



**U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL**

**FY 2019
PERFORMANCE REPORT**

**FYs 2020-2022
PERFORMANCE PLAN**

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AT A GLANCE: PERFORMANCE RESULTS FOR FY 2019

The Office of Inspector General (OIG) continues to make positive contributions to the Department's mission-related priorities. Impact of our efforts for FY 2019 include:

Total Reports Issued	55
Questioned Costs	\$70 million
Unsupported Costs	\$269.5 million
Suspensions and Debarments	33
Civil and Administrative Actions	134
Hotline Complaints and Inquiries	2,809

OVERVIEW

This report consolidates the results of our accomplishments for FY 2019 and a presentation of our FYs 2020 and 2021 performance measures to track our future performance. Accomplishing these goals and measures are key to achieving our organizational vision and mission.

Performance Goals

- ❖ Provide independent, accurate, timely, and balanced information to the Department, Congress, and other key stakeholders in order to promote economy and efficiency in Department programs and operations.
- ❖ Conduct objective criminal, civil, and senior level misconduct investigations and operate a hotline that receives concerns about Department operations to deter, detect, and disrupt threats to the Department and American taxpayers.
- ❖ Enhance, support, and sustain a highly qualified and diverse workforce that enables excellence and innovation.
- ❖ Facilitate transparency by providing effective Whistleblower Ombudsman support, efficient Freedom of Information Act (FOIA) processes, and timely responses to Congress.

OUR ORGANIZATION

The Office of Inspector General (OIG) is headquartered in Washington, DC and has field offices located throughout the country. The organization is responsible for conducting audits, inspections, and investigations and for receiving and acting upon allegations reported through the OIG Hotline. The organization also has a corporate support function that addresses the administrative management of the organization.

OFFICE OF AUDITS conducts audits of Department programs and operations. In-depth efforts are concentrated on providing reliable and credible financial and performance information and recommendations for improvements to senior Agency/Department management, Congress, and the U.S. taxpayer. A risk-based process is used to identify areas for audit coverage based on known or emerging risks and the greatest vulnerabilities to the Department's mission and operations. This process ensures comprehensive coverage over Department organizations, programs, and operations while meeting the Department's evolving needs. Special reviews of high profile, unplanned, or immediate matters can also be addressed by audits throughout the year.

OFFICE OF INSPECTIONS, INTELLIGENCE OVERSIGHT, AND SPECIAL PROJECTS conducts independent and thorough reviews of Department programs and operations to evaluate operational efficiency, effectiveness, and vulnerability. Inspections consist of three types of assessments and reviews: (1) Performance-based Inspections – focused on fact-finding and analyses concerning specific issues and topics; (2) Allegation-based Inspections – focused, fact-finding efforts that are typically responsive to allegations of waste, fraud, abuse, or mismanagement; and (3) Special Projects – expedited reviews responsive to requests from entities such as Congress, the Secretary, senior Department officials, the Inspector General, or the Deputy Inspector General. These reviews typically concern high profile or particularly sensitive matters and may be performance-based or allegation-based in nature. In addition, this office has responsibility for reviewing the Department's Intelligence and Counterintelligence programs and operations, including the Department's oversight responsibility in accordance with Executive Order 12333, "United States Intelligence Activities." Finally, this office also includes the OIG Hotline operations, which facilitates the reporting and resolution of allegations of fraud, waste, abuse, and mismanagement involving Department programs and activities. Allegations are received from Department employees, contractors, and the general public. Upon receipt of a specific allegation, the OIG may open an investigation, audit, or inspection; refer the matter to Department management for appropriate review and action; or refer the allegation to another Federal agency. The OIG Hotline also conducts whistleblower investigations under 41 USC 4712, *Enhancement of contractor protection from reprisal for disclosure of certain information*.

OFFICE OF TECHNOLOGY, FINANCIAL, AND ANALYTICS (OTFA) promotes the effective, efficient, and economical operation of the Department of Energy's programs and operations, including the National Nuclear Security Administration and the Federal Energy Regulatory Commission, through audits, inspections, and other reviews including the identification and analysis of Departmental data. The OTFA combines audit and data evidence to address management and security issues. OTFA conducts audits, inspections and assessments of the Department's information technology systems and related initiatives, with focus on cyber security, information management, and the Federal Information Security Modernization Act. OTFA further provides timely, reliable expert data analysis in support of ongoing audits and investigations, develops risk models, and coordinated data mining efforts. OTFA uses the latest technology and techniques to discover current and emerging cyber and economic threats and coordinate data analysis. The combine efforts of OTFA helps to ensure that information technology issues are properly addressed and not overlooked.

OFFICE OF INVESTIGATIONS addresses alleged violations of law that impact Department programs, operations, facilities, and personnel. Priority is given to investigations of suspected violations of criminal and civil statutes, as well as serious administrative misconduct. Investigations are also used to identify opportunities for improving the economy and efficiency of Department programs and operations by identifying recommendations for positive change. Investigators work closely with Department of Justice prosecutors and other Federal, State, and local law enforcement organizations.

CHIEF COUNSEL provides legal advice to senior leadership, serves as the primary liaison to Congressional staff, and manages the Freedom of Information Act process. Also within this office is the OIG Whistleblower Ombudsman who educates Department employees about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if anyone retaliates against them for making a whistleblower disclosure.

SENIOR COUNSEL AND FREEDOM OF INFORMATION ACT AND PRIVACY ACT DIVISION provides executive leadership and direction to all FOIA and Privacy Act operations and business management activities in the Office of Inspector General. The FOIA and Privacy Act Division and in collaboration with the Deputy Inspector General and/or Chief Counsel coordinates e-Discovery efforts including developing and managing information processes, requirements and technology systems within a complex organization in support of high-level litigation, investigations, and Congressional responses, and provides guidance to senior management officials across OIG regarding federal disclosure laws and governmental procedures with respect to disclosure of agency records and protection of personally identifiable information.

OFFICE OF MANAGEMENT AND ADMINISTRATION directs the development, coordination, and execution of overall OIG management and administrative policy and planning. This responsibility includes human resource activities and consultation, directing the OIG's strategic planning process, financial management activities, personnel management and security programs, administrative support services, and information technology programs.

MEASURING OUR PERFORMANCE

Goal 1

Provide independent, accurate, timely, and balanced information to the Department, Congress and other key stakeholders in order to promote economy and efficiency in Department programs and operations.

Goal Leader: *Deputy Inspector General*

Performance Measures	FY 2019	FY 2020	FY 2021	FY 2022
1.1 Percentage of audit products issued during the performance year that address top management challenges or Department of Energy high-risk areas.	Target: 75%	Target: 77%	Target: 78%	Target: 79%
	Actual: 95%			
1.2 Percentage of investigations initiated that fall within one of the established OIG mission priorities.	Target: 77%	Target: 77%	Target: 77%	Target: 77%
	Actual: 83%			
1.3 Percentage of technology and financial-based audits, inspections, and/or reviews issued during the year that address top management challenges or Department of Energy high-risk areas.		Target: 75%	Target: 77%	Target: 78%
1.4 Percentage of employees hired within established timeframes. (Average time no more than 5% longer than prior year.)	Target: 60%	Target: 62%	Target: 64%	Target: 66%
	Actual: 70%			
1.5 Percentage of completed legal reviews supported with sound advice within the established timeframes.		Target: 85%	Target: 87%	Target: 89%

Goal 2

Provide independent, accurate, timely, and balanced information to the Department, Congress and other key stakeholders in order to promote economy and efficiency in Department programs and operations.

Goal Leader: *Assistant Inspector General for Audits*

Performance Measures	FY 2019	FY 2020	FY 2021	FY 2022
2.1 Percentage of Office of Audit products issued during the performance year that address top management challenges or Department of Energy high-risk areas.	Target: 75%	Target: 77%	Target: 78%	Target: 79%
	Actual: 95%			
2.2 Percentage of Office of Audit products issued within the projected timeframes as established at the Decision Brief.	Target: 20%	Target: 22%	Target: 25%	Target: 28%
	Actual: 33%			
2.3 Percentage of Office of Audit reports with recommendations, suggestions, or corrective actions taken during the course of the engagement, that provide clear and convincing rationale for findings.	Target: 86%	Target: 87%	Target: 88%	Target: 89%
	Actual: 97%			

Goal 3

Conduct objective criminal, civil, and senior level misconduct investigations to deter, detect, and disrupt threats to the Department and American taxpayers.

Goal Leader: *Assistant Inspector General for Investigations*

Performance Measures	FY 2019	FY 2020	FY 2021	FY 2022
3.1 Number of fraud/cyber awareness briefings conducted to educate and inform Department employees, contractors, and grant recipients of the OIG mission and means of submitting allegations of fraud, waste, and abuse.	Target: 72 Briefings Actual: 147 Briefings	Target: 75 Briefings	Target: 77 Briefings	Target: 80 Briefings
3.2 Percentage of “open/active” investigations that have significant, documented investigative activity every quarter, as documented in quarterly case reviews.	Target: 72% Actual: 90%	Target: 75%	Target: 75%	Target: 77%
3.3 Percentage of investigations closed after being open more than 365 days with a reportable outcome, as defined by policy.	Target: 50% Actual: 52%	Target: 50%	Target: 55%	Target: 55%
3.4 Percentage of investigations initiated that fall within one of the established OIG mission priorities.	Target: 77% Actual: 83%	Target: 77%	Target: 77%	Target: 78%

Goal 4

Operate a hotline that receives concerns about Department operations to deter, detect, and disrupt threats to the Department and American taxpayers.

Goal Leader: *Assistant Inspector General for Inspections, Intelligence Oversight, and Special Projects*

Performance Measures	FY 2019	FY 2020	FY 2021	FY 2022
4.1 Percentage of inspection products issued within 1 year of the entrance conference.	Target: 20%	Target: 25%	Target: 28%	Target: 28%
	Actual: 33%			
4.2 Percentage of reports with suggestions, recommendations, or corrective actions taken during the course of the engagement, that provide clear and convincing rationale for findings.	Target: 86%	Target: 87%	Target: 88%	Target: 88%
	Actual: 97%			

Goal 5

Strengthen DOE’s business operations through improved financial management and the development of a secure and modern information technology infrastructure.

Goal Leader: *Assistant Inspector General for Technology, Financial, and Analytics*

Performance Measures	FY 2019*	FY 2020	FY 2021	FY 2022
5.1 Percentage of information technology and financial-based audits, inspections, and/or reviews developed in accordance with policy within projected timeframes as measured from start to completion.		Target: 20%	Target: 22%	Target: 25%
5.2 Percentage of technology and financial-based audits, inspections, and/or reviews issued during the year that address top management challenges or Department of Energy high-risk areas.		Target: 75%	Target: 77%	Target: 78%
5.3 Percentage of reports with recommendations or suggestions made to improve the operations and management of the Department.		Target: 86%	Target: 87%	Target: 88%
5.4 Percentage of analytical projects developed in accordance with policy within projected timeframes as measured start to completion.		Target: 50%	Target: 52%	Target: 55%

**The Office of Technology, Financial, and Analytics was established in FY 2019.*

Goal 6

Enhance, support, and sustain a highly qualified and diverse workforce that enables excellence and innovation.

Goal Leader: *Assistant Inspector General for Management and Administration*

Performance Measures	FY 2019	FY 2020	FY 2021	FY 2022
6.1 Percentage of employees hired within established timeframes. (Average time no more than 5% longer than prior year.)	Target: 60%	Target: 62%	Target: 64%	Target: 66%
	Actual: 70%			
6.2 Percentage of employees who respond to the Federal Employee Viewpoint Survey or other employee satisfaction surveys initiated by the organization.	Target: 68%	Target: 68%	Target: 68%	Target: 68%
	Actual: 78%			
6.3 Percentage of performance plans, individual development plans, progress reviews, and performance ratings finalized within prescribed timeframes.	Target: 94%	Target: 94%	Target: 94%	Target: 94%
	Actual: 99%			

Goal 7

Facilitate OIG operations by providing clear, timely, accurate and actionable legal advice, effective Whistleblower Ombudsman support and efficient FOIA processes.

Goal Leader: *Counsel to the Inspector General*

Performance Measures	FY 2019*	FY 2020	FY 2021	FY 2022
7.1 Percentage of legal reviews, supported with sound advice, completed within the established timeframes.		Target: 85%	Target: 87%	Target: 89%
7.2 Percentage of Congressional inquiries in which legal advice is provided within prescribed timeframes.		Target: 90%	Target: 92%	Target: 94%
7.3 Number of days to examine, evaluate, and provide initial responses, including appropriate fee notices, to FOIA and Privacy Act requests.		Target: 20 Days	Target: 20 Days	Target: 20 Days
7.4 Percentage of whistleblower claims in which legal advice is provided within established timeframes.		Target: 87%	Target: 89%	Target: 91%
7.5 Percentage of subpoenas prepared within established timeframes.		Target: 91%	Target: 93%	Target: 95%

**The Office of Counsel to the Inspector General was reorganized in FY 2019.*

APPENDIX A

Audit and Inspection Work Plan for FY 2020

Audits and Assessments

- Evaluation of Incurred Costs Coverage at Selected Department of Energy Management and Operating Contractors
- Office of Environmental Management's Consultant Subcontracts at Selected Sites
- Follow up Review on Incurred Cost Audit Coverage of Non-Management and Operating Contracts
- Savannah River National Laboratory's Management of Reimbursable Work
- Management of the Depleted Uranium Hexafluoride Conversion Project
- Direct Feed Low-Activity Waste Project at the Hanford Site
- Issues Management at the Waste Isolation Pilot Plant
- Department of Energy's Child Development Centers at Forrestal and Germantown Locations
- Follow up on the National Nuclear Security Administration's Management of Classified Weapons Parts
- Audit of Construction Subcontracts at Lawrence Berkeley National Laboratory
- Subcontract Administration at the Nevada National Security Site
- Assessment of Statements of Costs Incurred and Claimed for Los Alamos National Security, LLC – Los Alamos National Laboratory Fiscal Years 2017-2018
- Assessment of Statements of Costs Incurred and Claimed for Iowa State University – Ames Laboratory Fiscal Years 2015-2019
- Assessment of Statements of Costs Incurred and Claimed for the Trustees of Princeton University – Princeton Plasma Physics Laboratory Fiscal Years 2016-2019

Inspections

- Risk Assessment of the Department of Energy's GSA SmartPay2 Purchase Card Program
- Risk Assessment of the Department of Energy's Travel Card Program
- Fixed-Price Construction Subcontracts
- Evaluation of Hanford's Indemnity Claim Determination Process

Appendix A (cont.)**Technology Audits, Inspections, and Evaluations**

- The Department of Energy's Unclassified Cybersecurity Program – 2020
- The Federal Energy Regulatory Commission's Unclassified Cybersecurity Program – 2020
- Information Technology Management Letter for Fiscal Year 2019
- Management of the Cybersecurity Program at a Selected Department of Energy Location (Multiple)
- The Office of Environmental Management's Mission Information Protection Program
- The Department of Energy's Management of the Exascale Computing Project
- The Department of Energy's Cybersecurity Threat and Incident Management Program
- Information Technology and Cybersecurity Governance within the Office of Science
- The Department of Energy's Management of Information Technology Subcontractors at a Selected Site
- Management of the Department of Energy's Emergency Communications Systems at Selected Locations
- The Department of Energy's Protection and Management of Classified Information and Systems

Government Management Reform Act (GMRA)

- The Department of Energy's Fiscal Year 2020 Consolidated Financial Statements
- The Department of Energy's Improper Payment Reporting in the Fiscal Year 2019 Agency Financial Report
- The Fiscal Year 2020 Financial Statements of the Federal Energy Regulatory Commission
- The Fiscal Year 2020 Financial Statements of the Nuclear Waste Fund
- The Fiscal Year 2020 Combined Financial Statements of the Southwestern Federal Power System
- The Fiscal Year 2020 Combined Financial Statements of the Western Area Power Administration
- Management Letter on the Audit of the Department of Energy's Consolidated Financial Statements for Fiscal Year 2019

APPENDIX B

Investigative Work Plan Priorities for FY 2020

Contract and Grant Fraud

A majority of the Department's budget is expended on contracts and grants; therefore, the opportunity for fraud to occur or exist within various Department programs is significant. In FY 2020, Investigations will continue to: (1) prioritize contract and grant fraud investigations, placing emphasis on cases with a potential criminal prosecution and high dollar recovery to the Department with a focus on sub-contractor risks; (2) coordinate and pursue leads referred by the OIG Office of Audits and Inspections; and (3) proactively identify and pursue contract and grant fraud investigations.

Environment, Safety, and Health (ES&H)

The Department's program for cleaning up the environmental contamination caused by nuclear weapons research, production and testing is estimated to cost over \$250 billion over the next several decades. The OIG has identified environmental cleanup as a Department Management Challenge that is likely to persist well into the future. In FY 2020, Investigations will: (1) pursue investigations involving potential criminal ES&H violations; and (2) continue liaison efforts with ES&H contacts in the Department, the National Nuclear Security Administration (NNSA), and other Government agencies.

Issues Impacting the Integrity of Government Officials

Government officials have a responsibility to maintain the public's trust and confidence in the integrity of the Federal Government programs and operations. In FY 2020, based on information received through the OIG Hotline and other sources, the OIG Office of Investigations will continue to work with the Department of Justice to address allegations of criminal misconduct and ethical lapses on the part of government officials. The Office of Investigations will also continue to investigate related activities that may have resulted in fraud, waste, abuse and mismanagement.

Cybercrimes

The Office of Investigations' Cyber Investigations and Forensic Analysis (CIFA) is staffed by investigators with the specialized skills necessary to proactively and reactively investigate the expanding number of complex cybercrimes that are allegedly occurring within many of the Department's programs. CIFA further strengthens the Office of Investigations' support to the Department, including NNSA, in detecting, preventing and investigating illegal network intrusions. During FY 2020, CIFA will: (1) continue to proactively support OIG fraud investigations through consultations and forensic media analysis; (2) investigate

Appendix B (cont.)

incidents of cybercrimes and non-compliance with applicable regulations involving protection of the information infrastructure throughout the Department; (3) extend the Office of Investigations' role in cyber incident response and investigations in the Department through participation in various interagency working groups; and (4) provide cybercrimes awareness briefings throughout the Department complex.

National Security and Intellectual Property

The Department and NNSA perform work heavily entrenched in the sensitive areas of basic and applied scientific research, innovation and development, and nuclear weapons manufacturing and maintenance that are ripe for targeting for fraud and theft by foreign governments and other actors often hostile to the interests of the United States national security. These include, among other things: foreign talent recruitment programs; export violations under Title 10, Code of Federal Regulations (CFR) Part 810; theft of intellectual property/trade secrets, and other criminal national security violations. Many of these threats align directly and are integrated in fraud investigations pursued within the above-referenced priorities of the Office of Investigations. In FY2020, Investigations will (1) proactively identify and deter foreign threats to the integrity of the Department's contract/grant awarding process; (2) continue liaison efforts with internal and external contacts and participate in various interagency working groups; (3) seek to provide training to agents to better combat these complex problems; (4) provide fraud awareness briefings throughout the complex, academia, and industry partners to better educate Department funding recipients of the risks they face; and (5) assess what special access, facilities, and training may be needed to increase work in these areas.