



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

# AUDIT REPORT

OAI-M-17-02

December 2016

**FOLLOWUP ON THE DEPARTMENT  
OF ENERGY'S ANALYTICAL  
SERVICES PROGRAM**



**Department of Energy**  
Washington, DC 20585

December 15, 2016

MEMORANDUM FOR THE ASSOCIATE UNDER SECRETARY FOR ENVIRONMENT,  
HEALTH, SAFETY AND SECURITY

A handwritten signature in black ink that reads "Sarah B. Nelson".

FROM: Sarah B. Nelson  
Assistant Inspector General  
for Audits and Administration  
Office of Inspector General

SUBJECT: INFORMATION: Audit Report for the "Followup on the Department  
of Energy's Analytical Services Program"

BACKGROUND

The Department of Energy's Analytical Services Program ensures that the data acquired from commercial analytical environmental laboratories are valid, reliable, and defensible. The program also ensures that the treatment and disposal of the Department's low-level radioactive and mixed waste are in accordance with all applicable regulations and in a manner protective of human health and the environment. The Analytical Services Program is a corporate program, servicing all Department program line organizations, including the National Nuclear Security Administration. The Department expended more than \$70 million during fiscal year (FY) 2016 for contracted services at commercial environmental analytical laboratories and waste management treatment, storage, and disposal facilities (TSDF).

Our prior report on the *Audit of the Department of Energy's Commercial Laboratory Quality Assurance Evaluation Program* (IG-0374, June 1995) disclosed that contractors conducted redundant quality assurance evaluations of commercial laboratories, produced inconsistent results, and did not communicate those results to contractors. In fact, the report noted that 103 of the 206 quality assurance evaluations reviewed were redundant. We initiated this audit to determine if the Department had corrected weaknesses identified in our prior report and was effectively and efficiently managing the Analytical Services Program.

RESULTS OF AUDIT

We found that the Department had taken corrective actions to address the issues identified in our 1995 report. During our audit, we did not identify any redundant audits of commercial analytical laboratories, as previously identified, nor did we identify any redundant audits of TSDFs. We also found processes in place to ensure consistent results and the communication of those results throughout the Department. For example, the Department of Energy's Consolidated Audit Program (DOECAP) shares audit results and program information with Department sites,

commercial laboratories, and TSDFs. In response to our prior recommendations, the Department created the Analytical Services Program, which consists of three component elements: DOECAP, the Mixed Analyte Performance Evaluation Program, and the Visual Sample Plan.

DOECAP conducts consolidated qualification audits of participating commercially operated analytical environmental laboratories and commercial waste TSDFs to assess their ability to provide services in a manner that is technically defensible and legally compliant, based on established contractual and applicable regulatory requirements. The Mixed Analyte Performance Evaluation Program serves as the Department's only performance evaluation program providing quality assurance oversight for environmental analytical services. The Visual Sample Plan is a multiagency-sponsored sampling design and statistical assessment software toolkit that is used to determine the number and location of samples to ensure confident and statistically defensible decisions, as well as to perform statistical and data quality assessment in support of the decision-making process.

Nothing came to our attention indicating that the Department was not managing the three program components effectively and efficiently. However, we identified one area that requires management's attention. We found that DOECAP auditors did not always properly handle sensitive unclassified information and used personally owned devices to access, store, and potentially transmit information categorized and marked as Official Use Only (OUO).

### **Use of Personally Owned Devices to Access Official Use Only Information**

We found that DOECAP auditors were using personally owned devices to access OUO information while conducting audits of commercial analytical laboratories and TSDFs. Using personally owned devices circumvents the Department's methods of ensuring proper authentication, file access controls, and passwords to prevent unauthorized access to OUO information. In FY 2015, DOECAP conducted 28 audits with approximately 120 volunteer auditors (consisting of both Federal and contractor employees) and planned to conduct 31 audits in FY 2016. During a DOECAP pre-audit conference call, it came to our attention that two auditors were planning on using their personal computers to access prior OUO DOECAP audit reports and audit checklists while conducting the audit. These prior audit reports and checklists may identify deficiencies or vulnerabilities at the laboratories and TSDFs; therefore, they should be adequately protected from unauthorized access due to the potential risk and liability to the Department. The deficiencies can include programmatic or system failures; an imminent threat to the safety and health of the workers, the public, or the environment; unlawful or unethical practices; pervasive data quality failures; and failures that clearly increase risk to the Department. According to the *DOECAP Policies and Practices*, these audit reports and checklists are treated as OUO.

Department Order 471.3, *Identifying and Protecting Official Use Only Information*, defines OUO information as information that has the potential to damage governmental, commercial, or private interests if disseminated to persons who do not need access to perform their jobs or other Department-authorized activities. In addition, Department Manual 471.3-1, *Manual for Identifying and Protecting Official Use Only Information*, states that reasonable precautions must be taken to prevent access by unauthorized persons to documents marked OUO. DOECAP

requires auditors to sign the “Standard DOECAP Confidentiality Agreement” to certify that they will only use the information for authorized purposes and will handle it as proprietary information. Furthermore, the DOECAP uses Office of Science servers to store its audit files. To gain access to these files, each DOECAP auditor is required to sign the “Office of Science, General Support System Rules of Behavior,” which states that users are not permitted to access, process, or store Unclassified Controlled Information (e.g., OOU) on personally owned devices unless the user has approval from Office of Science management. The approving authority that we contacted for this permission confirmed that no exceptions were granted to DOECAP.

Two Analytical Services Program auditors stated they were using personal computers because of restrictions that their sites had placed on access to the Universal Serial Bus ports, commonly referred to as USB ports, on Government-issued laptops. The Analytical Services Program manager has acknowledged that the use of personally owned devices is an issue throughout the program. Although we were unable to determine the exact number, DOECAP officials estimated that about half of their auditors used personally owned devices to conduct DOECAP audits. Furthermore, officials stated that the use of personal email to transmit OOU information was possible. In fact, we identified multiple instances where information marked OOU was sent to a non-Government email address. Using personal email circumvents the Department’s automated information system, which is used to transmit and store official email and prevents access to OOU information by persons who do not require the information to perform their jobs or other Department-authorized activities.

## RECOMMENDATIONS

To ensure the protection of OOU information within the Department’s Consolidated Audit Program, we recommend that the Associate Under Secretary for Environment, Health, Safety and Security direct the Manager, Analytical Services Program to:

1. Develop a strategy to ensure that DOECAP auditors do not use personally owned devices to process or store OOU information in the conduct of analytical laboratory and TSDF audits; and
2. Ensure that all DOECAP auditors access, store, transmit, and destroy information marked OOU in accordance with all Department and Office of Science requirements.

## MANAGEMENT RESPONSE

Management concurred with the report’s recommendations and indicated that corrective actions had been initiated or were planned to address the issues identified in the report. Specifically, management noted that it is currently evaluating options to avoid the use of personal computers while accessing OOU DOECAP-related information. Furthermore, management plans to retrain all DOECAP auditors on the Department and Office of Science requirements for handling OOU information.

## AUDITOR COMMENTS

We consider management's comments and planned corrective actions to be responsive to the report's recommendations. Management's comments are included in Attachment 3.

Attachments

cc: Deputy Secretary  
Chief of Staff

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### OBJECTIVE

We performed this audit to determine if the Department had corrected weaknesses identified in our prior report and was effectively and efficiently managing the Analytical Services Program.

### SCOPE

This audit was conducted between December 2015 and December 2016 at Department Headquarters in Germantown, Maryland. The scope of the audit included activities conducted under the Analytical Services Program during fiscal years 2015 and 2016. This audit was conducted under Office of Inspector General project number A16GT016.

### METHODOLOGY

To accomplish our audit objective, we:

- Reviewed applicable laws and regulations pertaining to analytical services;
- Reviewed policies and procedures related to the Department of Energy Consolidated Audit Program (DOECAP);
- Reviewed prior reports issued by the Office of Inspector General;
- Interviewed DOECAP, Mixed Analyte Performance Evaluation Program, and Visual Sample Plan personnel; and
- Reviewed and analyzed DOECAP audits and internal policies related to the Department's Analytical Services Program.

In addition, we gathered information on potential redundant audits, audit frequency, and the perceived quality of the Analytical Services Program using questionnaires and data requests. These questionnaires and data requests were sent to 10 Department sites that contract with commercial laboratories and treatment, storage, and disposal facilities (TSDFs) for analytical services; 5 commercial laboratories; and 5 TSDFs. We judgmentally selected sites based on the annual dollar amount of analytical services performed and the number of Department sites that the laboratories and TSDFs supported. Because we used a judgmental sample of locations, the results were limited to the locations selected.

We conducted this performance audit in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Accordingly, we assessed significant internal controls and compliance with laws and regulations necessary to satisfy the

audit objective. In particular, we assessed the implementation of the *GPRA Modernization Act of 2010* and found that the Analytical Services Program had established performance measures specifically related to the analysis of mixed analytes. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. Finally, we did not rely on computer-processed data to achieve our audit objective and therefore did not conduct a reliability assessment of computer-processed data.

Department officials waived the exit conference on November 15, 2016.

**PRIOR REPORT**

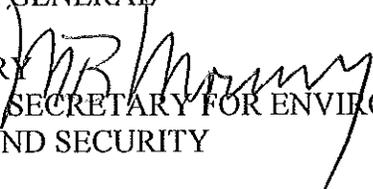
Audit Report on the [\*Audit of the Department of Energy's Commercial Laboratory Quality Assurance Evaluation Program\*](#) (DOE/IG-0374, June 1995). The audit disclosed that contractors conducted redundant quality assurance evaluations of commercial laboratories, did not evaluate others, applied standards inconsistently, produced inconsistent results, and did not communicate those results among contractors. The audit found that 103 of the 206 quality assurance evaluations covered by the review were redundant, and one laboratory was subjected to 11 redundant evaluations. The audit concluded that a third-party laboratory accreditation program, commonly used by other Federal agencies and private sector firms, could provide overall cost, quality, and efficiency benefits to the Department of Energy.



Department of Energy  
Washington, DC 20585

November 2, 2016

MEMORANDUM FOR RICKEY R. HASS  
ACTING INSPECTOR GENERAL

FROM: MATTHEW B. MOURY   
ASSOCIATE UNDER SECRETARY FOR ENVIRONMENT,  
HEALTH, SAFETY AND SECURITY

SUBJECT: IG DRAFT AUDIT REPORT COMMENTS: "Follow-up Audit of the  
Department of Energy's Analytical Services Program" (A16GT016)

Thank you for the opportunity to respond to the Office of the Inspector General's draft audit report entitled: "Follow-up Audit of the Department of Energy's Analytical Services Program."

**Recommendation 1:** Develop a strategy to ensure that DOECAP auditors are not using personally owned devices to process or store (OUO) information in the conduct of analytical laboratory and TSDF audits.

**Action Plan:** The Office of Environment, Health, Safety and Security (AU) is communicating to all Department of Energy Consolidated Audit Program (DOECAP) auditors the audit findings, and is currently evaluating options to avoid the use of personal computers while accessing Official Use Only (OUO) DOECAP-related information. At this time, many options are being considered while taking into account budget constraints as well as the Department and Office of Science requirements for OUO information. These options range from software based solutions, such as requiring use of Citrix which ensures no OUO material can be saved to a personal system, to requiring the use of DOECAP dedicated hardware or corporate computers. In addition, AU has made an inquiry to the Office of General Counsel to discuss options or elimination of the OUO designation on DOECAP-related information.

**Estimated Completion Date:** September 30, 2017

**Recommendation 2:** Ensure that all DOECAP auditors access, store, transmit, and destroy information marked OUO in accordance with all Department and Office of Science requirements.

**Action Plan:** AU will be conducting conference calls to retrain all DOECAP auditors on the Department and Office of Science requirements to ensure that all auditors understand how to handle OUO information.

**Estimated Completion Date:** February 28, 2017



## **FEEDBACK**

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Department of Energy  
Washington, DC 20585

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