



U.S. DEPARTMENT OF ENERGY

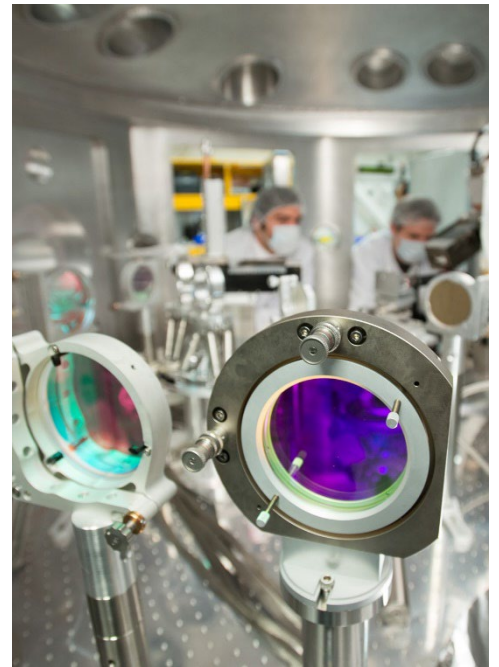
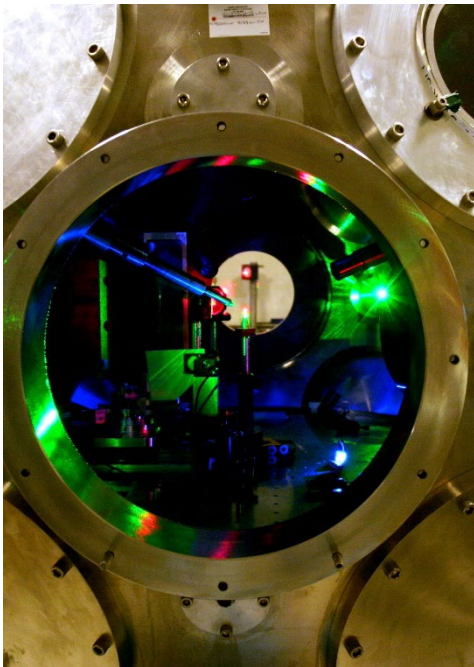
Office of Inspector General

Office of Inspector General

2025 Organizational Assessment

We provide independent oversight of the Department of Energy to promote sound fiscal stewardship.

This report addresses the Office of Inspector General's performance for fiscal year 2025 measures.



Source: U.S. Department of Energy



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Message from the Office of the Inspector General

I am pleased to present this end-of-year organizational assessment highlighting the substantial achievements and positive impact our organization, the U.S. Department of Energy Office of Inspector General, has delivered over the past fiscal year. This year has been defined by our unwavering commitment to promote integrity, efficiency, and accountability within the

Department of Energy. The Office of Inspector General's dedicated team of auditors, investigators, attorneys, and support staff, have provided meaningful oversight that has helped strengthen the Department's operations and reduced fraud, waste, and abuse.

One of our most significant successes has been the identification of significant monetary findings. Through our audits, inspections, and investigations we identified more than \$52 million in potential savings to the taxpayer, which included over \$44 million in questioned, unsupported, and unresolved costs, and funds put to better use. Our investigations further led to more than \$8 million in restitution, funds returned to the Department, penalties, and court costs. Our fiscal year 2025 work helped ensure that monies spent were for the intended purposes.

A key internal focus over the recent fiscal year was an operational restructuring; aligning the Office of Inspector General into four core



programs: the Office of Audits, Office of Investigations, Office of Counsel, and Office of Management. As a result of this restructuring, we were able to gain efficiencies without compromising the quality and integrity of our oversight work.

During this year, the Office of Inspector General met or exceeded each of its fiscal year 2025 performance goals. As a result of the progress made, these

strategic initiatives and goals will transition to an operational status beginning in fiscal year 2026. I am extremely proud of the hard work that went into making this happen and the results are particularly noteworthy given all the changes we have undertaken. The Office of Inspector General's new fiscal year 2026 performance goals continue to build on our strategic plan, focusing on our people, our work, our operations, and our stakeholders.

I look forward to another successful year as we move into fiscal year 2026.

Sarah Nelson
Assistant Inspector General
For Management
Performing the Duties of the Inspector General
Office of Inspector General

Our Vision, Mission, and Impact

Vision

We serve the Nation through our quality and independent work, our talented workforce, and our innovative approaches to create positive change and to make good Government better.

We establish relationships with decision makers to understand their priorities and to promote positive change based on our findings.

Mission

We strengthen the integrity, economy, and efficiency of the Department's programs and operations, including deterring and detecting fraud, waste, abuse, and mismanagement.

We provide reliable and credible information to Congress, Department officials, the Department of Justice, and the public. This information identifies areas of risk and vulnerability, opportunities for improvement, and evidence of wrongdoing.

We have authority to inquire into all Department programs and activities, including the activities of recipients of Department money.

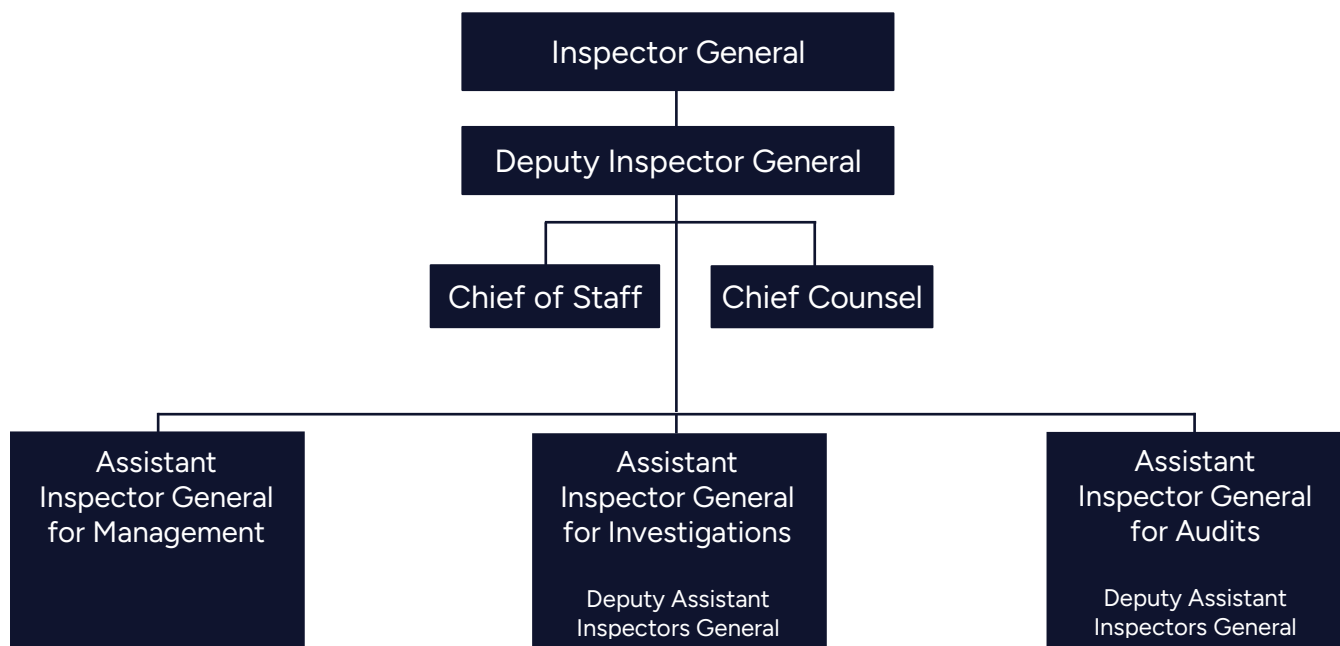
Impact

Our information allows officials to hold wrongdoers accountable, recover wasted taxpayer dollars, and improve programs and operations

We make recommendations to address our findings.

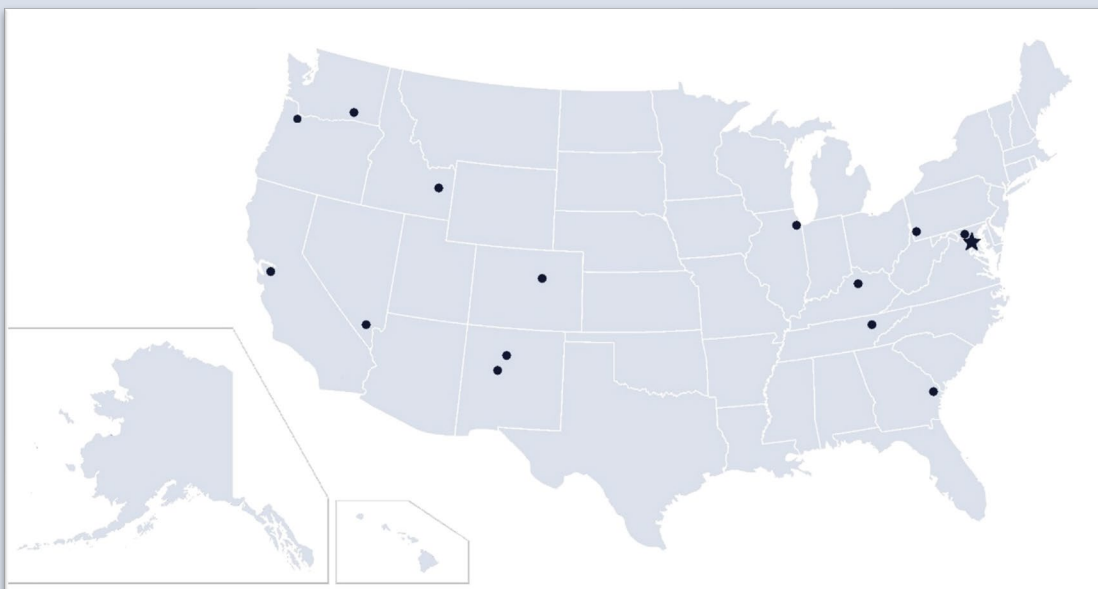
We provide evidence that allows decision makers to hold wrongdoers accountable.

Our Structure



The Office of Inspector General's Headquarters is in Washington, DC, with Field Offices in:

- Livermore, California
- Denver, Colorado
- Idaho Falls, Idaho
- Chicago, Illinois
- Lexington, Kentucky
- Germantown, Maryland
- Las Vegas, Nevada
- Albuquerque, New Mexico
- Los Alamos, New Mexico
- Pittsburgh, Pennsylvania
- Savannah River, South Carolina
- Oak Ridge, Tennessee
- Richland, Washington
- Portland, Oregon



Our Work



Audit, Inspection, Evaluation, and Special Reports

We report the findings of our oversight work to the Department, Congress, and the public. Through our reports, we provide reliable and credible financial and performance information and make recommendations for improvements to decision makers.

Our work provides oversight of Department organizations, programs, and operations; its operational efficiency, effectiveness, and vulnerabilities; assessments of cybersecurity; and determinations of the allowability, allocability, and reasonableness of the costs incurred by the Department's unique Management & Operating contractors. These contractors operate the Department's National Laboratories and other operational facilities.



Investigative Reports and Information

We address alleged violations of law that impact Department programs, operations, facilities, and personnel. We investigate suspected violations of criminal and civil statutes, as well as serious administrative misconduct. Our investigative findings provide fact-based evidence to officials with the authority to hold wrongdoers accountable. We work closely with the Department of Justice and other Federal, state, and local law enforcement organizations, and make recommendations to Department officials to improve the economy and efficiency of programs and operations.



Outreach and Prevention

We conduct outreach to senior officials, Department employees, and non-governmental recipients of Department funds to raise awareness of risks to Department programs and funding and to inform them of their obligations to report suspected wrongdoing.



Hotline Complaints

Our Hotline facilitates the reporting and resolution of allegations received from Department employees, contractors, and the public. Allegations may lead to an investigation, audit, or inspection; referral to the Department for review and action; or referral to another Federal agency.



Whistleblower Protection

We take proactive steps to educate Department employees about their rights and responsibilities to report suspected wrongdoing and laws that prohibit retaliation for doing so. We also investigate allegations of retaliation.



Suspension and Debarment Referrals

We refer matters to suspension and debarment authorities to help ensure program and operational integrity. These referrals also provide forward-looking protection to the rest of Government by rendering suspended or debarred parties ineligible from engaging in new Federal Government grants, contracts, loans, and other legal agreements.

The Sources of Our Work

Proactive Analysis

Data analytics

Human intelligence
(professional judgment and institutional knowledge)

Risk analysis

Regulatory requirements

Leadership Requests

Congress

The Secretary and senior
Department officials

Credible Allegations

Hotline complaints from
employees, contractors, and
the public

Disclosures made by
whistleblowers

What We Review

Wrongdoing

Violations of criminal statutes

Violations of civil statutes

Administrative misconduct

Efficiency, Effectiveness, and Compliance

Financial transactions

Management and performance

Costs incurred by Management &
Operating contractors

Security

Research security

Cybersecurity

Intelligence and
counterintelligence
activities

Our Strategy

Goal 1: Our People

Be an employer of choice by cultivating a skilled and engaged workforce, and fostering a collaborative environment

1. Recognize and celebrate the success of employees
2. Improve employee engagement and communication with employees
3. Advance a high-performance workplace culture at all levels by fostering a fair, collaborative, and performance-based working environment

Goal 2: Our Work

Conduct independent oversight to strengthen the integrity, economy, and efficiency of Department programs, and to deter and detect fraud, waste, abuse, and mismanagement

1. Conduct independent and impactful oversight programs that are accurate and timely
2. Ensure that Office of Inspector General oversight reviews are based on a solid legal foundation
3. Provide accurate, timely, and impactful referrals to support the decisions of the Department's suspension and debarment officials
4. Perform real time data analytics in both Federal and contractor systems to support Office of Inspector General investigations, audits, and inspections with proactive analyses focused on early detection and prevention of major risks
5. Utilize a team-based, cross-functional approach to oversight for the most challenging high-risk projects

Goal 3: Our Operations

Modernize Office of Inspector General operations through innovation and technology

1. Develop and deploy innovative information technology to strengthen Office of Inspector General mission accomplishment
2. Strategically manage the Office of Inspector General's organizational growth

Goal 4: Our Stakeholders

Enhance mission success through effective outreach, stakeholder engagement, and coalition building

1. Continue to improve communications with stakeholders, including the Department and Congress

Our Budget

The Office of Inspector General has a mandate to oversee the Department’s extensive portfolio, that spans multiple program, staff, and operational offices; and includes the National Nuclear Security Administration, National Laboratories, Power Marketing Administrations, and the Federal Energy Regulatory Commission.

During fiscal year 2025, the Office of Inspector General had an annual base appropriation of \$86 million to conduct oversight of the Department’s \$52 billion budget.

	BASE APPROPRIATION	FULL-TIME EMPLOYEES
Department of Energy	▶ \$53,000,000,000	▶ 15,705
Office of Inspector General	▶ \$86,000,000	▶ 247

The Department of Energy

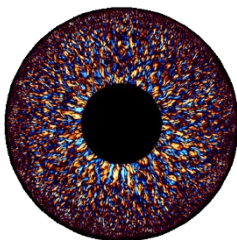
The Department’s mission is to ensure America’s security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions

Nuclear Security



- Nuclear nonproliferation
- Naval reactors
- Counter-terrorism and counter-proliferation
- Defense nuclear security
- Nuclear and radiological emergency response

Research and Development



- Office of Science
- Electricity
- Nuclear energy
- Fossil energy and carbon management
- Arctic energy
- Energy efficiency and renewable energy
- Artificial intelligence and technology

Environmental Management



- Cleanup of radioactive and hazardous waste materials, including
- Contaminated building deactivation and decommissioning
- Soil and groundwater decontamination
- Radioactive liquid waste treatment

Our Impact

\$52.7 million in monetary findings



\$32.9 million

in questioned, unsupported, and unresolved costs

\$11.3 million

in funds put to better use

\$8.5 million

in restitution, funds returned to the Department, penalties, and court costs

Our actions

Select actions by others based on our work

Actions taken by others may include action on work performed in a prior year.



37

Reports issued



46

Administrative discipline and other management actions



69

Investigative cases closed



31

Referrals accepted for prosecution



264

Recommendations for improvements



10

Criminal convictions



623

Hotline predications for evaluation



4

Civil actions



15

Suspension/Debarment referrals



35

Suspensions/Debarments¹

¹ This number includes proposed debarments issued under the Federal Acquisition Regulation (FAR). We report proposed debarments under FAR because those actions have the same effect as a debarment or suspension in accordance with 48 Code of Federal Regulations 9.405. Insofar as we are reporting these numbers to show the effect of the OIG referrals, proposed debarment under the FAR presents a more complete picture. Note, however, that proposed debarments under the FAR are not final actions.

Our Performance Results - Fiscal Year 2025

Over the course of the past 4 years (fiscal years 2022-2025), the Office of Inspector General has made significant progress in the following strategic areas. Given the Office of Inspector General’s ability to consistently meet or exceed the established metrics, the Office of Inspector General has elected to transition them to an operational status and set new metrics beginning in fiscal year 2026.

Demonstrated progress in developing and maintaining a proactive communication plan

The Office of Inspector General was successful in meeting this strategic initiative. Office of Inspector General leadership adopted a proactive approach to recognizing the important work performed by its employees, and to responding to and communicating key matters impacting the organization, as well as matters brought to the attention of leadership by Office of Inspector General employees.

Recognition of employees

The Office of Inspector General revamped its annual honorary awards program to reflect the reorganization that occurred in fiscal year 2025. The revamping of this program also ensured that the Office of Inspector General recognized the most deserving recipients. Specifically, the awards sought to recognize high-performing individuals and teams at the Office of Inspector General level as well as the individual program office level. Over the course of fiscal year 2025, the Office of Inspector General recognized employees with 59 awards, including On the Spot, Special Act, and Honorary awards.

Communication from leadership

Throughout fiscal year 2025, the Office of Inspector General ensured communication from leadership remained consistent - all hands meetings were held both in-person and virtually, and monthly emails were sent to staff. The consistent communication ensured staff were well-informed on matters affecting the Office of Inspector General both internally and externally.

Demonstrated completion of training and development plans for staff

The Office of Inspector General successfully exceeded this strategic initiative with 100 percent of its employees submitting Individual Development Plans on time, and supervisors across the organization completing all performance plans and appraisals on time.

Measure	FY 25 Target	FY 25 Actual
Staff who submit Individual Development Plans on time	95%	100%
Annual performance plans established on time	95%	100%
Annual performance appraisals completed on time	95%	100%

Our Performance Results - Fiscal Year 2025

Commitment to development programs

The Office of Inspector General demonstrated its continued commitment to leadership development through its investment in its future leaders. Over the course of fiscal year 2025, the Office of Inspector General transitioned from leadership development programs administered by the individual program offices to an Office of Inspector General-wide development program. The new and improved leadership development program incorporates mentoring, professional coaching, formal core leadership competency training, and rotational assignments. The program launched at the start of fiscal year 2026.

Percentage of high-impact written products delivered to stakeholders within established timeframes

During fiscal year 2025, the Office of Inspector General continued to make a concerted effort toward ensuring its independent oversight work was conducted timely and resulted in impactful findings that help to strengthen the integrity, economy, and efficiency of the Department. The Office of Inspector General successfully exceeded this strategic initiative by focusing on the metrics listed. The metrics below were established to help ensure that the Office of Inspector General limited resources were focused on areas that were of high risk to the Department and that the Office of Inspector General remained responsive to its stakeholders.

Measure	FY 25 Target	FY 25 Actual
High-impact written products delivered to stakeholders within established timeframes	50%	OI: 100% OA: 59%
Cases closed after being open more than 365 days that have a reportable outcome	60%	78%
Products issued that address top Management Challenges, Department high-risk areas, or Office of Inspector General mission priorities	90%	100%
Cases opened that are in pre-established priority areas	90%	80%
Discretionary reports that result in improvement to Department operations, programs, or projects as demonstrated by corrective actions taken during the engagement or the inclusion of findings, suggestions, or recommendations in the report	90%	100%
Hotline complaints processed for Office of Inspector General leadership disposition decision within 14 days of receipt of complaint	95%	91%
Initiate allegation-based inspections and whistleblower investigations within prescribed number of days of receiving complaints from the Hotline or any other contact with the Office of Inspector General	within 60 days	100%

Our Performance Results - Fiscal Year 2025

Demonstrated effective use of a team-based, cross-functional approach for oversight of the most challenging high-risk areas

The Office of Inspector General successfully met this strategic initiative, utilizing cross-functional teams of auditors, investigators, data scientists, and attorneys, to examine critical Department program areas such as research security, as well as the Department's use and oversight of supplemental funding. In fiscal year 2025, the Office of Inspector General underwent a realignment that streamlined the organization's ability to fill critical gaps and better enabled a proactive approach toward the utilization of cross-functional teams conducting oversight of the Department.

Demonstrated increased capabilities and outcomes from deployment of innovative technology

In recent years, the Office of Inspector General has proactively employed the use of technology through data analytics in its risk assessments, work planning processes, and within its audit and investigative work. The Office of Inspector General successfully implemented this strategic initiative as demonstrated by exceeding the metric listed below.

Measure	FY 25 Target	FY 25 Actual
Number of proactive analytic projects using data to identify high-risk areas or areas of concern for further analysis and review by Office of Audits or Office of Investigations	5	7

Demonstrated strategic management of Office of Inspector General organizational growth

During fiscal year 2025, the Office of Inspector General adjusted its organizational structure to adapt to numerous changes made in the Federal atmosphere as well as changes that occurred within the Department. These adjustments ensured that the Office of Inspector General remained in an agile state - poised to take on any new high-risk work, while still conducting all mandated, preplanned, and ongoing audits, inspections, and investigations -critical to meeting the Office of Inspector General's mission. Over the course of the fiscal year, the Office of Inspector General developed and executed its budget and staffing plans and adhered to all mandates and executive orders. The Office of Inspector successfully implemented this strategic initiative through the full implementation of the metric listed below.

Measure	FY 25 Target	FY 25 Actual
Develop an Office of Inspector General operating budget within prescribed number of business days of enactment of the annual fiscal year appropriation	30 days	30 days

Our Performance Results - Fiscal Year 2025

Demonstrated results in improved communications with external stakeholders

Throughout fiscal year 2025, Office of Inspector General leadership held numerous outreach meetings with the Office of Management and Budget and respective Congressional committees. Additionally, extensive coordination occurred with members of the Inspector General community, and law enforcement counterparts. In February 2025, the Office of Inspector General testified in a Congressional Hearing, providing a trusted voice on the topic of energy loans. The OIG also successfully exceeded each of the metrics listed below.

Measure	FY 25 Target	FY 25 Actual
Number of fraud and cyber awareness briefings conducted to educate and inform Department employees, contractors, and grant recipients of the Office of Inspector General mission and means of submitting allegations of fraud, waste, and abuse	98 briefings	257 briefings
Legal services provided in accordance with current law within established timeframes under the Whistleblower Protection Program	91%	100%

Demonstrated results in improved communications with top Department leadership

During the fiscal year, Office of Inspector General leadership met regularly with Department leadership to coordinate and collaborate on oversight activities, address concerns, and share information critical to ongoing activities. Office of Inspector General leadership also conducted introductory meetings and provided Office of Inspector General 101 sessions to all new members of the Department’s leadership team. Throughout the year, meetings were held, on multiple occasions, with individuals such as the Secretary of Energy, Deputy Secretary of Energy, Chiefs of Staff, Chief Counsel, Under Secretary for Science, Acting Under Secretary for Nuclear Security, and Under Secretary for Energy. In addition, Office of Inspector General leadership conducted multiple visits to Department sites and met with Federal and contractor leadership. Collectively, these meetings led to improved communication, enhanced exchanges of information, and the broadening of knowledge by all parties.