



## Department of Energy

Washington, DC 20585

September 18, 2015

Dr. Charles F. McMillan  
President  
Los Alamos National Security, LLC  
Los Alamos National Laboratory  
P.O. Box 1663  
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Los Alamos, New Mexico 87545

SEL-2015-02

Dear Dr. McMillan:

The Office of Enterprise Assessments' Office of Enforcement has completed an onsite fact-finding visit to follow up on the results of the Department of Energy (DOE) Office of Inspector General (IG) report, *Allegations Concerning Information Protection at Los Alamos National Laboratory*, dated February 11, 2015, as well as an incident of security concern (IOSC) regarding the unauthorized disclosure of classified information. The IOSC was identified in Safeguards and Security Information Management System report LAFO-07/2014-004, dated December 2, 2014. The Office of Enforcement's visit was conducted March 17-18, 2015, at the Los Alamos National Laboratory (LANL). Based on the evaluation of relevant information provided during and after this visit, the Office of Enforcement has identified concerns that warrant continued senior management attention by Los Alamos National Security, LLC (LANS).

The IG report identified three IOSCs that involved the misclassification of classified information, which resulted from the LANL Classification Office not ensuring the timely, appropriate distribution of a classification bulletin and interpretive guidance to LANL classification analysts and derivative classifiers. The IG report identified another IOSC that resulted from LANS inappropriately identifying classified information as a Designated Unclassified Subject Area (DUSA), which could permit the public release of information without a derivative classification review. The Office of Enforcement validated the IG's concerns and noted that the LANL Classification Office lacks formal, documented processes for the timely distribution of classification and interpretive guidance. The Office of Enforcement also identified shortcomings in the DUSA review process that could potentially lead to instances of unauthorized disclosure if not appropriately addressed.

The IG report further identified two instances in which the potential unauthorized disclosure of classified information was not immediately reported to the LANL security



incident team (SIT), as required. In response to these two instances, LANS initiated an IOSC inquiry to address potential concerns regarding the roles and responsibilities of the LANL SIT. The Office of Enforcement reviewed LANS IOSC inquiry reports associated with both the IG report and the LAFO-07/2014-004 incident, and determined that the facts and contributing factors identified in the inquiry reports do not always correspond to the associated root cause or corrective actions.

LANS has developed and implemented several corrective actions in response to recommendations provided in the IG report and discussions with the Office of Enforcement during the fact-finding visit. LANS' most recent list of corrective actions, dated May 22, 2015, appears adequate in addressing concerns involving: (1) the distribution of classification and interpretive guidance as necessary; (2) the thoroughness and accuracy of inquiry reports in identifying root causes and corrective actions; and (3) shortcomings associated with the DUSA review process. However, DOE finds that LANS senior management attention is needed to ensure that corrective actions are completed, sustained, and effective to prevent recurrence.

The Office of Enforcement has elected to issue this Enforcement Letter to convey concerns regarding the foregoing deficiencies. Issuance of this Enforcement Letter reflects DOE's decision to not pursue further enforcement activity against LANS at this time. In coordination with the National Nuclear Security Administration, the Office of Enforcement will continue to monitor LANS' efforts to improve security performance.

This letter imposes no requirements on LANS, and no response is required. If you have any questions, please contact me at (301) 903-7707, or your staff may contact Mr. Steven G. Crowe, Director, Office of Security Enforcement, at (301) 903-0107.

Sincerely,



Steven C. Simonson  
Director  
Office of Enforcement  
Office of Enterprise Assessments

cc: Kimberly Davis Lebak, NA-LA  
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