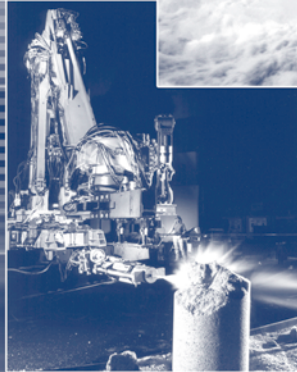


# Inspector General *Semiannual* Report to Congress



APRIL 1, 2005 – SEPTEMBER 30, 2005

U.S. Department of Energy  
OFFICE OF INSPECTOR GENERAL

## Front Cover

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*From left to right:*

A barge shown docked at Phillips Terminal at the Strategic Petroleum Reserve in Bryan Mound, Texas.

Wind turbines at Storm Lake, Iowa.

High pressure water being used to blast salt cake into manageable fragments in a waste tank mockup at the Hanford Site.

The McNary Dam, which is one entity of the Bonneville Power Administration's responsibility for transmission and wholesale marketing of power generated at dams in the Federal River Power System.

A sodium cooled reactor for testing fuels and materials under normal operating conditions at the Fast Flux Test Facility.

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# Inspector General's Message

I am pleased to provide the Office of Inspector General's (OIG) Semiannual Report to Congress for the reporting period ending September 30, 2005. This report highlights our most significant accomplishments in identifying areas of Department of Energy operations most vulnerable to waste, fraud, and mismanagement.



During this reporting period, we continued to assist the Department's management in addressing its mission-related priorities. As a direct result of our audits and inspections, significant opportunities for programmatic cost savings, operational efficiencies, and enhanced results were identified. We issued 48 audit and inspection reports, which contained recommendations identifying over \$247 million in savings. In addition, we referred 17 investigations for prosecution and had 6 criminal convictions. Our work led to the recovery of over \$5.6 million in fines, settlements, and restitutions.

As has been the case the last several years, the issue of national security remains an area of primary focus for our office. Over the past six months, the Office of Inspector General issued a variety of reports addressing security vulnerabilities. These included:

- Security at the Strategic Petroleum Reserve;
- Access controls at the Y-12 National Security Complex;
- Coordination of biological select agent activities at Department facilities; and,
- Controls over Departmental critical monitoring and control systems.

In addition, consistent with the plan set forth by the President and the Secretary of Energy, energy conservation continues to be a focal point of our work. Consequently, we initiated reviews of: (1) the management of fossil energy research and development in Departmental cooperative agreements; and, (2) the management of selected energy efficiency and renewable energy projects. Based on recent events, our work in the coming period will continue to emphasize the importance of reliable energy sources and energy conservation.

Apart from our continuing efforts related to gauging the performance of Departmental operations, my role as the Vice Chair of the President's Council on Integrity and Efficiency (PCIE) has provided me with the opportunity to work with the entire Inspector General community to enhance integrity and efficiency in Government-wide programs. In the wake



of the tragic losses caused by recent hurricanes, guarding against fraud, waste, and abuse during the relief and rebuilding efforts has become a fundamental objective of the Inspector General community. It is imperative that the billions of dollars appropriated for relief and rebuilding are used for their intended purposes, which includes the important task of assisting the affected citizens and businesses in recovering from these losses. I am working with

the Department and with my colleagues in other agencies to help ensure that the funds appropriated for the relief and recovery effort are spent properly and effectively.

The Office of Inspector General remains committed to being an instrument for positive change in the Department. This goal is achieved through the diligent work of all OIG employees. In addition to the outstanding results demonstrated through our various audits, inspections, and investigations, this year we were the proud recipients of five “Award for Excellence” honors from the PCIE. I would like to express my appreciation for the accomplishments of all OIG employees and commend them for their continued professionalism and dedication. I also wish to thank the Department for its cooperation and support for our efforts to serve the American taxpayer.

Gregory H. Friedman  
Inspector General



# Management Challenges

As required by the Reports Consolidation Act of 2000, the OIG annually identifies the most significant management challenges facing the Department. Highlights of our work during the current reporting period, which are set forth in the following sections of this report, are organized by management challenge area. This year, the OIG determined that the most serious challenges facing the Department are:

## Internal Control Challenges

Contract Administration  
Information Technology  
Project Management

## Mission-Related Challenges

Environmental Cleanup  
National Security  
Stockpile Stewardship

## Contract Administration

### Performance Based Incentives by the Office of Civilian Radioactive Waste Management



*Alpine mining machines excavate alcoves for testing at Yucca Mountain*

An OIG audit found that since 2001, the Office of Civilian Radioactive Waste Management (OCRWM) paid approximately \$4 million in incentive fees to the Department contractor managing its Yucca Mountain Site even though contract performance expectations were not met. Specifically, we determined that OCRWM paid incentive fees despite the fact that:

- Additional time beyond the performance period was needed by the contractor to correct poor quality work;
- Work scope was reduced due to poor contractor performance;
- Delivered products were not acceptable to OCRWM; and,
- OCRWM eliminated incentivized work because of concerns about the contractor's performance.

We determined that OCRWM did not establish an adequate quality assurance plan, as required by the Department's acquisition regulations. The Office of Civilian Radioactive Waste Management agreed with our findings, stating that the report would be used to develop a comprehensive corrective action plan. **(IG-0702)**

## **Contractor Post-Retirement Health Benefits at the Oak Ridge Reservation**

Since 1994, we have issued a series of reports highlighting opportunities for the Department to reduce the cost of contractor employee health benefit programs. Most recently, an OIG audit determined that the National Nuclear Security Administration (NNSA) incurred and will continue to incur unreasonable costs related to contractor employee post-retirement health benefits at the Y-12 National Security Complex (Y-12). Specifically, NNSA is paying 100 percent of the employer's portion of post-retirement health benefits for Y-12 employees who transferred from the corporate offices of Y-12 contractors BWXT and Bechtel National, regardless of how long they worked for the Department. This is predicated on having more than 10 years of corporate service. Our audit revealed that because NNSA decided to recognize corporate service in determining eligibility for post-retirement health benefits, the Department will incur costs of approximately \$460,000 for currently retired contractor employees as well as accrue a future liability of more than \$7 million for BWXT and Bechtel employees currently working at Y-12. We issued recommendations designed to ensure that post-retirement benefits are based solely on the work performed for Department contract efforts. **(IG-0690)**

## **Loss of Government Property at the Idaho National Laboratory**

An OIG inspection examined the internal controls of the Idaho National Laboratory (INL) in order to ensure that Government property was protected from loss or theft. Our inspection revealed that INL met property management requirements by accounting for 98 percent of inventoried property. However, our inspection also revealed that in the last 3 fiscal years, INL recorded 998 Government property items as missing with an acquisition cost of \$2.2 million. During the course of our inspection, we identified specific property controls that could be improved, potentially resulting in a decrease in the overall amount of missing property. We made several recommendations designed to enhance property controls at the site. **(IG-0687)**

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## Management Controls over Contractor Meal Expenses

The OIG conducted an audit to test management controls over meal expenses at Department contractor operated sites. Our audit revealed that four of six Department contractors were reimbursed approximately \$255,000 for questionable meal costs. Additionally, our audit found that the Department lacked assurance that policies regarding employee meal costs were consistent or equitable. Management generally concurred with our recommendations, indicating that guidance regarding contractor meal expenses would be developed for use by contracting personnel, monitoring of contractor meal expenses would be enhanced, and unallowable costs would be recovered. **(OAS-M-05-04)**

## Technology Transfer and Commercialization Program at the Idaho National Laboratory

Since the 1980s, the Department has transferred numerous technologies to the private sector for commercialization. An OIG audit determined that specific financial management activities within INL's technology transfer and commercialization program were not managed consistent with business-related contract requirements. Specifically, we determined that the contractor did not properly recognize royalties due from licensing activities or adequately monitor expenditures. Additionally, our audit revealed that the Idaho Operations Office did not provide sufficient management oversight to ensure compliance with contract provisions. We provided recommendations to improve management oversight of the contractor's financial controls. **(OAS-M-05-07)**

## Inadequate Management Controls over Patent and Royalty Income at the Ames Laboratory

In order to promote technology transfer, the Department encourages its laboratories to commercialize research and development results through the patenting and licensing of intellectual property. An OIG audit disclosed that the Ames Laboratory had not adequately controlled or accounted for patent and royalty revenues, nor did the Laboratory maintain accounting records for the approximately \$3.5 million in patent and royalty revenues earned in Fiscal Years 2002 and 2003. Furthermore, we found that the Ames Site Office did not provide adequate oversight to ensure that the Laboratory established a plan for the use of patent revenues. We made several recommendations designed to ensure that patent and royalty revenues are safeguarded and used appropriately. **(OAS-M-05-05)**

# Environmental Cleanup

## Deactivation and Decommissioning of Savannah River Site Facilities



*View of canisters that hold high-level waste at the Savannah River Site*

An OIG audit found that deactivation and decommissioning activities completed by the Westinghouse Savannah River Company at the Savannah River Site did not always result in a reduction in the risk posed to the environment, workers, or the public. Specifically, approximately 67 percent of the facilities completed by August 2004, at a cost of \$7.8 million, posed little or no risk to the environment, workers, or public. In addition, at the time of our review, 22 facilities that did pose environmental, safety, and health risks had not been scheduled for deactivation and

decommissioning. Further, our audit revealed that the Department could have avoided approximately \$2.2 million in annual surveillance and maintenance costs by concentrating on closing the higher risk facilities at the site. Our review revealed that the Department's current approach may delay reductions in environmental, safety, and health risks associated with higher risk facilities. We made several recommendations designed to ensure that deactivation and decommissioning activities at the Savannah River Site are completed promptly and efficiently. **(IG-0684)**

## Characterization Wells at the Los Alamos National Laboratory

Pursuant to a Hydrogeologic Workplan, the Los Alamos National Laboratory (LANL) was required to install 32 regional aquifer wells, commonly referred to as characterization wells, to characterize the hydrogeologic setting beneath the Laboratory. Construction of the wells was covered by the Resource Conservation and Recovery Act (RCRA). An OIG inspection found that LANL did not adhere to specific constraints established by RCRA guidance during the construction of the characterization wells. In addition, we found that LANL 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. We made several recommendations designed to ensure that all RCRA guidance is followed and that monitoring data are reliable. **(IG-0703)**

## Implementation of the National Environmental Policy Act at the Idaho Operations Office

An OIG audit examined whether the Idaho Operations Office had complied with the National Environmental Policy Act (NEPA) in evaluating its approach to treating high-level waste at the Idaho Site. Our audit revealed that the Idaho Operations Office complied with NEPA in evaluating how to treat high-level waste and dispose of related facilities. Specifically, the Idaho Operations Office followed certain guidance provided by the Council on Environmental Quality in implementing a NEPA strategy that required additional work and more public involvement than is normally required by the traditional Environmental Impact Statement (EIS) process. However, our audit revealed that the public was not able to comment on specific portions of the Final EIS. Management concurred with our recommendations, aimed at providing the public an opportunity to comment on portions of the Final EIS. **(OAS-M-05-08)**

## Beryllium Contamination Concerns at the Y-12 National Security Complex

An OIG inspection of an allegation that equipment parts with trace levels of beryllium had been shipped to a Y-12 non-beryllium building confirmed that this occurred, but was allowable because the levels of beryllium on the parts were lower than standards set forth by Title 10, Code of Federal Regulations, Part 850, “Chronic Beryllium Disease Prevention Program.” However, during our inspection, we observed that a beryllium baseline inventory and characterization, which was required by Department procedure, took approximately 16 months to complete following the discovery of beryllium on two band saws in the Y-12 non-beryllium building. Given the significant health concerns related to beryllium exposure, our inspection questioned the length of time taken to complete the baseline inventory and characterization. We recommended that appropriate action be taken to ensure that baseline beryllium inventories and characterizations are completed expeditiously following the discovery of possible beryllium contamination. **(INS-L-05-04)**

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# Information Technology

## Development and Implementation of the Department's Enterprise Architecture

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 OIG 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 as well as compatible with the overall architecture design. Since 1998, the lack of an enterprise architecture contributed to more than \$155 million in lost opportunities for information technology-related savings. We made several recommendations that are necessary for the Department to fully implement a corporate approach for managing information technology investments. **(IG-0686)**

## The Department's Unclassified Cyber Security Program

An evaluation of the Department's unclassified cyber security program under the evaluation requirements set forth by the Federal Information Security Management Act revealed that while senior-level management officials have continued to focus their attention on strengthening the Department's cyber security, a number of systematic problems that expose the Department's critical systems still exist. Specifically, we found that:

- An inventory of information systems had yet to be completed;
- Many required system certifications and accreditations had not been performed;
- Cyber security incidents were not always reported to law enforcement officials;
- Problems with segregation of duties, inappropriate authority to access or modify information systems, and change control management continued; and,
- Contingency planning, necessary to ensure systems could continue or resume operations in the event of an emergency or disaster, had not been completed.

We found that these problems occurred, at least in part, because Departmental and Federal cyber security requirements were not always implemented or properly executed. Our report included several recommendations designed to assist the Department in addressing security weaknesses and implementing security configurations. **(IG-0700)**

## Hackers Sentenced for Unauthorized Access to Government Computers

As previously reported, a joint OIG investigation with the Federal Bureau of Investigation (FBI) and other investigative agencies determined that two individuals gained unauthorized access to multiple unclassified Government-owned computers, including two web servers at the Department's Sandia National Laboratory-New Mexico. The investigation determined that the hackers modified two web pages on Sandia's computer network. One subject pled guilty to a felony count of Title 18, U.S.C. Section 1030, "Fraud and Related Activity in Connection with Computers." The subject was sentenced by the U.S. District Court, District of Columbia, to a 1-year home detention, 3 years probation, \$135,548 restitution, and a \$200 special assessment fee and was ordered not to access the internet for 4 years. The second subject pled guilty in U.S. District Court, Northern District of California (Oakland Division), to five counts of Title 18, U.S.C. Section 1030. During this reporting period, the second subject was sentenced to 4 months in Federal prison, \$71,181 restitution, and 3 years of supervised release. **(I02TC020)**

## The Department's Records Management Program

An OIG audit revealed that the Department had not adopted a comprehensive records management program, nor had it implemented policies to meet National Archives and Records Administration requirements governing records management. Specifically, we found that the Department had not developed methods for archiving e-mail and other electronic information and had not adequately planned for scheduling and disposition of records held at its closure sites. Further, we noted that the Department could save over \$2 million by eliminating multiple document management and tracking systems that perform essentially the same function. We made several recommendations designed to improve the overall efficiency and effectiveness of the Department's records management program. **(IG-0685)**

## Hacker Pleads Guilty to Unauthorized Access of Government Computers

An OIG investigation performed jointly with the FBI, the U.S. Army Criminal Investigation Division, and the National Aeronautics and Space Administration determined that three employees of a computer security company gained unauthorized access to multiple Government-owned and corporate computers, including an unclassified Department computer located in Germantown, Maryland. The investigation also determined that the subjects accessed, modified, and acquired unclassified electronic data on several Government computer networks. One subject pled guilty to one misdemeanor count of violating Title 18, U.S.C. Section 1030, "Fraud and Related Activity in

Connection with Computers,” and was sentenced to 60 days in a work-release program, 2 years probation, and 100 hours of community service and was prohibited from work involving computer security while on probation. Judicial action is pending for the two other subjects of this investigation. **(I02TC026)**

## National Security

### Security at the Strategic Petroleum Reserve



*Employees work on piping at the Strategic Petroleum Reserve in West Hackberry, Louisiana*

The Strategic Petroleum Reserve is designated as part of the Department’s critical infrastructure. An OIG inspection concluded that additional measures could be implemented to improve physical security at the Reserve. Specifically, the inspection found that the level of protection against the “insider threat” and the Reserve’s deadly force policy may not be commensurate with its designation as a part of the Department’s critical infrastructure. Additionally, the inspection determined that opportunities exist to improve

protective force performance tests. We made several recommendations designed to enhance physical security at the Reserve. **(IG-0693)**

### Protective Force Training at the Oak Ridge Reservation

An OIG inspection revealed that there were material shortcomings in the implementation of protective force training at the Oak Ridge Reservation. Specifically, we found that:

- Protective force personnel spent, on average, approximately 40 percent less time on combat readiness refresher training than was specified in the approved Fiscal Year 2004 training plan;
- For some personnel, planned training time was formally reported to the Department as actual training time, resulting in an overstatement of training received;
- Protective force personnel at the Y-12 National Security Complex routinely worked in excess of 60 hours a week, despite a 60-hour maximum threshold for safe operations established by the Department’s Protective Force Program Manual; and,
- Some protective force personnel signed attendance rosters for on-the-job refresher training without receiving the training.

Our report included several recommendations to ensure that training requirements are met and protective force refresher training is being appropriately implemented. **(IG-0694)**

## Coordination of Biological Select Agent Activities at Department Facilities

The Department is planning and constructing five biosafety level-3 (BSL-3) research laboratories, which are designed to contain biological select agents that can cause serious and potentially lethal infections such as anthrax and the plague. An OIG inspection determined that the Department had not established an orderly mechanism for coordinating its biological select agent research and development activities. Specifically, no entity has been assigned responsibility to coordinate biological select agent activities within the Department, including the development, construction, and operation of the BSL-3 laboratories. As a result of our inspection, the Department took initial action to create a central entity to coordinate biological select agent activities. While this is a positive step, we recommended that further actions be taken to ensure coordination of biological select agent activities and issues across the Department. **(IG-0695)**

## Security Access Controls at the Y-12 National Security Complex

An OIG inspection found that non-U.S. citizens with false identification documents were improperly allowed access to a leased facility at the Department's Y-12 National Security Complex in Oak Ridge, Tennessee. We determined that access control procedures at Y-12 designed to prevent unauthorized access were either not implemented or were not effective. When informed of our findings, Y-12 management took prompt corrective action, to include issuing a revised access policy. However, we were concerned that similar findings may exist at other sensitive Department sites; therefore, we recommended that management determine whether Department-wide actions were warranted. In response, management stated that future security inspections of Department facilities will include reviews of access control procedures. **(IG-0691)**

## Management Controls over Departmental Critical Monitoring and Control Systems

An OIG audit revealed that the Department could not ensure that critical monitoring and control systems could continue to operate in a crisis or resume operation with minimal disruption and information loss in the event of an emergency. Specifically, our audit found that sufficient plans or mitigation strategies were not in place because the Department had not implemented a comprehensive risk management process. While improvements have been made in this area at various sites, management generally concurred with our findings that additional actions are necessary to improve the overall security of the Department's critical monitoring and control systems. **(OAS-M-05-06)**

## Recording of Telephone and Radio Conversations by Sandia Protective Force Management

An OIG inspection found that Sandia National Laboratory-New Mexico protective force management was regularly recording telephone and radio conversations and that these recordings were not performed in compliance with Department policies and procedures. Specifically, we determined that 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. In responding to our report, NNSA identified corrective actions taken or planned to address our recommendations. **(IG-0701)**

## Project Management

### Sludge Removal Operations at Hanford



*Construction of storage tanks at the Hanford Site*

An OIG audit disclosed that sludge removal operations on the Spent Nuclear Fuels (SNF) Project at the Department's Hanford Site have not commenced according to schedule and have experienced significant cost overruns. While technical difficulties with the sludge removal have contributed to delays, we determined that neither the Department nor the contractor assigned responsibility for managing the project focused adequate attention on the sludge removal portion of the SNF Project during the critical planning phase.

As a result of these factors, project milestones were missed and cost overruns within the project could negatively impact the Department's ability to further accelerate cleanup work at the Hanford Site. While several actions have been initiated to address the weaknesses noted in our report, we concluded that additional efforts focusing on project planning and risk assessment need to be implemented. **(IG-0698)**



## Office of Energy Efficiency and Renewable Energy Cooperative Agreements

The Department, primarily through the Office of Energy Efficiency and Renewable Energy (EERE), funds advanced energy technology through cooperative agreements with industry and other partners. An OIG audit disclosed that over half of the cooperative agreements included in our review did not receive sufficient management attention. In many cases, Federal project managers did not document reviews to evaluate the merit and technical aspects of the projects. Our audit revealed that these problems occurred, in large part, because EERE did not devote adequate resources to the management of cooperative agreements. During the course of our review, EERE management acknowledged weaknesses in project management and initiated action to improve its approach. While EERE's initial actions are promising, we made several recommendations to further enhance project management practices. **(IG-0689)**

## Office of Fossil Energy Cooperative Agreements

An OIG audit disclosed that the Office of Fossil Energy was not adequately involved in monitoring and oversight of its research project cooperative agreements. Specifically, in over half of the projects we reviewed, Federal project officials did not always take adequate action to address project management or financial shortcomings. Without improvement, the cooperative agreements managed by Fossil Energy are at risk of not meeting their research objectives and not being completed in a timely manner, which as a result, will likely cost significantly more than originally estimated. We made several recommendations designed to improve Fossil Energy's management of cooperative agreements. **(IG-0692)**

## Stockpile Stewardship

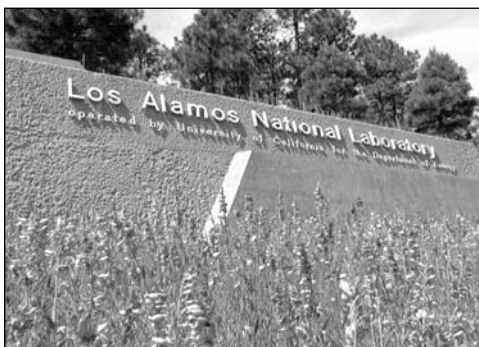
### Refurbishment of the B61 Weapon System

The B61 weapon system, which is an important element of the Nation's nuclear weapons stockpile, is currently being refurbished at multiple sites across the Department complex. An OIG audit determined that NNSA was at risk of not achieving the first production unit for the B61 refurbishment within the original schedule and scope specifications. We determined that delays could have been prevented had the proper internal control structure been in place. In addition, at the time of our review, NNSA did not have a valid estimate of total refurbishment costs. We concluded that NNSA's project planning and management processes were not adequate to ensure refurbishment completion in accordance with the original parameters. Consequently, we made recommendations to improve management controls of the B61 project as well as other NNSA weapons systems refurbishments. **(IG-0697)**

## Delays in the Construction of the Pit Disassembly and Conversion Facility

An OIG audit examined the delays in the construction of two facilities at the Savannah River Site, the Pit Disassembly and Conversion Facility (Conversion Facility) and the Mixed Oxide Fuel Fabrication Facility (MOX Facility). We confirmed that the schedule and cost parameters outlined in the Department's February 2002 Report to Congress will not be met despite the high priority of the Conversion Facility project. At the time of our review, NNSA's estimate for completion of the Conversion Facility had been pushed back four years to 2013 and the estimated cost will likely increase beyond original estimates of \$1.7 billion. While international policy issues appear to have played a significant role in the Conversion Facility's delay, we noted that NNSA had also encountered technical problems in completing the design phase of the project. Further, NNSA had not identified a viable approach for disposing of the waste generated by the Conversion Facility. In addition, our review determined that delays and cost increases in the Conversion Facility will lead to similar concerns with the MOX Facility. We made several recommendations designed to assist NNSA in finalizing its Conversion Facility. **(IG-0688)**

## The Los Alamos National Laboratory Hydrodynamic Test Program



*The Los Alamos National Laboratory, New Mexico*

The National Nuclear Security Administration relies on complex computer calculations and simulations to ensure the safety, reliability, and performance of the Nation's nuclear weapon stockpile. To complement these simulations, hydrodynamic tests (hydrotests) seek out phenomena that may not be accounted for in computer models. An OIG audit determined that LANL did not complete hydrotests as scheduled in support of NNSA's Stockpile Stewardship Program. The Los Alamos National

Laboratory was scheduled to conduct 15 hydrotests in Fiscal Years 2002 through 2004. However, at the time of our audit, nine hydrotests experienced delays of up to two years, including three hydrotests that had yet to be performed. In addition, we found that LANL may not have the capacity to meet future hydrotest needs. Our audit underscored the continued need for improvements in NNSA's hydrotest program. **(IG-0699)**

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# Other Significant Accomplishments

## Administrative Safeguards

### Oversight Funds on the Yucca Mountain Project



Map of Yucca Mountain in Nye County, Nevada

A United States House of Representatives Report for the Fiscal Year 2004 *Energy and Water Development Appropriations Act* directed the Department to audit the use of oversight funds associated with the Yucca Mountain Project to determine if the State of Nevada and affected units of local government used oversight funds in accordance with the terms of the *Nuclear Waste Policy Act*. Our audit questioned \$1.2 million of the \$11.7 million in oversight funds spent by Nye, Lincoln, and Clark counties as well as the State of Nevada during Fiscal Years 2003 and

2004. Our review revealed that oversight funds were used for activities either unrelated to the Yucca Mountain Project or specifically prohibited by the applicable appropriations acts. Furthermore, we noted that OCRWM did not sufficiently monitor the State's and counties' usage of oversight funds. As a whole, management concurred with our recommendations and has taken action to ensure that oversight funds are being used for their authorized purposes. (IG-0696)

### Former Subcontractor Manager Guilty of Conspiracy

As previously reported, a joint task force investigation determined that a Department subcontractor did not comply with welding and nondestructive test requirements for valves manufactured under various Government contracts. The investigation revealed that the subcontractor provided substandard valves to the Government, some of which were used in the storage of depleted uranium hexafluoride. The former Quality Assurance Manager of the Department subcontractor pled guilty in U.S. District Court, Northern District of Ohio, to a violation of Title 18, U.S.C. Section 371, "Conspiracy to Commit Offense or to Defraud United States" and nuclear safety violations under Title 42, U.S.C. Section 2273(a). The subject was sentenced to 33 months incarceration, followed by 3 years supervised release, and ordered to pay over \$4 million in restitution. The investigation is ongoing. (I01OR008)

## Subject Pleads Guilty to Various Charges Relating to Identification Theft

A joint OIG investigation with the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives of a check cashing scam determined that three individuals manufactured and stole various forms of identification, including Department credentials, to facilitate the fraudulent activities. Over 100 victims were identified during the investigation. Two subjects pled guilty to multiple counts, which included four counts of Title 18, U.S.C. Section 1028(a)(3), “Possession with Intent to Use Unlawfully Five or More Identification Documents,” one count of Title 18, U.S.C. Section 1028(a)(5), “Possession of a Document-Making Implement or Authentication Feature,” as well as firearm violations and other charges. One subject was sentenced by the U.S. District Court, District of New Mexico, to 12 years and 1 month imprisonment, and 3 years of supervised release and was ordered to pay a \$700 special assessment fee. The other subject is awaiting a sentencing date. (I04AL009)

## Private Citizen Illegally Utilizes Government Purchase Card

An OIG investigation determined that a private citizen residing in Austin, Texas, utilized a Department purchase card assigned to an employee at the Department’s Idaho National Laboratory and fraudulently used the name and business address of the Department’s management and operating contractor at the Laboratory to illegally purchase approximately \$10,000 worth of merchandise. The subject pled guilty in U.S. District Court, District of Idaho, to one count of theft of Government property under Title 18, U.S.C. Section 641. The subject was sentenced to six months incarceration, and 1-year probation and was ordered to pay over \$16,000 in restitution and fines. (I04IF007)

## \$41.9 Million Civil Settlement Agreement Reached

An investigation conducted jointly with numerous other law enforcement agencies of a *Qui Tam* complaint filed under the False Claims Act determined that a Department contractor knowingly submitted false travel claims to the Government. Specifically, the contractor failed to adjust travel costs for credits or rebates received from travel vendors. The contractor entered into a \$41.9 million dollar civil settlement with the United States Government. The Department will directly receive \$425,433 as a result of the settlement. (I03AL020)

### Did you know?

**The False Claims Act (Act) prohibits any person from “knowingly” presenting a “false or fraudulent claim for payment or approval” to the Federal Government. The Act authorizes individual citizens to bring private suits, referred to as *Qui Tam* actions, to enforce the Act on behalf of the Government.**

## **Contractor Employee Pleads Guilty to Sexual Battery of a Minor Child**

An OIG investigation performed jointly with the Idaho Falls Police Department determined that an INL fire department employee engaged in sexual activity with a minor. The investigation determined that the subject had utilized a Government computer in furtherance of his illicit actions. The subject was arrested and subsequently pled guilty to one felony count of sexual battery to a minor under Idaho Code 18-1508A(1)(c). The subject's security clearance and employment were terminated. **(I05IF003)**

## **Former Security Guard Sentenced for Theft of Government Computer Hard Drives**

An OIG investigation determined that a former security guard stationed at the Department's Albany Research Center stole three Government computer hard drives. Following an arrest, the subject pled guilty to one count of theft in the first degree under Oregon Revised Statute Section 164.377 and was sentenced to 10 days incarceration, 5 days of compensatory service, 18 months of supervised probation, and revocation of his security guard certification with the Oregon State Department of Public Safety Standards and Training and was ordered to have no contact with any Department property or facility. A restitution hearing is still pending. **(I03RL016)**

## **Former Laboratory Security Guard Guilty of Theft of Computer Equipment**

An OIG investigation determined that a contractor security guard at the Department's National Renewable Energy Laboratory (NREL) stole more than 60 Government computer items valued at approximately \$20,000. The subject's employment at NREL was terminated and the subject pled guilty in U.S. District Court to one count of theft of Government property under Title 18, U.S.C. Section 641. Sentencing is pending. **(I03DN005)**

## Congressional Responses

During this reporting period, the OIG received 17 requests for information from Congress, provided information in 22 instances, and briefed Committee staff on 7 occasions. In addition, the OIG testified at three congressional hearings: (1) on April 5, 2005, before the Subcommittee on Federal Workforce and Agency Organization, House Committee on Government Reform, on the “Yucca Mountain Project: Have Federal Employees Falsified Documents?”; (2) on May 5, 2005, before the House Committee on Energy and Commerce, Subcommittee on Oversight and Investigations, on “A Review of Ongoing Management Concerns at the Los Alamos National Laboratory”; and (3) on September 28, 2005, before the Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, on “Guarding Against Waste, Fraud, and Abuse in Post-Katrina Relief and Recovery: The Plans of the Inspectors General.”

## Results

### Highlights of Positive Results Based on Office of Inspector General Work

During this reporting period, the Department took positive actions as a result of OIG work conducted during the current or previous periods. Consistent with our findings and recommendations:

- The Department took actions to ensure the continued operation of critical functions in the event of a disaster. It issued Notice 150.1, *Continuity of Operations*, promulgating formal guidance to field sites and publishing the Department's Continuity of Operations Plan. Additionally, the Department is in the process of revising Order 151.1B to enhance emergency management practices such as sharing lessons learned among field sites and validating the effectiveness of corrective actions implemented to improve the program.
- The Department took positive steps to avoid incurring \$16 million in costs for activities related to the Gas Centrifuge Enrichment Plant Cleanup Project in Portsmouth, Ohio.
- The Y-12 Site Office disallowed post-retirement medical benefits to some BWXT Y-12 transferees in order to ensure that benefits are based solely on the work performed for Department contract efforts.
- The Department established well decommissioning at the Hanford Site as a priority and dedicated a portion of the Fiscal Year 2006 budget to decommissioning the most significantly contaminated wells.
- The new Lawrence Berkeley National Laboratory contract included reimbursement to the Department for indirect costs related to home office expenses.

- The Department will recover about \$46,000 of unallowable meal costs from two national laboratory contractors. In addition, the Department issued a draft acquisition letter covering meal costs under management and operating contracts.
- The Department established an Enterprise Architecture Repository describing its current information technology inventory and future requirements. Additionally, the Department made organizational changes and associated improvements to integrate the architecture efforts of various program offices with the overall Departmental architecture effort.
- The Department recovered over \$120,000 in unallowable conference expenses and late payment interest charges at the Fermi National Accelerator Laboratory.
- The Department drafted new Pollution Prevention and Sustainable Environmental Stewardship Goals and related performance measures that will be used to report progress towards meeting those goals.
- The Western Area Power Administration acted to improve the management of its projects by directing project managers to perform risk assessments of critical tasks and develop contingency plans to mitigate identified risks.
- The National Nuclear Security Administration entered into a Memorandum of Understanding with the Department of Defense with regard to the requirements and logistics of the Joint Technical Operations Team, which provides a rapidly deployable technical response primarily to potential nuclear incidents.
- The Department's Savannah River Site took proactive steps to strengthen internal controls over methamphetamine precursor chemicals as a result of issues identified in our report on "Internal Controls Over Methamphetamine Precursor Chemicals at the Y-12 National Security Complex and the Oak Ridge National Laboratory."
- The Oak Ridge National Laboratory modified its research and development work control process to ensure that the safeguards and security risks/threats of all biological projects are appropriately identified and analyzed.
- The management and operating contractor at INL modified a management control procedure to ensure that the accountability and chain of custody of Government property is maintained during the staging and transportation of excess property.
- The Y-12 National Security Complex revised its access policy, tightening existing restrictions to prevent inappropriate access to its facilities.
- The Office of Intelligence implemented an on-line training program to help ensure that intelligence personnel are familiar with the collection and retention requirements of intelligence activities.

## Qui Tams

Since 1996, the OIG has been instrumental in working with the Department of Justice in *Qui Tam* cases. The OIG is currently working on 25 *Qui Tam* lawsuits involving alleged fraud against the Government in the amount of approximately \$261 million. These cases are highly resource intensive, requiring the active participation of OIG investigative and audit assets. However, they have proven to be targets of opportunity within the Department with a high return on our investments.

## Management Referral System

The OIG operates an extensive Management Referral System. Under this system, selected matters received through the OIG Hotline or other sources are referred to the appropriate Department manager or other Government agency for review and appropriate action.

The OIG referred 60 complaints to Department management and other Government agencies during this reporting period and specifically requested Department management to respond concerning the actions taken on 30 of these complaints. Otherwise, Department management is asked to respond if it develops information or takes action that it believes should be reported. The following demonstrates management's use of OIG-provided information to stimulate positive change or to take decisive action:

- Although a Department program office review found no evidence to support an allegation that a contractor was using personnel reassignments to protect certain employees from a reduction-in-force, it did find evidence that minorities and persons over 40 were more likely to be adversely affected by the reduction-in-force. The program office directed the contractor to develop a corrective action plan and conducted a follow-up review of the plan's implementation.
- It was reported that a vendor's web site falsely claimed that the vendor's software complied with a current cryptographic standard. The cognizant Department program office determined that, although the vendor complied with an earlier version of the standard, it did not comply with the current version. The vendor removed the claim of cryptographic compliance from its website, and the program office made compliance with the standard a requisite component of the Department's license agreement with the vendor. Further, the program office recognized that compliance with Federal standards was an important issue and proposed to an interagency software group that "validation against all government standards" be required in future Federal software procurements.



## Intelligence Activities

The OIG issued two quarterly reports pursuant to Executive Order 12863, “President’s Foreign Intelligence Advisory Board.” The Order requires the Inspectors General of the Intelligence Community to report to the Intelligence Oversight Board concerning intelligence activities the Inspectors General have reason to believe may be unlawful or contrary to Executive order or Presidential directive. No intelligence activities were reported during this period that were contrary to Executive order or Presidential directive.

Also, we completed our review of a matter raised during a previous reporting period and issued a Letter Report on “Counterintelligence Evaluation Program Collection and Retention Activities.” We determined that officials with the Department’s Office of Counterintelligence collected and retained financial information on individuals without a foreign nexus, which may have been a violation of Executive Order 12333, “United States Intelligence Activities.” Although the Office of Counterintelligence ceased these collection activities, they retained the information. In response to our report recommendation, the Department’s General Counsel will confer with the Office of Counterintelligence to provide written guidance on information collection and retention requirements in Executive Order 12333.

## Legislative and Regulatory Review

The Inspector General Act of 1978, as amended, requires the OIG to review and comment upon legislation and regulations relating to Department programs and to make recommendations concerning the impact of such legislation or regulations on Departmental economy and efficiency. The OIG coordinated and reviewed 72 legislative and regulatory items and Department directives during the reporting period.

## Hotline System

The OIG operates a Hotline System to facilitate the reporting of allegations involving the programs and activities under the auspices of the Department. During this reporting period, 760 complaints were processed. The OIG Hotline System can be reached by calling 1-800-541-1625 or 1-202-586-4073.

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# Reports Issued

Audit Reports Issued – April 1, 2005, to September 30, 2005

Report Number	Title	Date of Issue	Savings	Questioned Costs
IG-0684	<i>Deactivating and Decommissioning Facilities at the Savannah River Site</i>	04-14-05	\$2,000,000	
IG-0685	<i>The Retention and Management of the Department's Records</i>	04-15-05	\$2,000,000	
IG-0686	<i>Development and Implementation of the Department's Enterprise Architecture</i>	04-21-05		
IG-0688	<i>National Nuclear Security Administration's Pit Disassembly and Conversion Facility</i>	05-03-05	\$204,000,000	
IG-0689	<i>Selected Energy Efficiency and Renewable Energy Projects</i>	05-12-05		\$252,000
IG-0690	<i>Contractor Post-Retirement Health Benefits at the Oak Ridge Reservation</i>	05-20-05		\$525,272
IG-0692	<i>Management of Fossil Energy Cooperative Agreements</i>	07-08-05		\$33,000,000
IG-0696	<i>Use of Oversight Funds by the State of Nevada and Affected Units of Local Government</i>	07-29-05		\$1,175,864
IG-0697	<i>The National Nuclear Security Administration's Refurbishment of the B61</i>	08-30-05		
IG-0698	<i>Sludge Removal Operations at the Hanford Site's K Basins</i>	09-09-05		
IG-0699	<i>The Los Alamos National Laboratory Hydrodynamic Test Program</i>	09-16-05		

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
IG-0700	<i>The Department's Unclassified Cyber Security Program – 2005</i>	09-27-05		
IG-0702	<i>Use of Performance Based Incentives by the Office of Civilian Radioactive Waste Management</i>	09-30-05	\$3,995,887	
OAS-M-05-04	<i>Management Controls over Meal Expenses at Management and Operating Contractors</i>	04-20-05		\$255,425
OAS-M-05-05	<i>Management Controls over Patent and Royalty Income at Ames Laboratory</i>	05-10-05	\$252,000	
OAS-M-05-06	<i>Management Controls over Selected Departmental Critical Monitoring and Control Systems</i>	06-03-05		
OAS-M-05-07	<i>Management Controls over the Technology Transfer and Commercialization Program at the Idaho National Laboratory</i>	06-13-05		
OAS-M-05-08	<i>Management Controls over the National Environmental Policy Act Decisions at the Idaho Operations Office</i>	08-11-05		
OAS-L-05-06	<i>Contractor-Provided Meals for Federal Employees</i>	05-09-05		
OAS-L-05-07	<i>The Department of Energy's Annual Report to Congress on Management and Operating Contractor Employees in the Washington, D.C. Area</i>	06-10-05		
OAS-L-05-08	<i>Department of Energy's Implementation of its Chronic Beryllium Disease Prevention Program</i>	06-16-05		

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-L-05-09	<i>National Nuclear Security Administration's Deferred Maintenance</i>	08-11-05		
OAS-L-05-10	<i>Agreed-Upon Procedures for Federal Payroll</i>	07-29-05		
OAS-L-05-11	<i>Management of the Off-site Sealed Sources Recovery Project</i>	08-11-05		
OAS-L-05-12	<i>Limited Life Component Exchange Program</i>	08-08-05		
OAS-V-05-06	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Bechtel BWXT Idaho, LLC Under Department of Energy Contract No. DE-AC07-99ID13727</i>	04-21-05		
OAS-V-05-07	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Fermi National Accelerator Laboratory Under Department of Energy Contract No. DE-AC02-76CH03000</i>	05-09-05		\$137,294
OAS-V-05-08	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to UT-Battelle, LLC Under Department of Energy Contract No. DE-AC05-00OR22725</i>	05-19-05		

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-V-05-09	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to the Westinghouse Savannah River Company Under Department of Energy Contract No. DE-AC09-96SR18500</i>	07-28-05		
OAS-V-05-10	<i>Review of the Independent Auditor's Report on Los Alamos County for the Year Ending June 30, 2003</i>	07-25-05		
OAS-V-05-11	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to BWXT Y-12, LLC Under Department of Energy Contract No. DE-AC05-00OR22800</i>	08-11-05		
OAS-V-05-12	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Argonne National Laboratory Under Department of Energy Contract No. W-31-109-ENG-38</i>	08-19-05		\$5,881
OAS-V-05-13	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Bechtel Jacobs Company, LLC Under Department of Energy Contract Nos. DE-AC05-98OR22700 and DE-AC05-03OR22980</i>	08-31-05		

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-V-05-14	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to West Valley Nuclear Services Co., Inc., Under Department of Energy Contract No. DE-AC24-81NE44139 for Fiscal Years 1999 through 2004</i>	09-29-05		
OAS-FS-05-05	<i>Federal Energy Regulatory Commission's Fiscal Year 2004 Financial Statement Audit</i>	05-10-05		
OAS-FS-05-06	<i>Department of Energy Isotope Program's Fiscal Year 2004 Financial Statement Audit</i>	06-13-05		

## Inspection Reports Issued – April 1, 2005, to September 30, 2005\*

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>
IG-0687	<i>Property Control and Accountability at the Idaho National Laboratory</i>	04-28-05
INS-L-05-04	<i>Beryllium Contamination Concerns at the Y-12 National Security Complex</i>	06-03-05
IG-0691	<i>Security Access Controls at the Y-12 National Security Complex</i>	06-14-05
INS-L-05-05	<i>Inspection of Procurement of Security Equipment</i>	06-15-05
IG-0693	<i>Review of Security at the Strategic Petroleum Reserve</i>	06-17-05
IG-0694	<i>Protective Force Training at the Department of Energy's Oak Ridge Reservation</i>	06-24-05
INS-L-05-06	<i>Survey of Selected Department of Energy Intelligence Collection Activities</i>	06-28-05
IG-0695	<i>Coordination of Biological Select Agent Activities at Department of Energy Facilities</i>	07-27-05
INS-L-05-07	<i>Disposal of Personal Property at Southwestern Power Administration</i>	08-17-05
INS-L-05-08	<i>Counterintelligence Evaluation Program Collection and Retention Activities</i>	09-23-05
IG-0701	<i>Electronic Recording of Telephone and Radio Conversations by Sandia Protective Force Management</i>	09-30-05
IG-0703	<i>Characterization Wells at Los Alamos National Laboratory</i>	09-30-05

\*Does not include non-public reports





# Statistical Information

## Audit Report Statistics – April 1, 2005, to September 30, 2005

*The following table shows the total number of operational and financial audit reports and the total dollar value of the recommendations:*

	<b>Total Number</b>	<b>One Time Savings</b>	<b>Recurring Savings</b>	<b>Total Savings</b>
Those issued before the reporting period for which no management decision has been made*	4	\$1,565,219,640	\$6,000,000	\$1,571,219,640
Those issued during the reporting period	36	\$247,599,623	\$0	\$247,599,623
Those for which a management decision was made during the reporting period*	19	\$278,639,498	\$0	\$278,639,498
Agreed to by management		\$233,739,054	\$0	\$233,739,054
Not agreed to by management		\$5,443,996	\$0	\$5,443,996
Those for which a management decision is not required	14	\$0	\$0	\$0
Those for which no management decision has been made at the end of the reporting period*	7	\$1,573,636,213	\$6,000,000	\$1,579,636,213

*\*The figures for dollar items include sums for which management decisions on the savings were deferred.*

## Audit Report Statistics – April 1, 2005, to September 30, 2005

*The following table shows the total number of contract audit reports and the total dollar value of questioned and unsupported costs:*

	Total Number	Questioned Costs	Unsupported Costs
Those issued before the reporting period for which no management decision has been made	1	\$151,354	\$0
Those issued during the reporting period	0	\$0	\$0
Those for which a management decision was made during the reporting period	0	\$0	\$0
Value of disallowed costs		\$0	\$0
Value of costs not disallowed		\$0	\$0
Those for which a management decision is not required	0	\$0	\$0
Those for which no management decision has been made at the end of the reporting period	1	\$151,354	\$0

### Reports Lacking Management Decision

The Department has a system in place to track audit reports and management decisions. Its purpose is to ensure that recommendations and corrective actions indicated by audit agencies and agreed to by management are addressed as efficiently and expeditiously as possible. Listed below are audit reports over six months old that were issued before the beginning of the reporting period and for which no management decisions had been made by the end of the reporting period. The reasons management decisions had not been made and the estimated dates (where available) for achieving management decisions are also included.

#### ■ Contract Audits

**ER-C-97-01:** Report on Interim Audit of Costs Incurred Under Contract No. DE-AC24-92OR219721 from October 1, 1994, to September 30, 1995, Fernald Environmental Restoration Management Corporation, Fernald, Ohio, December 20, 1996 – *The finalization of the management decision for this contract report is pending the completion of analyses and other actions required to support the Contracting*

*Officer's final determination on the settlement of questioned costs. The estimated closure date is December 31, 2005.*

#### ■ Management Audits

**CR-B-99-02:** Management of Unneeded Materials and Chemicals, September 30, 1999 – *The finalization of the management decision is pending the completion of the Department's disposition program for the unneeded materials and chemicals. The elements assigned to develop the disposition programs are currently finalizing the plans to identify and categorize unneeded materials for their respective organizations. Completion of all actions is expected by December 30, 2005.*

**IG-0565:** Salt Processing Project at the Savannah River Site, August 27, 2002 – *The finalization of the management decision for this report is pending the completion and approval of the determination for salt waste disposal, in accordance with Section 3116 of the National Defense Authorization Act for Fiscal Year 2005. This determination should occur by November 30, 2005.*

**IG-0669:** Use and Management of Mobile Communications Services, December 14, 2004 – *The finalization of the management decision for this report is awaiting review and concurrence by the necessary Departmental elements. This should occur by December 31, 2005.*

## Prior Significant Recommendations Not Implemented

As of September 2005, closure actions on recommendations in 39 OIG reports had not been fully implemented within 12 months from the date of report issuance. This includes actions on 36 operational, performance, and financial reports and 3 contract reports. The OIG is committed to working with management to expeditiously address the management decision and corrective action process, recognizing that certain initiatives will require long-term, sustained, and concerted efforts. The Department has undertaken a series of initiatives to strengthen its process for addressing recommendations in OIG reports and closed 348 recommendations in the last 6 months. Management updates the Departmental Audit Report Tracking System on a quarterly basis, most recently in September 2005. Information on the status of any report recommendation can be obtained through the OIG's Office of Audit Services and Office of Inspections and Special Inquiries.

## Inspection Statistics – April 1, 2005, to September 30, 2005

Inspections/Special Inquiries open at the start of this reporting period	74
Inspections/Special Inquiries opened during this reporting period	24
Inspections/Special Inquiries closed during this reporting period	18
Inspections/Special Inquiries open at the end of this reporting period	80
Reports issued (includes non-public reports)	17
Report Recommendations*	
<i>Issued this reporting period</i>	39
<i>Accepted by management this reporting period</i>	37
<i>Implemented by management this reporting period</i>	56
Complaints referred to Department management/others	60
<i>Referrals to Department management requesting a response for OIG evaluation</i>	30

\*Includes non-public report recommendations

## Hotline Statistics – April 1, 2005, to September 30, 2005

Hotline calls, emails, letters, and other complaints	760*
Hotline calls, emails, letters, and other complaints predicated	208
Unresolved Hotline predications from previous reporting period	28
<i>Total Hotline predications</i>	236
Hotline predications transferred to the Management Referral System	95
Hotline predications closed based upon preliminary OIG activity	130
Hotline predications pending disposition	11
<i>Total predications processed</i>	236

\*The figure includes complaints outside the purview of the Office of Inspector General. The complainants were referred to the appropriate Federal, State, local, or private organization for assistance, if applicable.

## Investigative Statistics – April 1, 2005, to September 30, 2005

Investigations open at the start of this reporting period	249
Investigations opened during this reporting period	62
Investigations closed during this reporting period	33
Investigations open at the end of this reporting period	278
<i>Qui Tam</i> investigations opened	2
<i>Total open Qui Tam investigations as of 9/30/05</i>	25
Multi-agency task force investigations opened	18
<i>Total open multi-agency task force investigations as of 9/30/05</i>	122
Investigative reports to prosecutors and Department management	16
Recommendations to management for positive change and other actions	19
Administrative discipline and other management actions	38
Suspensions/Debarments	16
Investigations referred for prosecution	17
<i>Accepted*</i>	18
<i>Indictments</i>	10
<i>Criminal convictions</i>	6
<i>Pretrial diversions</i>	1
<i>Civil actions</i>	4
Fines, settlements, recoveries**	\$5,680,993.27

\*Some of the investigations accepted during the 6-month period were referred for prosecution during a previous reporting period.

\*\*Some of the money collected was the result of task force investigations.

# Feedback Sheet

The contents of the October 2005 Semiannual Report to Congress comply with the requirements of the Inspector General Act of 1978, as amended. If you have any suggestions for making the report more responsive, please complete this feedback sheet and return it to:

**United States Department of Energy  
Office of Inspector General (IG-1)  
Washington, D.C. 20585**

**ATTN: Juston Fontaine**

Name: \_\_\_\_\_

Daytime Telephone Number: \_\_\_\_\_

Comments/Suggestions/Feedback:  
*(Please attach additional sheets if needed.)*



U.S. Department of Energy  
OFFICE OF INSPECTOR GENERAL