U.S. DEPARTMENT OF ENERGY

Office of Inspector General

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September 25, 2025

Consolidated Nuclear Security's Timekeeping Irregularities at the National Nuclear Security Administration's Pantex Plant Had Adverse Effects on Operations and Resulted in Additional Costs

AUDIT REPORT

Department of Energy
Washington, DC 20585

September 25, 2025

MEMORANDUM FOR THE MANAGER, NATIONAL NUCLEAR SECURITY ADMINISTRATION PANTEX FIELD OFFICE

SUBJECT: Audit Report: *Consolidated Nuclear Security's Timekeeping Irregularities at the National Nuclear Security Administration's Pantex Plant Had Adverse Effects on Operations and Resulted in Additional Costs*

The Department of Energy, Office of Inspector General conducted an audit to determine whether Consolidated Nuclear Security, LLC's timekeeping irregularities that occurred at the National Nuclear Security Administration's Pantex Plant had adverse impacts to operations. The report does not contain any recommendations.

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

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

cc: Chief of Staff

DOE OIG HIGHLIGHTS

Consolidated Nuclear Security's Timekeeping Irregularities at the National Nuclear Security Administration's Pantex Plant Had Adverse Effects on Operations and Resulted in Additional Costs

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Why We Performed This Audit

In 2019, the Office of Inspector General initiated an investigation related to Pantex Plant's (Pantex) management and operating contractor, Consolidated Nuclear Security, LLC (CNS), after CNS disclosed to the Government credible evidence that production technicians fraudulently recorded timesheet hours that they did not work. The investigation found that CNS submitted payment claims for production technicians' hours worked and recorded on timesheets; however, the hours had not been worked. In 2024, the case was settled and CNS paid the Department $18,400,000 to capture the loss of claimed labor hours.

We initiated this audit to determine whether the CNS timekeeping irregularities that occurred at Pantex had adverse impacts to operations.

What We Found

CNS timekeeping irregularities at Pantex resulted in adverse impacts to operations. Specifically, CNS experienced:

- Production delays;
- Negative impacts to conduct of operations, which was a program put in place to ensure worker, public, and environmental protection;
- Additional costs for training and security clearances of $8.4 million to replace the production technicians who were terminated or placed on administrative leave; and
- Increases in weapons quality incident reports following the termination of production technicians.

We attributed the adverse impacts to operations to a lack of CNS oversight over timekeeping. CNS responded by implementing an attendance verification process and requiring production technicians to badge in and out upon arrival to and departure from the plant; CNS was actively monitoring the implementation of its attendance verification process. The current contractor, PanTeXas Deterrence, LLC., will take over the attendance verification process.

What We Recommend

We did not have any recommendations. Pantex's contractors, CNS and PanTeXas Deterrence, LLC., took action to address the primary causes of the timekeeping internal control failures.