



U.S. DEPARTMENT OF ENERGY

Office of Inspector General

DOE-OIG-25-37

September 29, 2025

Nuclear Waste Partnership LLC's Statement of Costs Incurred and Claimed for Fiscal Year 2020 Under Contract No. DE-EM0001971



AUDIT REPORT



Department of Energy
Washington, DC 20585

September 29, 2025

MEMORANDUM FOR THE CONTRACTING OFFICER, CARLSBAD FIELD OFFICE,
ENVIRONMENTAL MANAGEMENT CONSOLIDATED BUSINESS
CENTER

SUBJECT: Audit Report: *Nuclear Waste Partnership LLC's Statement of Costs Incurred and Claimed for Fiscal Year 2020 Under Contract No. DE-EM0001971*

The attached report discusses our audit of Nuclear Waste Partnership LLC's (NWP) Statement of Costs Incurred and Claimed for fiscal year ended September 30, 2020. Our audit identified three material noncompliances and three internal control deficiencies. We questioned proposed labor and procurement costs due to unsupported bonus costs, executive compensation over the approved compensation limits, and procurement costs that exceeded the subcontract ceilings. We also identified internal control deficiencies related to accounting for unallowable costs, inadequate oversight of labor and procurement processes, and inadequate review of procurement invoices and final subcontract closeout procedures.

This report contains five recommendations that, if fully implemented, should help ensure that costs charged to Department of Energy Contract No. DE-EM0001971 are allowable, allocable, and reasonable, in accordance with contract terms, applicable laws, and regulations. NWP concurred with our recommendations. However, NWP did not concur with our questioned costs.

We conducted this audit from March 2022 through June 2025 in accordance with generally accepted government auditing standards. We appreciated the cooperation and assistance received during this audit.

NWP management provided comments, which are included in the report. However, pursuant to Public Law 117-263, Section 5274, NWP has 30 days from the date of publication of this report on our website to submit an optional written response to OIG.Reports@hq.doe.gov for the purpose of clarifying or providing additional context to any specific reference. The response will be posted on our public website.

If the response contains any classified or other nonpublic information, the response should clearly identify the portions that need to be redacted and should provide a legal basis for the proposed redactions.

A handwritten signature in blue ink, appearing to read 'MDD', followed by a horizontal line.

Matthew D. Dove
Assistant Inspector General
for Audits
Office of Inspector General

cc: Chief of Staff

DOE OIG HIGHLIGHTS

Nuclear Waste Partnership LLC's Statement of Costs Incurred and Claimed for Fiscal Year 2020 Under Contract No. DE-EM0001971

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Why We Performed This Audit

The Office of Inspector General initiated this audit to evaluate \$334,425,291 of costs claimed by Nuclear Waste Partnership LLC (NWP) from October 1, 2019, through September 30, 2020.

NWP managed and operated the Office of Environmental Management's Waste Isolation Pilot Plant under a contract with the Department of Energy from October 1, 2012, through February 3, 2023. The Waste Isolation Pilot Plant was built to safely dispose of the nation's defense-related transuranic radioactive waste.

Specifically, our audit objective was to determine if costs charged to Department Contract No. DE-EM0001971 during fiscal year 2020 were allowable, allocable, and reasonable, in accordance with contract terms, applicable laws, and regulations.

What We Found

We identified three material noncompliances and internal control deficiencies. We questioned nearly \$7 million of costs claimed by NWP in its Statement of Costs Incurred and Claimed for fiscal year 2020. We questioned proposed labor and procurement costs due to unsupported bonus costs, executive compensation over the approved compensation limits, lobbying and procurement costs that exceeded subcontract ceilings. The internal control deficiencies were related to NWP's accounting for unallowable costs and inadequate oversight of labor costs, invoice reviews, and various procurement processes.

What We Recommend

To address the issues identified in this report, we made five recommendations that, if fully implemented, should help ensure that costs charged to the Department are allowable, allocable, and reasonable, in accordance with contract terms. Further, we recommend that the contracting officer work with NWP to resolve nearly \$7 million in questioned costs identified in this report.

How the Contractor Responded

NWP concurred with the recommendations. However, NWP did not concur with the questioned costs.