



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

SPECIAL REPORT

DOE-OIG-22-17

December 2021

**SUMMARY OF FINDINGS ON AUDITS
OF SELECTED DEPARTMENT
OF ENERGY CHILDCARE CENTERS**



Department of Energy
Washington, DC 20585

December 23, 2021

MEMORANDUM FOR THE DEPUTY SECRETARY

SUBJECT: Special Report on Summary of Findings on Audits of Selected Department of Energy Childcare Centers

The attached report summarizes our audits of selected Department childcare centers. This report contains three recommendations that, if fully implemented, should help ensure that background checks, training, and other significant contract terms are completed as required for all Department childcare centers. Management fully concurred with our recommendations.

The audits summarized in this report were conducted from July 2018 through October 2020 in accordance with generally accepted government auditing standards. We appreciated the cooperation and assistance received during this evaluation.

A handwritten signature in black ink, appearing to read "Jennifer L. Quinones".

Jennifer L. Quinones
Deputy Inspector General
Office of Inspector General

cc: Chief of Staff
Under Secretary, Science and Energy
Executive Director, Federal Energy Regulatory Commission



Department of Energy Office of Inspector General

Summary of Findings on Audits of Selected Department of Energy Childcare Centers (DOE-OIG-22-17)

WHY THE OIG PERFORMED THIS REVIEW

The Department of Energy offers childcare services to various employees, facility users, and long-term onsite subcontractors. In 2018, we began a series of audits to determine whether the Department's childcare centers (centers) were managed, as required. The centers are expected to adhere to all applicable laws, regulations, codes, and licensing requirements, including the *Crime Control Act of 1990*. Since the Office of Inspector General identified issues in the prior childcare center audits, and with the potential reopening of centers after COVID-19, we are issuing this special report to provide a summary of findings and provide recommendations to assist with ensuring compliance with background checks, training, and contract terms at all Department centers.

What Did the OIG Find?

We found issues related to background checks, training requirements, and/or contract terms at centers located at four different Department locations. Overall, these issues occurred primarily due to confusion by the contractors managing the centers as to whether the *Crime Control Act of 1990* background check requirements and other contract requirements were applicable to them. Also, officials were not providing adequate oversight to ensure adherence to training requirements.

What Is the Impact?

Hiring personnel without completing full background checks may put children at risk. With agencies reopening after COVID-19, there will be an increase in childcare needs as working parents go back to the office, whether part-time or full-time. However, if the identified issues are not addressed in a timely manner, parents may not have the assurance that their children are in a safe and healthy environment. Additionally, accreditation can be withdrawn if a childcare center is not compliant with standards or fails to comply with procedures. Further, employees who were not trained in accordance with policies and procedures may not be aware of important changes to childcare techniques or precautions.

What Is the Path Forward?

To address the issues identified in this report, we have made three recommendations that, if fully implemented, should help ensure that background checks and associated documentation, training, and other significant contract terms are completed as required at the Department's centers when they reopen post-COVID-19.

BACKGROUND

The Department of Energy offers childcare services to various employees, facility users, and long-term onsite subcontractors. The childcare centers (centers) serve children from infancy through prekindergarten and beyond. In 2018, the Office of Inspector General began a series of audits to determine whether the Department's centers were managed as required. Specifically, we reviewed four centers and their adherence to applicable Federal and state laws, regulations, and contract terms. The centers we reviewed were located at the Fermi National Accelerator Laboratory (Fermi), Argonne National Laboratory (Argonne), and the National Energy Technology Laboratory's (NETL) Morgantown, West Virginia and Pittsburgh, Pennsylvania sites.

The Department uses a variety of contractual relationships to provide childcare services at certain Department sites. In some cases, the Department relies on the management and operating contractors or their independent providers who operate the childcare facilities to provide oversight. The centers are expected to adhere to all applicable laws, regulations, codes, and licensing requirements, including the *Crime Control Act of 1990 (Crime Control Act)*. The *Crime Control Act* requires every childcare facility operated by, or under contract with, the Federal Government to ensure that all existing and newly hired employees undergo criminal background checks, which are based on a set of the employee's fingerprints obtained by a law enforcement officer and on other identifying information. Additionally, the contractors running the centers must adhere to applicable state laws and regulations that provide additional requirements for vetting employees and ensuring that they are adequately trained. Licensing guidelines can include state-mandated minimal hours of training, credit and driving record checks, screening prospective employees for potential child abuse and neglect, and background records providing evidence of completed checks. Finally, the centers must comply with additional requirements included in their contracts with their respective governing organizations, which may include obtaining proper accreditation and additional training requirements.

Given that Federal agencies are planning their reopening after COVID-19, centers may also be reopening after being closed for a significant time. Since we identified issues in the prior childcare center audits, and with the potential reopening of centers after COVID-19, we are issuing this special report to provide a summary of findings and provide recommendations to assist in ensuring compliance with background checks, training, and contract terms at all Department centers.

SUMMARY OF PRIOR AUDITS

We found that the centers we reviewed were not always managed, as required. Specifically, we identified issues related to background checks, training requirements, and/or contract terms at centers located at Fermi, Argonne, NETL Morgantown, and NETL Pittsburgh.¹ A summary of our initial results is shown in Table 1. All centers completed corrective actions before issuance of our final audit reports. However, because NETL's corrective actions were taken before

¹ For further details, see reports DOE-OIG-20-35, *The Children's Center at Fermi National Accelerator Laboratory*; DOE-OIG-20-38, *The Child Development Center at Argonne National Laboratory*; and DOE-OIG-21-30, *National Energy Technology Laboratory's Childcare Centers*.

issuance of our draft audit report, our final report includes no recommendations. Overall, these issues occurred primarily due to confusion by the contractors managing the centers as to whether the *Crime Control Act* background check requirements and contract requirements are applicable to them. Also, officials were not providing adequate oversight to ensure adherence to training requirements.

Table 1: Highlights of Prior Audits’ Initial Findings

Location	Employees Reviewed	Background Check Issues ²		Annual Training Deficiencies	Contract Term Issues
		Background Checks Not Based on Fingerprints or Not Verifiable	Child Abuse and/or Sex Offender Registry Checks Not Completed or Not Verifiable		
Fermi	18	18	10	10	None Identified
Argonne	23	23	21	0	Yes
NETL Morgantown	23	12	23	23	Yes
NETL Pittsburgh	24	0	0	6	None Identified

BACKGROUND CHECK ISSUES

We found that two of the four locations reviewed did not always have the required background checks completed due to unawareness or confusion by the centers as to whether the *Crime Control Act* background check and contract requirements applied to them. At one location, we were unable to verify whether required background checks had been completed for all employees. Specifically, we found at:

- Fermi — background checks were not always completed in accordance with the requirements of the *Crime Control Act* or National Accreditation Commission for Early Care and Education Programs for the 18 employees. Specifically, 5 did not have any background checks performed until the initiation of our audit in June 2018, 18 did not have background checks based on fingerprints, 10 were missing Sex Offender Registry checks, and 1 did not have work history verified prior to being hired.

² Although this column lists the results specific to the fingerprint-based checks and child abuse and/or sex offender registry searches not being completed based on applicable state requirements, there were additional issues identified regarding background checks found at the applicable locations. These additional issues are highlighted within the Background Check Issues summary and in the individual reports.

- Argonne — background checks were not always completed in accordance with the *Crime Control Act*, State of Illinois Regulations, or the requirements of the contract for the 23 employees. Specifically, the 23 individuals that were on board at the time of our work in October 2018 had not received fingerprint-based background checks, 21 did not have child abuse and/or neglect checks completed, and credit and driving record checks had not been conducted on all 23 Argonne employees.
- NETL Morgantown — we were unable to verify that background checks had been completed for all employees in accordance with the *Crime Control Act* and West Virginia licensing requirements. The center initially did not provide any documentation regarding background investigations of its employees, citing West Virginia confidentiality rules. After additional requests from the Office of Inspector General for access to personnel files, site officials provided partial documentation for 11 employees documenting completion of background checks based on fingerprints. The center informed us that the remaining 12 employees, for whom documentation was not provided, were no longer employed or documentation was unavailable. Also, evidence of completed Statements of Criminal Records, signed Child Abuse and Neglect Checks, or signed Verification of Sex Offender Registry Checks was not provided for any of the 23 employees.

Background checks conducted without fingerprints are based on a computerized criminal history check and the identifiers (e.g., name, sex, race, and date of birth) provided at the time of the request. However, the use of an alias name and date of birth could adversely affect results. Conversely, background checks completed based on fingerprints are more thorough and are conducted through the Federal Bureau of Investigation and the state criminal history repositories.

As a result of our work, the three sites made timely corrections and improvements to their processes for conducting background checks, completing these actions before the issuance of our final audit reports. Specifically, Fermi completed 9 of the 10 missing Sex Offender Registry checks; the one remaining check was not performed because the employee had been terminated. In addition, Argonne officials stated that they made the determination to require background checks based on fingerprints, as well as child abuse and neglect checks, for all Argonne Child Development Center employees. Also, direction would be given to include driving record pre-employment checks and to revise operating procedures to reflect this change. Last, NETL revised the Morgantown Memorandum of Agreement (MOA) in May 2019 to further clarify requirements such as background checks and recordkeeping.

TRAINING DEFICIENCIES

We found that three of the four locations reviewed did not always ensure that required trainings were completed for the centers' employees. The training deficiencies occurred because officials were not always providing adequate oversight. Specifically, we found at:

- Fermi — 10 of the 18 employees reviewed did not meet the 20-hour annual training hours, as required by the National Accreditation Commission for Early Care and Education Programs and the FermiLab *Children's Center Work Processes Manual*. We also found that several full-time employees had lapses in their Cardiopulmonary

Resuscitation and first-aid training, and some substitute teachers had not completed Bloodborne Pathogens and Child Abuse training.

- NETL Morgantown — none of the 23 employees reviewed completed 12-hours of annual training in 2018, as required by the West Virginia Licensing Requirements. Additionally, we found that nine employees were missing evidence of required Cardiopulmonary Resuscitation or first aid training, and three employees had lapses in required Cardiopulmonary Resuscitation or first aid training.
- NETL Pittsburgh — 6 of the 24 employees reviewed did not complete 6 hours of annual training, as required by Pennsylvania Code 3270. Additionally, we found that of the employees who were required to complete first aid training, eight employees were missing evidence of it and three had lapses in their first aid training.

As a result of our work, the three centers took timely action to address training deficiencies, completing these actions before issuance of our final reports. Specifically, Fermi updated its *Children's Center Work Processes Manual* to clarify the annual measurement period for staff to meet the training requirements and reinforce that all staff must meet them. NETL revised the MOA in May 2019 for the Morgantown center and July 2019 for the Pittsburgh center to further clarify the need to meet all training requirements.

CONTRACT TERMS ISSUES

In addition to the issues identified related to background checks and training requirements, there were other issues identified related to contract terms at two of the four centers reviewed. Specifically, we found at:

- Argonne — credit and driving record checks had not been conducted on any of its employees because employee job responsibilities were unrelated to financial management or transportation. After bringing it to their attention for further consideration, Argonne officials informed us that the operating procedures would be updated to include driving record pre-employment checks as a matter of safety on campus and the contract was modified to delete the requirement for an employee credit check.
- NETL Morgantown — a contractual requirement to obtain National Association for the Education of Young Children Accreditation was not completed because the contractor managing the center determined that the accreditation benefit was not cost effective. As a result of the prior audit, NETL revised the MOA to include quality of care and qualification requirements in lieu of National Association for the Education of Young Children Accreditation.
- NETL Morgantown — officials did not initially provide us the requested documentation and information due to confidentiality concerns. As a result of the prior audit, NETL acted to address deficiencies regarding access to records and revised its MOA to include the need to cooperate with all information and documentation requested by the Office of Inspector General.

SAFETY AND SECURITY AT CENTERS

The centers, who employed individuals to provide care to children, did not ensure that all employees had background checks that were free of derogatory or noteworthy information and associated documentation was maintained. Hiring personnel without completing full background checks may put children at risk. With agencies steadily reopening after COVID-19, there will be an increase in childcare needs as working parents go back to the office, whether part-time or full-time. While the centers we reviewed took action to address these issues, the risk of lapses in background checks and training requirements may exist at the centers that we have not audited. Therefore, parents may not have the assurance that their children are in a safe and healthy environment, which is a critical aspect in work-life balance when returning to work. Additionally, accreditation can be withdrawn if the childcare center is not compliant with standards or fails to comply with procedures. Further, employees who were not trained in accordance with policies and procedures may not be aware of important changes to childcare techniques or precautions.

While we completed reviews for four centers, the Department has other centers that we did not review. For example, we were scheduled to review the Department Headquarters' centers in Germantown, Maryland and the Forrestal Building in Washington, DC; however, the audit was canceled due to COVID-19, which temporarily closed the centers. While there are other centers, we are unsure of the exact number and location since the Department Headquarters' Office of the Chief Human Capital Officer, which only provides oversight for the Headquarters centers, has no central listing of the centers. During our work, in addition to Germantown and the Forrestal Building, we identified centers at the Federal Energy Regulatory Commission in Washington, DC; Lawrence Livermore National Laboratory in Livermore, California; Brookhaven National Laboratory in Upton, New York; and Bonneville Power Administration headquartered in Portland, Oregon. However, as noted, we did not review any of these six centers.

RECOMMENDATIONS

Since we did not review the other centers, we recommend that the Deputy Secretary, Department of Energy, direct all Department sites to:

1. Confirm all existing centers.
2. Provide oversight of the existing centers to ensure required background checks and training are completed, especially when the centers reopen.
3. Ensure the centers are compliant with other significant contract terms.

MANAGEMENT RESPONSE

The Office of Management fully concurred with the report's recommendations and indicated that corrective actions will be taken to address the issues identified in the report. NETL expressed

concerns that this report did not accurately depict the findings from our issued report, *National Energy Technology Laboratory's Childcare Centers* (DOE-OIG-21-30, July 2021).

Management comments are included in Appendix 1.

AUDITOR COMMENTS

Management's proposed corrective actions were generally responsive to our recommendations. We discussed NETL's concerns with NETL officials and made changes we consider appropriate to clarify the findings from the previous report.

Appendix 1: Management Comments



Department of Energy

Washington, DC 20585

November 22, 2021

MEMORANDUM FOR TERI L. DONALDSON
 INSPECTOR GENERAL

FROM: INGRID KOLB
 DIRECTOR
 OFFICE OF MANAGEMENT

SUBJECT: OIG DRAFT SPECIAL REPORT ON "SUMMARY OF
 FINDINGS ON UDITS OF SELECTED DEPARTMENT OF
 ENERGY CHILDCARE CENTERS"

Ingrid Kolb
Digitally signed by Ingrid Kolb
Date: 2021.11.23
09:02:43 -0500

Thank you for the opportunity to review and comment on the subject final report. The Office of Management appreciates the auditors' audit work. The attachment to this memorandum details actions planned to be taken by the Office of Acquisition Management and program general comments to the report.

If you have any questions regarding this response, please contact Mr. David Leotta, Director, Office of Contract Management within the Office of Acquisition Management, at (202) 287-1363.

Attachments

Appendix 1: Management Comments

Attachment

Management Decision Response
OIG Draft Special Report on "Summary of Findings on
Audits of Selected Department of
Energy Childcare Centers"

Recommendation #1: Confirm all existing centers.

DOE Response: *Concur* – The Department will conduct a search of Federal procurement data systems and take other actions necessary to identify and confirm all existing childcare centers that are operated by, or under contract or subcontract with DOE. Estimated Completion: 12/31/2021.

Recommendation #2: Provide oversight of the existing centers to ensure required background checks and training are completed, especially when the centers reopen.

DOE Response: *Concur* – The Department will conduct a review of the terms and conditions of all contractual agreements that govern centers operated by, or under contract with, DOE. The Department will identify gaps in compliance oversight and determine appropriate strategies to address such gaps. This may include focused criteria for assessing oversight of DOE prime and contractor subcontracts for the operation of childcare centers. Estimated Completion: 3/31/2022.

Recommendation #3: Ensure the centers are compliant with other significant contract terms.

DOE Response: *Concur* – As stated in the DOE response to Recommendation #2, the Department will endeavor to identify gaps in any existing compliance oversight requirements and programs to determine appropriate strategies to address such gaps. This may include focused criteria for assessing oversight of DOE prime and contractor subcontracts for the operation of childcare centers. Estimated Completion: 3/31/2022.

Other Respondent Comments on Recommendations: None.

Estimated Completion Date: 3/31/2022.

Appendix 1: Management Comments

Attachment

Response to OIG Draft Report
SPECIAL REPORT ON SUMMARY OF FINDINGS ON AUDITS OF
SELECTED DEPARTMENT OF ENERGY CHILDCARE CENTERS (A18GT027)

GENERAL COMMENTS

National Energy Technology Laboratory (NETL)

The underlying OIG report referencing audit activities associated with NETL daycare facilities was the subject of extensive revision and review, the OIG having carefully considered and previously accepted certain recommendations, including those related to references to the availability of auditable records. The current draft report circulated for review and comment does not reflect the accepted language, for example, insofar as inaccurate and/or misleading statements within the current report that certain daycare employees were not the subject of background checks. Given the existence and availability of underlying OIG reports for current reference, NETL respectfully requests reconsideration of the issuance of a new report, to the extent that a secondary or "summary" report is necessary, NETL suggests that the report be revised to function as a high-level summary that generally identifies the underlying OIG reports for reference and incorporates the specific recommendations to MA. Thank you for your consideration.

FEEDBACK

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We aim to make our reports as responsive as possible and ask you to consider sharing your thoughts with us.

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Office of Inspector General (IG-12)
Department of Energy
Washington, DC 20585

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at 202-586-1818. For media-related inquiries, please call 202-586-7406.