that potentially cross-cutting issues are adequately disseminated for consideration across the complex.

Original Estimated Completion Date: 12/30/07	Current Completion Date: 3/31/08
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Facility Contractor Acquisition and Management of Information Technology Hardware
IG-0768
June 22, 2007

Summary: The Office of Inspector General initiated a review to determine whether the Department had effectively managed its acquisition and control of Information Technology (IT) hardware. The review established that certain Department facility contractors were not adequately administering IT hardware. A number of contractors had not taken advantage of opportunities to reduce acquisition and support costs, addressed security concerns related to certain aging systems, or ensured that accountability was maintained over sensitive computers and devices. These problems occurred because the Department had not developed a coordinated approach to IT hardware acquisition, management, and control.

Monetary Impact: The Department could save approximately \$3.3 million annually by standardizing IT hardware and ensuring that purchases were made at the lowest available prices.

Total Recommendations: 32*

Open Recommendations: 29

Open Recommendation (1): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: The Office of the Chief Information Officer is responsible for issuing policy/guidance and the programs will then be responsible for implementing that policy/guidance.

Status: The Office of Environmental Management is awaiting guidance from the Office of the Chief Information Officer.

Original Estimated Completion Date: 6/22/08

Current Completion Date: 6/22/08

Open Recommendation (2): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate,

* The Office of Inspector General issued 4 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 32 individual recommendations. Of these, 29 remain unimplemented.

and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil Energy subscribes to the Departmental “Common Operational Environment” (COE) administrated by the Office of the Chief Information Officer. COE has standardized the desktop and associated networking hardware and also provides a standard three year replacement policy. Acquisitions for mission specific systems are procured thru the COE as well thereby taking advantage of corporate agreements and volume purchase discounts.

Status: According to the program office, corrective actions have been implemented. The Office of Inspector General does not concur with management's proposal to close this recommendation. Management's stated actions, while addressing the Office of Fossil Energy Headquarters, have not been implemented at Fossil Energy field sites, such as National Energy Technology Laboratory. Therefore, the recommendation should remain open pending full implementation.

Original Estimated Completion Date: 6/20/08

Current Completion Date: 6/20/08

Open Recommendation (3): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration’s Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Coordinate with the Office of the Chief Financial Officer and other Departmental Elements on the development and implementation of guidance, as appropriate.

Status: Initial contacts have been made to identify Department organizational points of contact.

Original Estimated Completion Date: 6/20/08

Current Completion Date: 6/20/08

Open Recommendation (4): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration’s Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Energy Efficiency.)*

Action Planned: Management is in the process of completing this recommendation.

Status: No Change in Status

Original Estimated Completion Date: 6/2/08

Current Completion Date: 6/2/08

Open Recommendation (5): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/20/08

Open Recommendation (6): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: The Office of the Chief Information Officer plans to issue policy guidance by December 2007. Once guidance is received, the Office of Nuclear Energy will plan an appropriate action.

Status: No Change in Status

Original Estimated Completion Date: 6/21/08

Current Completion Date: 6/21/08

Open Recommendation (7): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: The Office of the Chief Information Officer will develop IT hardware acquisition and replacement guidance based on COE standards and EA target environment.

Status: Roles and responsibilities related to IT hardware acquisitions have been included in draft Department Order 200.1. Supplemental guidance on IT hardware and software acquisitions will be developed by the Office of the Chief Information Officer and provided agency-wide in the 1st Quarter of FY 2008.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (8): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Department's Chief Information Officer and the National Nuclear Security Administration's Chief Information Officer to develop and implement hardware standards and related refresh policies as appropriate, and utilize such standards as a basis for streamlining acquisition. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration has taken the approach that a performance measure in contracts that rewards the contractor for good business practices will lead to more efficient, effective acquisitions regardless of the establishment of standards. The establishment of standards has to be written at such a level to allow individual sites the latitude to exercise IT procurements with small businesses or participate in strategic sourcing. To establish standards with any less flexibility means that cost benefits may not be a reality. The National Nuclear Security Administration does not agree that implementing universal hardware standards complex-wide will necessarily result in cost benefits or even act as a basis for streamlined acquisitions. Adherence to sound business practices following the concepts of strategic sourcing as outlined in our contractor's memorandum of understanding certainly will realize cost benefits.

Status: Not Provided

Original Estimated Completion Date: Not Provided Current Completion Date: Not Provided
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Open Recommendation (9): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: The Office of the Chief Information Officer is in the process of updating guidance for Department IT management processes to include requirements and standards related to IT Hardware and Software acquisition. Process guidance revisions will be published in FY 2008.

Original Estimated Completion Date: 3/31/08 Current Completion Date: 3/31/08
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Open Recommendation (10): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: The Office of the Chief Financial Officer is responsible for issuing and implementation of policy/guidance.

Status: The Office of Environmental Management is awaiting guidance from the Office of the Chief Information Officer.

Original Estimated Completion Date: 6/22/08

Current Completion Date: 6/22/08

Open Recommendation (11): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Coordinate with the Office of the Chief Information Officer and other Departmental Elements on the development and implementation of guidance, as appropriate.

Status: Initial contacts have been made to identify Department organizational points of contact.

Original Estimated Completion Date: 6/20/08

Current Completion Date: 6/20/08

Open Recommendation (12): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Management is in the process of completing this recommendation. Expected delivery date is June 02, 2008.

Status: No Change in Status

Original Estimated Completion Date: 6/2/08

Current Completion Date: 6/2/08

Open Recommendation (13): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: The Office of the Chief Information Officer plans to issue policy guidance by March 2008. Once guidance is received, the Office of Nuclear Energy will plan an appropriate action.

Status: No Change in Status

Original Estimated Completion Date: 6/21/08

Current Completion Date: 6/21/08

Open Recommendation (14): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officers to ensure that hardware purchases are coordinated between Headquarters and field sites, to include consideration of enterprise agreements, where appropriate. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/20/08

Open Recommendation (15): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: The Office of the Chief Information Officer will work with the Office of Management to jointly review existing asset management policies to determine if any additional policy is needed.

Original Estimated Completion Date: 5/31/08

Current Completion Date: 5/31/08

Open Recommendation (16): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration has consistent policies in place for maintaining accountability over IT hardware. Since asset management is an integral step of Supply Chain Management, each of the National Nuclear Security Administration's contractors have approved acquisition and property management systems. These systems are approved by the Federal establishment and are reviewed, audited, and/or tested on a scheduled basis.

Status: Not Provided

Original Estimated Completion Date: Not Provided Current Completion Date: Not Provided
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Open Recommendation (17): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: The Office of the Chief Information Officer is responsible for issuing policy/guidance and the programs will then be responsible for implementing that policy/guidance.

Status: The Office of Environmental Management is awaiting guidance from the Office of the Chief Information Officer.

Original Estimated Completion Date: 6/22/08 Current Completion Date: 6/22/08
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Open Recommendation (18): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil energy uses Sunflower data base to track hardware assets. Sunflower is a Department wide tracking system. In addition, the Office of Fossil Energy is participating in the Departmental CAMS network bases asset tracking system that is being implemented by the Office of the Chief Information Officer to track IT assets.

Status: Work in progress. The Office of Fossil Energy has submitted the first CAMS asset reporting to the Office of the Chief Information Officer.

Original Estimated Completion Date: 6/20/08 Current Completion Date: 6/20/08
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Open Recommendation (19): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Coordinate with the Office of the Chief Information Officer and other Departmental Elements on the development and implementation of additional policy, as appropriate. Issue Office of Science specific direction, if necessary.

Status: Initial contacts have been made to identify Department organizational points of contact.

Original Estimated Completion Date: 6/20/08
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Current Completion Date: 6/20/08

Open Recommendation (20): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Management is in the process of completing this recommendation. Expected delivery date is June 02, 2008.

Status: No Change in Status

Original Estimated Completion Date: 6/2/08

Current Completion Date: 6/2/08
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Open Recommendation (21): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: The Office of the Chief Information Officer plans to initiate a specific study with the Office of Management to first determine if any new policy/guidance is required. The study is scheduled to begin November. Once guidance is received, the Office of Nuclear Energy will plan an appropriate action.

Status: No Change in Status

Original Estimated Completion Date: 6/21/08
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Current Completion Date: 6/21/08

Open Recommendation (22): The Administrator, National Nuclear Security Administration, and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to develop and implement consistent asset management policies for maintaining accountability over IT hardware. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/20/08

Open Recommendation (23): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: The Office of the Chief Information Officer will work jointly with the Office of Management to jointly review existing asset management policies to determine if any additional policy is needed.

Original Estimated Completion Date: 5/31/08

Current Completion Date: 5/31/08

Open Recommendation (24): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration has developed visibility into subcontract spend data and has begun to utilize the data to work hand-in-hand with the M&O contractors to identify commodities for strategic sourcing.

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Open Recommendation (25): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: The Office of the Chief Information Officer is responsible for issuing policy/guidance and the programs will then be responsible for implementing that policy/guidance.

Status: The Office of Environmental Management is awaiting guidance from the Office of the Chief Information Officer.

Original Estimated Completion Date: 6/22/08

Current Completion Date: 6/22/08

Open Recommendation (26): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Coordinate with the Office of the Chief Information Officer and other Departmental Elements on the review of current processes and identification of best practices. Issue Office of Science specific direction, if necessary.

Status: Initial contacts have been made to identify Department organizational points of contact.

Original Estimated Completion Date: 6/20/08

Current Completion Date: 6/20/08

Open Recommendation (27): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Management is in the process of completing this recommendation. Expected delivery date is June 02, 2008.

Status: No Change in Status

Original Estimated Completion Date: 6/2/08

Current Completion Date: 6/2/08

Open Recommendation (28): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: The Office of the Chief Information Officer plans to initiate specific study with the Office of Management to first determine if any new policy/guidance is required. Once guidance is received, the Office of Nuclear Energy will plan an appropriate action.

Status: No Change in Status

Original Estimated Completion Date: 6/21/08
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Current Completion Date: 6/21/08

Open Recommendation (29): The Administrator, National Nuclear Security Administration and the Under Secretaries for Energy and Science should coordinate with the Director, Office of Management; the National Nuclear Security Administration Senior Procurement Executive; and the Department's and National Nuclear Security Administration's Chief Information Officer to implement mechanisms to effectively monitor and control the cost of IT hardware purchases. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/20/08

*Management of the Workers' Compensation Program at the Department of Energy
Headquarters
IG-0769
June 29, 2007*

Summary: An Office of Inspector General review concluded that the Department's Office of Human Resource Services' Employee WorkLife Center (EWLC) did not effectively manage the Headquarters workers' compensation program and that several aspects of the program needed improvement. Specifically, an inspection found that EWLC did not: (1) maintain adequate records for many of the cases reviewed; (2) adequately monitor its long term cases; (3) have written policies or procedures for managing open cases under the Headquarters workers' compensation program; and (4) have performance measures to assess its management of the Headquarters workers' compensation program.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): Develop and implement written policies that establish responsibilities and procedures for managing and administering the Department Headquarters workers' compensation program, including case management and file maintenance.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/29/08

Open Recommendation (2): Develop performance measures and employee standards that encourage effective management of the Department Headquarters workers' compensation program.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07
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Alleged Unnecessary Protective Force Equipment Purchases at Pantex

INS-L-07-07

July 11, 2007

Summary: The Office of Inspector General initiated a review based upon allegations that certain purchases of protective force equipment at the Pantex Plant were unnecessary. During the review, Pantex provided what appeared to be a valid basis for the questioned acquisitions. However, the review determined that Pantex's deployment of approximately 500 Bushmaster M-4 carbine rifles, valued at \$390,963, was significantly delayed due to flaws in planning by responsible Pantex contractor and Federal officials. The review also identified that an Aircraft Detection System (ADS) purchased by Pantex has had problems with its false alarm rate.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: The Manager, Pantex Site Office, should closely monitor protective force personnel response to ADS alarms to ensure that applicable procedures continue to be followed as Pantex works to sufficiently lower the false alarm rate associated with the ADS.

Action Planned: To further enhance protective force deployment efficiencies, the site contractor, BWXT Pantex, developed and implemented a formal process that is used to ensure new technologies and equipment are evaluated and deployed in a timely manner. This process includes identification of performance requirements, market surveys, testing and evaluation and detailed implementation planning.

Status: Pantex developed a plan entitled, "Recommendations for a Path Forward to Improve Performance of the Aircraft Detection System" (ADS). Pantex reviews ADS, as with all protection systems, for upgrades and enhancements that will improve systems performance. On three occasions within the past 12 months, Pantex made changes to System to improve or reduce the false alarm rates. The tracking and classification software has been upgraded. The Digital Signal Processor (DSP) and Techniques Generator (TechGEN) have been replaced. These improvements have significantly reduced both false and nuisance alarms. Pantex has plans to install a new panel design for testing and evaluation. In addition, Pantex is upgrading the ADS network. We anticipate that these changes will produce more positive results in our ongoing efforts to improve the performance of this System.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Controls Over Ammunition Within the Office of Secure Transportation

INS-O-07-02

July 13, 2007

Summary: Upon receiving allegations regarding internal control weaknesses related to the accountability and transportation of ammunition associated with an Office of Secure Transportation training exercise, the Office of Inspector General initiated a review to examine the facts and circumstances surrounding the allegation. The inspection substantiated the allegations and concluded that the Office of Secure Transportation did not have adequate internal controls over its ammunition.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 6

Open Recommendations: 4

Open Recommendation (1): The Assistant Deputy Administrator for Secure Transportation (OST) should ensure that OST policies and procedures identify ammunition as sensitive property, as required by DOE Order 580.1.

Action Planned: In July, 2007, OST updated its sensitive items/stores, listing to include the munitions requirement. Additionally, OST is in the process of developing a new personal property manual. The sensitive property listing, which includes munitions, is identified in Appendix A.

Status: The first draft of the Personal Property Manual, OST Manual 8.07, was drafted in August and has been routed through the OST Leadership. Comments are currently being incorporated. The new manual, which includes ammunition as a sensitive item, will be briefed to the OST Property Custodial Officers at an OST Property Conference, October 31-November 2, 2007 in Albuquerque, New Mexico.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (2): The Assistant Deputy Administrator for Secure Transportation should ensure that ammunition transported on board National Nuclear Security Administration aircraft is declared, as required, to avoid future serious safety violations.

Action Planned: Update of the Munitions Manual includes the statement that 49 CFR Part 175 will be used for transporting munitions by air. Additionally, a request for waiver, submitted by OST to the National Nuclear Security Administration clarifies reporting thresholds for the various munitions in use by OST.

Status: OST M 5.16, Munitions Management System, Chapter 4 – Munitions Transportation, dated February 2, 2007 includes the above reference and considers this action closed. However, OTL will further clarify these requirements during the annual update of the document in February 08. The National Nuclear Security Administration is closing this recommendation.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (3): The Assistant Deputy Administrator for Secure Transportation ensures that ammunition in possession of Federal Agents is properly controlled and stored.

Action Planned: In attempts to ensure Federal Agents account for ammunition in their possession, OST has begun conducting semi-annual inventories of all Federal Agent issued assets. OST has strengthened the Report of Survey process to better hold Federal Agents accountable for loss, damage or theft of ammunition in their possession. Additionally, the aforementioned draft Personal Property Management Manual includes the statement, “All issued or assigned equipment must be secured at the appropriate local Command facility No issued/assigned gear or ammunition is authorized to be stored in Agents’ residences or privately owned vehicles.” Since October 1, 2006, at least three inventories have been conducted at each Command of issued operational ammunition.

Status: In addition to the action planned, semiannual inventories of munitions have been initiated. The strengthened Report of Survey Program has been implemented. The first draft of the Personal Property Manual, OST Manual 8.07, was drafted in August and has been routed through the OST Leadership. Comments are currently being incorporated. The new manual, which includes ammunition as a sensitive item, will be briefed to the OST Property Custodial Officers at an OST Property Conference on October 31-November 2, 2007 in Albuquerque, NM. The National Nuclear Security Administration is closing this recommendation.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (4): The Assistant Deputy Administrator for Secure Transportation ensures that all armor piercing ammunition is properly controlled and accounted for, that all missing armor piercing rounds are appropriately reported, and that appropriate action is taken against any Federal Agent who attempts to conceal that armor piercing rounds are missing.

Action Planned: OST has identified munitions inventory capabilities as a requirement for the new OST corporate inventory tracking system. Additionally, OST will prepare a request for waiver, to be submitted by OST to the National Nuclear Security Administration, which clarifies reporting thresholds for the various munitions in use by OST.

Status: OST is currently reviewing replacement options for its outdated existing inventory tracking system, TAIMS. Estimated completion date of conversion from TAIMS to new system is July 2008. Additionally, a request for waiver has been submitted by OST to the National Nuclear Security Administration, which clarifies reporting thresholds for the various munitions in use by OST.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 9/30/08

Protective Force MK-19 Grenade Launcher Use at the National Nuclear Security Administration's Pantex Facility

IG-0770

July 20, 2007

Summary: The Office of Inspector General received allegations that the MK-19 40 millimeter Grenade Launcher (MK-19) was being utilized by Pantex Plant protective force officers who (1) lacked adequate training on the weapon and (2) had limited access to a training simulation system due to manufacturing issues. The review substantiated the allegations and identified concerns with equipment, training, and qualification regarding the MK-19 at Pantex. Several recommendations were made to management designed to enhance MK-19 training and use at Pantex.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 6*

Open Recommendations: 6

Open Recommendation (1): The Manager, Pantex Site Office, should reassess the decision to cancel the order for an attached, compatible reduced visibility sighting system regarding the Department requirement to have a low-visibility system that is compatible with the weapon sighting system.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Open Recommendation (2): The Manager, Pantex Site Office, should continue efforts to acquire a compatible sighting device that allows optimal use of the weapon regarding the Department requirement to have a low-visibility system that is compatible with the weapon sighting system.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

* The Office of Inspector General issued 4 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 6 individual recommendations. Of these, 6 remain unimplemented.

Open Recommendation (3): The Manager, Pantex Site Office, as an interim measure, should seek a deviation from Department requirements regarding the Department requirement to have a low-visibility system that is compatible with the weapon sighting system.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Open Recommendation (4): The Manager, Pantex Site Office, should ensure the MK-19 formal training program develops protective force officer proficiency in engaging targets at operational distances, and in the conduct of night operations. Consider formalizing simulator exercises for assigned MK- 19 operators and establishing a uniform approach, based on priority of need, for access to the simulator.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Open Recommendation (5): The Manager, Pantex Site Office, should pursue improvements to Pantex MK-19 range facilities to enable qualification fire at operational distances, and during limited visibility. If such improvements are determined to be infeasible, request an appropriate deviation from Department requirements.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Open Recommendation (6): The Manager, Pantex Site Office, should establish a system of internal controls to ensure that all Security Police Officer-III's consistently receive all required refresher training.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: Not Provided **Current Completion Date:** Not Provided

Protective Force Overtime Pay at Lawrence Livermore National Laboratory
INS-O-07-03
July 23, 2007

Summary: The Office of Inspector General received multiple allegations regarding operations and payroll compensation within Lawrence Livermore National Laboratory's Protective Force Division (PFD). The review did not substantiate most of the allegations. However, it did find that, as alleged, PFD supervisors were not properly managing payroll input for physical fitness training. Specifically, PFD supervisors were not verifying the accuracy of physical fitness training overtime charges prior to approving timecards.

Monetary Impact: An estimated \$104,000 in questionable costs was identified over a three-month period.

Total Recommendations: 3

Open Recommendations: 2

Open Recommendation (1): The Manager, Livermore Site Office, should direct the University of California, and successor contractors to ensure that responsible supervisors properly verify overtime payments for physical fitness training prior to payment being made.

Action Planned: The facts presented in this recommendation are consistent with the most current Lawrence Livermore National Laboratory Self-assessment of "Effectiveness of the PFD Fitness Program" dated March 2007 (PFD-MGMT-07-03), in which deficiencies, causes and corrective actions were issued by the Assessor. The Livermore Site Office will validate corrective actions taken no later than 30 days after August 30, 2007.

Status: The Livermore Site Office Contracting Officer has issued a letter to the Laboratory to provide the following documentation for the period of March 1, 2006 to July 31, 2007:

1. A copy of the Lawrence Livermore National Laboratory's policy on payment of overtime for physical fitness;
2. The workout training log for each applicable protective force employee;
3. The time cards of each applicable protective force individual;
4. The official payroll records specifying the actual overtime paid to each applicable employee;
5. A comparison of the overtime requested in #3 to the paid overtime in #4.

The deadline for the above information is September 28, 2007.

The Livermore Site Office Contracting Officer has also requested the documentation for #2 through #5 for the period of August 1 to September 28, 2007 by November 2, 2007.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (2): The Manager, Livermore Site Office, should direct the University of California, and successor contractors to review the allowability of payment for as much as \$104,000 in undocumented overtime for the period cited in this review, as well as remaining physical fitness overtime paid from March 2006 to the present.

Action Planned: The Livermore Site Office will collect and review relevant data and make an allowability determination.

Status: The Livermore Contracting Officer has requested documentation before a determination can be made.

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Security over Personally Identifiable Information

IG-0771

July 30, 2007

Summary: In response to a request from the Office of Management and Budget (OMB), the Office of Inspector General, in coordination with the President's Council on Integrity and Efficiency, performed a review of the Department's controls over the protection of Personally Identifiable Information (PII). The review found that the Department had not fully implemented all protective measures recommended by OMB and required by the National Institute of Standards and Technology. As a result, several recommendations were made to improve security over PII maintained by the Department.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 27*

Open Recommendations: 19

Open Recommendation (1): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should update Departmental and site-level policies for protecting PII to include applicable OMB and National Institute of Standards and Technology (NIST) requirements. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Audit is being reviewed by management. As of September 27, 2007, no management decision had been made.

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (2): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should update Departmental and site-level policies for protecting PII to include applicable OMB and NIST requirements. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: Not Provided

Status: Not Provided

* The Office of Inspector General issued 3 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 27 individual recommendations. Of these, 19 remain unimplemented.

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (3): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should update Departmental and site-level policies for protecting PII to include applicable OMB and NIST requirements. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration believes that the policies and procedures for the protection of PII are adequate. However, the National Nuclear Security Administration will review the current polices and procedures and if applicable will update those polices and procedures as appropriate.

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (4): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should update Departmental and site-level policies for protecting PII to include applicable OMB and NIST requirements. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (5): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should update Departmental and site-level policies for protecting PII to include applicable OMB and NIST requirements. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (6): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration believes that the policies and procedures for the protection of PII are adequate. However, the National Nuclear Security Administration will review the current polices and procedures and if applicable will update those polices and procedures as appropriate.

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (7): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (8): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Audit is being reviewed by management. As of September 27, 2007, no management decision has been made.

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (9): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 7/30/08
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Current Completion Date: 7/30/08

Open Recommendation (10): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 7/30/08
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Current Completion Date: 7/30/08

Open Recommendation (11): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should implement OMB and NIST requirements for protecting PII on systems, to include updating risk assessments and executing adequate remote access procedures. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: All risk assessments reflect Personally Identifiable Information as being an area of concern as well as an information type that requires NIST moderate controls. By policy, remote access to all information systems that have moderate information protection requirements should use two factor authentication. While we had hoped the PIV card would satisfy this requirement, the initiative has lagged, and so the Office of Science has implemented a two factor strategy that is based on secure tokens. Implementation of tokens is a project that requires coordination of many elements (procurement of the tokens, installation of the authentication software, testing, training, etc) within the sites. The Office of Science sites are in different phases of implementation.

Status: Eight sites have operational two factor authentication for remote access to moderate risk information. The remaining sites are in various stages of planning, acquisition, or implementation.

Original Estimated Completion Date: 7/15/08

Current Completion Date: 7/15/08

Open Recommendation (12): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration disagrees with this recommendation to verify that PII is on mobile computing devices. Rather, the National Nuclear Security Administration believes that it is a more prudent course to assume that all mobile computing devices contain PII and protect them according to the national guidance and local directions. Equally, the National Nuclear Security Administration believes that individuals that utilize Government issued computing devices that can be utilized in a travel/mobile environment are also fiscally accountable for those devices as well as the information contained therein should anything happen to those devices during the time that the devices are in a travel/mobile environment.

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 6/30/08

Open Recommendation (13): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (14): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Audit is being reviewed by management. As of September 27, 2007, no management decision has been made.

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (15): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil Energy is currently implementing a program to full disk encrypt all information on laptop computers using Pointe encryption software. Full disk encryption of all laptops precludes the need to inspect each unit. Random inspection procedures have been developed to assure encryption is implemented and user agreement forms will be signed by each laptop user.

Status: International traveler laptop (high risk) full disk encryption is currently in operation and personally assigned domestic laptops (low risk) are systematically being encrypted.

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (16): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 7/30/08

Current Completion Date: 7/30/08

Open Recommendation (17): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: The Office of Nuclear Energy is under the Department's COE initiative, which provides IT support and services including laptops and Blackberries. Encryption software

has been installed by COE on all Office of Nuclear Energy owned laptop computers and Blackberries. The Idaho Operations Office and Idaho National Laboratory site contractors have taken measures to begin encrypting information on mobile computing devices. The Idaho Operations Office has installed full-disk encryption on all laptops.

Status: Idaho National Laboratory site contractors are in the process of installing full-disk encryption on all laptops with an anticipated completion date of December 31, 2007. Laboratory efforts are underway to provide encryption capabilities for other mobile devices such as Blackberries. Policies have also been put in place that require individuals to identify the need for PII on mobile devices and receive appropriate management approval.

Original Estimated Completion Date: 7/15/08
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Current Completion Date: 7/15/08

Open Recommendation (18): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 7/30/08
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Current Completion Date: 7/30/08

Open Recommendation (19): The Administrator, National Nuclear Security Administration, the Under Secretary for Energy, and the Under Secretary for Science, in coordination with the Department and National Nuclear Security Administration Chief Information Officers should verify that PII on mobile computing devices is identified and adequately protected by performing random checks to ensure data is encrypted. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: The Office of Science has selected Pointsec as the tool of choice to protect sensitive information including PII, although other sites have previously implemented other tools that perform this function (e.g. Securewave software). Office of Science policy is that all government issued laptops will have encryption capability unless a designated authorizing Federal management official determines there is no PII on the device. The Office of Science policy currently forbids PII to be on laptops unless a waiver is granted by the Designated Approving Authority. Most of the sites have actions to implement Pointsec, three sites do not allow laptops to be part of their environment, and the other sites have policies that strictly prohibit PII from being on laptops. Currently sites are inventorying their laptops to confirm that PII does not exist or to install encryption software in the event the unit may receive or process information containing PII in the future.

Status: Three sites have encryption software installed. Five other sites have policies that strictly prohibit PII on laptops. Other sites are in various stages of inventory and deployment.

Original Estimated Completion Date: 7/15/08

Current Completion Date: 7/15/08

Audit of Contract Transition Activities at Los Alamos National Laboratory
OAS-L-07-16
August 7, 2007

Summary: In December 2005, the Department awarded a contract to Los Alamos National Security, LLC, to manage the Los Alamos National Laboratory. The Office of Inspector General reviewed transition costs and related activities to determine if costs incurred were allowable. The review identified \$22,335 in questioned travel costs incurred during the transition. These costs were referred to the Los Alamos Site Office Manager to determine allowability.

Monetary Impact: \$22,335 in questioned travel costs

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: The Contracting Officer, Los Alamos Site Office, should make a determination regarding the allowability of the questioned travel costs.

Action Planned: The Contracting Officer will make a cost determination on the allowability of the \$22,335 in travel costs.

Status: No Change in Status

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Audit of Executive Compensation at Argonne National Laboratory
OAS-L-07-17
August 13, 2007

Summary: As part of a Department-wide audit of executive compensation, the Office of Inspector General reviewed executive compensation at the Argonne National Laboratory. Argonne executive compensation costs reimbursed to the University of Chicago did not exceed the annual cap and compensation generally complied with applicable provisions of procurement regulations, Department policies, and the Argonne contract. However, the review identified other questioned costs related to Argonne's executive compensation. Specifically, \$414,867 in questioned costs were identified, which consisted of \$60,346 for chauffeurs, \$253,632 for fringe benefit costs associated with unallowable salary costs, and \$100,889 for the salary and fringe benefits of an Argonne executive.

Monetary Impact: \$414,867 in questioned costs

Total Recommendations: 2

Open Recommendations: 2

Open Recommendation (1): The Manager, Argonne Site Office, should direct the contracting officer to determine the allowability of questioned costs and recover costs determined to be unallowable.

Action Planned: Not Provided

Status: The Contracting Officer is in the process of reviewing the allowability of the questioned costs. Any costs determined to be unallowable will be recovered.

Original Estimated Completion Date: 7/1/08

Current Completion Date: 7/1/08

Open Recommendation (2): The Manager, Argonne Site Office, should direct the contracting officer to determine whether costs, similar to those identified in our audit, were claimed after September 30, 2005, and recover costs determined to be unallowable.

Action Planned: Not Provided

Status: A full review and analysis of the executive compensation charged to the University from FY 2001 through FY 2006 has been completed. In addition, guidelines for determining the allowability of executive compensation have been developed and were applied to this analysis. A Certification of Effectiveness of Corrective Action is pending.

Original Estimated Completion Date: 7/1/08

Current Completion Date: 7/1/08

Controls over Military-Type Equipment Within the Office of Secure Transportation

INS-L-07-10

August 27, 2007

Summary: A review of property controls over military-type equipment within the Department's Office of Secure Transportation (OST) disclosed that OST had neither adequately identified export controlled equipment as high risk equipment nor provided effective control and property management. The Office of Inspector General made recommendations to the Assistant Deputy Administrator for Secure Transportation to ensure adequate controls are in place for military-type equipment in OST.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Assistant Deputy Administrator for Secure Transportation should ensure that all export controlled military-type equipment on the U.S. Munitions List is categorized as high risk personal property as early in the acquisition process as practical and that, as such, it is effectively controlled and managed throughout its life cycle as sensitive equipment, as required.

Action Planned: The National Nuclear Security Administration believes there is a responsive process and procedure for the administrative control of property utilized by its Federal Agents. OST will update its property management processes to ensure that law enforcement-type equipment is appropriately inventoried.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (2): The Assistant Deputy Administrator for Secure Transportation should ensure inventory records for administratively controlled military-type equipment accurately identify and reflect equipment issued to individual couriers.

Action Planned: The National Nuclear Security Administration believes there is a responsive process and procedure for the administrative control of property utilized by its Federal Agents. OST will update its property management processes to ensure that law enforcement-type equipment is appropriately inventoried.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (3): The Assistant Deputy Administrator for Secure Transportation review the acquisition cost threshold for the formal reporting and accountability of equipment issued to couriers to determine if that threshold provides for adequate controls.

Action Planned: The National Nuclear Security Administration believes the there is a responsive process and procedure for the administrative control of property utilized by its Federal Agents. OST will update its property management processes to ensure that law enforcement-type equipment is appropriately inventoried.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Material Control and Accountability at Los Alamos National Laboratory
IG-0774
September 7, 2007

Summary: An Office of Inspector General review was initiated at the Los Alamos National Laboratory to determine if the Laboratory's Material Control and Accountability (MC&A) Program was providing timely and accurate information regarding the inventory, transfers, characteristics and location of accountable nuclear materials at the Laboratory. It was determined that, in many respects, the MC&A Program provided timely and accurate information. However, certain opportunities for improving controls over accountable nuclear material were identified. Several recommendations were made to enhance Los Alamos' nuclear materials accountability program.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 7

Open Recommendations: 1

Open Recommendation: The Manager, Los Alamos Site Office, should direct Los Alamos National Laboratory MC&A management to review the formulation, assignment, and labeling of lot identification numbers and implement more standardized methodologies that would enhance controls over and accuracy in accounting for nuclear material.

Action Planned: Review the formulation, assignment, and labeling of lot identification numbers and implement more standardized methodologies that would enhance controls over and accuracy in accounting for nuclear material.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

The National Nuclear Security Administration's Construction of a Radiological/Nuclear Complex for the Department of Homeland Security

IG-0775

September 13, 2007

Summary: In 2005, the Department of Homeland Security entered into an interagency agreement with the National Nuclear Security Administration's Nevada Site Office to construct the Radiological/Nuclear Countermeasures Test and Evaluation Complex. The fast-tracked project was scheduled for completion in February 2007. However, in August 2006, with only 68 percent of the construction completed, the Nevada Site Office suspended work on the project. At that time, the project had incurred \$29.7 million of the total budgeted cost of \$33 million. Based on information received regarding potential cost overruns and delays, an Office of Inspector General review was initiated to determine if the Nevada Site Office had effectively managed this project. The review revealed that the fast-track strategy employed increased risk, yet the Nevada Site Office had not taken steps to aggressively manage the project.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 2

Open Recommendations: 1

Open Recommendation: The Administrator, National Nuclear Security Administration, should establish Memorandums of Agreement prior to initiating Work for Others projects that, at a minimum, specify responsibilities for: a) monitoring contract performance, b) approving project baselines and baseline changes to cost, scope and schedule; and, c) communicating project status to senior Department and customer management.

Action Planned: The Office of Federal Procurement Policy (OFPP) will be issuing federal-wide policy guidance on the roles and responsibilities of Federal agencies entering Interagency Acquisitions (IA). OFPP will prescribe a template/format for these agreements to be used by all agencies. The template allows for fill-ins and modifications as needed to conform to agency specific differences, however; the basic format should be followed for consistency and clarity for all parties. The template contains a standard cover sheet, body with terms and conditions, and an attachment for financial and accounting data. The National Nuclear Security Administration will incorporate this template, once issued by OFPP, to include any additional information the National Nuclear Security Administration deems necessary as a result of the review of its Work-for-Others processes and procedures. The National Nuclear Security Administration will review Work for Others processes and procedures and will appropriately establish roles and responsibilities agreements.

Status: Not Provided

Original Estimated Completion Date: 9/30/08

Current Completion Date: 9/30/08

Management Controls over the Hanford Environmental Information System
OAS-M-07-06
September 17, 2007

Summary: The Hanford Environmental Information System (HEIS) is designed to collect data in support of cleanup requirements, groundwater monitoring, environmental impact statements, waste site remediation and characterization, and biological/ecological monitoring. An Office of Inspector General review disclosed that HEIS did not contain complete environmental sampling data.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): Ensure that cleanup contractors sample data is entered into the Hanford Environmental Information System.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 8/31/08
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Current Completion Date: 8/31/08

Open Recommendation (2): Evaluate records missing location information in the Hanford Environmental Information System and update as appropriate.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 8/31/08
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Current Completion Date: 8/31/08

Open Recommendation (3): Require participation by all Hanford Site data owners in a Technical Advisory Group that is structured to resolve data quality issues.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 8/31/08
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Current Completion Date: 8/31/08

The Department's Unclassified Cyber Security Program - 2007

IG-0776

September 18, 2007

Summary: As required by the Federal Information Security Management Act (FISMA), the Office of Inspector General conducted its annual evaluation to determine whether the Department's unclassified cyber security program adequately protected data and information systems. The review found that the Department had taken steps to improve cyber security practices and continued to maintain strong network perimeter defenses against malicious intruders and other external threats. However, certain problems persisted, and additional action was required to reduce the risk of compromise to information systems and data.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 40*

Open Recommendations: 40

Open Recommendation (1): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Chief Information Officer.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (2): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Not Provided

* The Office of Inspector General issued 4 multi-faceted recommendations that, for the purposes of implementation, the Department separated into 40 individual recommendations. Of these, 22 remain unimplemented.

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (3): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (4): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (5): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (6): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of

management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: A detailed programmatic implementation plan, including a Plan of Actions and Milestones has been developed, and was provided to the Under Secretary by the Office of Civilian Radioactive Waste Management Director on August 29, 2007. A project management approach will be utilized throughout the lifecycle of the Program Cyber Security Plan's implementation, and progress will be assessed on a quarterly basis. Major issues or unforeseen resource constraints will be thoroughly investigated, and relevant concerns and mitigating actions will be reported to the Office of the Under Secretary and the Chief Information Officer as appropriate.

Status: No Change in Status

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08
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Open Recommendation (7): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07
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Open Recommendation (8): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: The Office of Legacy Management will follow guidance provided via the Under Secretary's Program Cyber Security Plan.

Status: Not Provided

Original Estimated Completion Date: 9/18/08
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Current Completion Date: 9/18/08

Open Recommendation (9): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration will take appropriate action, if needed, to correct the specific vulnerabilities identified in this report.

Status: No Change in Status

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (10): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should correct, through the implementation of management, operational, and technical controls, each of the specific vulnerabilities identified in the report. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil Energy has a well-defined system inventory that is updated and reported quarterly. Each system has a recently completed Certification & Accreditation and the subsequent Authority to Operate granted by the Designated Approval Authority. Each system has a contingency plan documented which is tested on an annual basis. Each system had “tabletop” testing completed in September 2007 with the participation of an independent external testing authority. No additional programmatic action is necessary.

Status: No Change in Status

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08

Open Recommendation (11): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (12): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08
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Current Completion Date: 9/18/08

Open Recommendation (13): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil Energy has developed and issued a new PCSP in March 2007. The PCSP policy reflects the latest guidelines published at the time. Ongoing efforts to update the PCSP are underway.

Status: Not Provided

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08
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Open Recommendation (14): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08
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Current Completion Date: 9/18/08

Open Recommendation (15): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate

Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08

Open Recommendation (16): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (17): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: The Office of Legacy Management agrees with the recommendation and welcomes the opportunity to provide comments on policies prior to their official issuance.

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (18): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (19): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration has taken care to ensure that all cyber security policies are in accordance with the Department's Chief Information Officer's policies, which enforce the Federal requirements for cyber security. However, the National Nuclear Security Administration is working closely with the Office of the Chief Information Officer and has modified its own policies, as appropriate, to bring them more into line with the rest of the Department.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (20): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that development and implementation of cyber security policies, including Program Cyber Security Plans, are in accordance with appropriate Federal and Departmental requirements. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (21): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08

Open Recommendation (22): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (23): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: The Office of Legacy Management agrees with the recommendation and will participate when periodic tests are established.

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (24): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (25): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (26): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration will perform compliance monitoring activities to ensure the adequacy of cyber security program performance.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (27): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (28): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (29): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: The Office of Fossil Energy reports quarterly to the Office of the Chief Information Officer regarding various Federal Information Security Management Act measures and is issued a quarterly cyber security scorecard (currently “green”). The Office of Fossil Energy also conducts vulnerability scanning of all systems on a monthly basis. The Office of Fossil Energy has undergone a recent performance review and findings from performance measures are reported and corrective actions are implemented. No additional work is required at this time.

Status: Not Provided

Original Estimated Completion Date: 9/1/08	Current Completion Date: 9/1/08
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Open Recommendation (30): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should perform compliance monitoring activities to ensure the adequacy of cyber security program performance. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08	Current Completion Date: 9/18/08
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Open Recommendation (31): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of the Chief Information Officer.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08	Current Completion Date: 9/18/08
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Open Recommendation (32): The Department and the National Nuclear Security

Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Energy Efficiency and Renewable Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Open Recommendation (33): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Environmental Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (34): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Fossil Energy.)*

Action Planned: Progress relative to POA&M's are reported on a quarterly basis to the Office of the Chief Information Officer. Accountability for verification of completeness is required prior to closeout.

Status: Not Provided

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08

Open Recommendation (35): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all

known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Nuclear Energy.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (36): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Civilian Radioactive Waste Management.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/1/08

Current Completion Date: 9/1/08

Open Recommendation (37): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Economic Impact and Diversity.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 12/31/07

Current Completion Date: 12/31/07

Open Recommendation (38): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Legacy Management.)*

Action Planned: The Office of Legacy Management will follow guidance provided via the Under Secretary's Program Cyber Security Plan.

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (39): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Office of Science.)*

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 9/18/08

Current Completion Date: 9/18/08

Open Recommendation (40): The Department and the National Nuclear Security Administration Chief Information Officers, in coordination with the Under Secretaries for Energy and Science as appropriate should ensure that the Plan of Action and Milestones (POA&M) is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion. *(In this instance, the recommendation was provided to the Administrator, National Nuclear Security Administration.)*

Action Planned: The National Nuclear Security Administration ensures that the POA&M is utilized as a management tool for prioritizing corrective actions and tracking all known cyber security weaknesses to completion, where appropriate.

Status: Not Provided

Original Estimated Completion Date: 6/30/08

Current Completion Date: 6/30/08

Assessment of Changes to the Internal Control Structure and their Impact on the Allowability of Costs Claimed by Argonne National Laboratory during Fiscal Year 2006

OAS-V-07-11

September 26, 2007

Summary: Given the significant expenditure of funds by the University of Chicago in managing and operating Argonne National Laboratory, an assessment by the Office of Inspector General was conducted to determine whether changes to the internal control structure provided reasonable assurance that the costs claimed by the University and reimbursed by the Department for FY 2006 are allowable, allocable, and reasonable. Based on the review, nothing came to the Office of Inspector General team's attention that caused them to believe that the changes in the internal control structure were not adequate to provide reasonable, but not absolute assurance that the costs claimed were allowable, reasonable, and allocable. However, during the Office of Inspector General review, \$60,129 in potentially unallowable executive compensation costs were identified. Another \$29,711 in questionable costs were identified by the contractor's internal audit organization, which needed to be resolved.

Monetary Impact: \$89,840 in questioned costs

Total Recommendations: 1

Open Recommendations: 1

Open Recommendation: The Manager, Argonne Site Office, should direct the contracting officer to recover executive compensation costs exceeding allowable limits.

Action Planned: The Contracting Officer will make a determination regarding the allowability of the questioned costs.

Status: No Change in Status

Original Estimated Completion Date: 3/31/08

Current Completion Date: 3/31/08

Sandia National Laboratory's Safety Practices
INS-L-07-11
September 28, 2007

Summary: The Office of Inspector General conducted a review of Sandia National Laboratory-New Mexico's safety practices, including lockout/tagout (LOTO) procedures. The review concluded that improvements could be made in safety practices at the Laboratory. Specifically, Sandia's LOTO program requirements were not always effectively implemented; some employees were not familiar with LOTO procedures; LOTO checklists were not retained as required; and some employees were not using safety glasses as required.

Monetary Impact: The current monetary impact or potential future savings can not be determined.

Total Recommendations: 3

Open Recommendations: 3

Open Recommendation (1): The Manager, Sandia Site Office, should ensure that lockout/tagout program requirements are clearly understood, properly documented, appropriately applied, and appropriate records are retained.

Action Planned: Not Provided

Status: Not Provided

Original Estimated Completion Date: 3/31/08	Current Completion Date: 3/31/08
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Open Recommendation (2): The Manager, Sandia Site Office, should ensure that the Sandia National Laboratory conducts and documents effective management surveillances that identify and correct safety hazards.

Action Planned: The Sandia National Laboratory will ensure that effective management surveillances are conducted and documented to identify and correct safety hazards.

Status: Not Provided

Original Estimated Completion Date: 3/31/08	Current Completion Date: 3/31/08
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Open Recommendation (3): The Manager, Sandia Site Office, should ensure that the Sandia National Laboratory retrain those employees who fail to properly use safety glasses, as appropriate.

Action Planned: The Sandia National Laboratory will retrain employees who failed to utilize their protective eyewear appropriately.

Status: Not Provided

Original Estimated Completion Date: 3/31/08

Current Completion Date: 3/31/08