



U.S. DEPARTMENT OF ENERGY

Office of Inspector General

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January 23, 2026

Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs



AUDIT REPORT



Department of Energy
Washington, DC 20585

January 23, 2026

MEMORANDUM FOR THE ACTING ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS; DIRECTOR, OFFICE OF INTELLIGENCE AND COUNTERINTELLIGENCE

SUBJECT: Audit Report: *Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs*

The attached report discusses our review of the Department of Energy's pilot vetting process within the Office of International Affairs. This report contains two recommendations that, if fully implemented, should help ensure that the Department's Office of Research, Technology and Economic Security has formal policies and procedures in place and consistent execution of its due diligence reviews. Management concurred with our recommendations.

We conducted this audit from February 2024 through August 2025 in accordance with generally accepted government auditing standards. We appreciated the cooperation and assistance received during this audit.

A handwritten signature in cursive script that appears to read "Sarah Nelson".

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

cc: Deputy Secretary
Chief of Staff

DOE OIG HIGHLIGHTS

Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs

Why We Performed This Audit

In January 2021, the White House issued *Presidential Memorandum on United States Government-Supported Research and Development National Security Policy – National Security Presidential Memorandum-33* to direct a series of actions for Federal research agencies to strengthen protections of U.S. Government-supported research and development against foreign government interference and exploitation. In November 2021, the *Infrastructure Investment and Jobs Act* was signed into law, followed by the *CHIPS and Science Act* and the *Inflation Reduction Act* in August 2022.

As the Department of Energy continues to heavily invest in research, development, and demonstration projects, we initiated this audit to determine whether the Department's Office of Research, Technology and Economic Security (RTES Office) had sufficient resources and authority to help protect the Department's financial assistance from foreign influence, ownership, and control.

What We Found

We found that the RTES Office had sufficient resources and authority to perform its role in helping protect the Department's financial assistance from foreign influence, ownership, and control. However, we found that it had not formally documented a limited number of controls. Specifically, the RTES Office had documented its internal due diligence review processes and procedures but migration of these procedures into a centralized electronic system was incomplete. In addition, the RTES Office had not formally documented: (1) coordination with its due diligence review partners and (2) training requirements for staff.

The RTES Office has progressed in formalizing its policies and procedures since its inception; however, opportunities for improvement remain for strengthening its internal controls and formalizing its processes and coordination with key partners. Without a robust and formally documented set of internal controls, the RTES Office may be limited in its ability to help protect the Department from foreign influence, ownership, and control.

What We Recommend

To address the concerns identified in this report, we made two recommendations that, if fully implemented, should help ensure that the Department's RTES Office has formal policies and procedures in place, and consistent execution of its due diligence reviews.

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Background and Objective

The United States science and technology enterprise sets the standard for discovery and innovation excellence for the rest of the world.¹ At the same time, emerging technologies are increasingly at the center of global competition and are targets for undue foreign influence. As a result, the U.S. is put at risk when other governments seek to benefit from the global research system without upholding the tenets of research integrity and respect for intellectual property.

In January 2021, the White House issued *Presidential Memorandum on United States Government-Supported Research and Development National Security Policy – National Security Presidential Memorandum-33* (NSPM-33) to direct a series of actions for Federal research agencies to strengthen protections of U.S. Government-supported research and development against foreign government interference and exploitation.² In November 2021, the *Infrastructure Investment and Jobs Act* was signed into law, followed by the *CHIPS and Science Act* and the *Inflation Reduction Act* in August 2022. These Congressional Acts include requirements that financial assistance awards be given to entities that advance domestic development and job creation and include prohibitions in awarding financial assistance to entities of concern. In addition, the *CHIPS and Science Act* includes requirements for research security risk assessments and research security training.

As a response to the Presidential Directive and Congressional Acts, the Department of Energy took a series of actions to bolster its approach to research, technology, and economic security (RTES). In March 2023, the former Secretary established the Office of Research, Technology and Economic Security (RTES Office) within the Office of International Affairs. The RTES Office is responsible for RTES due diligence reviews at different phases of the Department's financial assistance, loan, and other financial award processes. It informs the Department's program offices of the potential risks to national security, economic competitiveness, and U.S. technological leadership. In addition to foreign influence, ownership, and control, there are also risks related to project personnel concerning foreign connections and affiliations, technology risks, risk of intellectual property theft, physical threats, procurement of equipment that may have embedded surveillance technology, undisclosed project collaborations with foreign entities or individuals, and supply chain risks.

Due to increased risk in research security and undue foreign influence, we initiated this audit to determine whether the RTES Office had sufficient resources and authority to help protect the Department's financial assistance from foreign influence, ownership, and control.

¹ *Clarifications on the Office of Research, Technology, and Economic Security*, memorandum for the Heads of Departmental Elements, Deputy Secretary of Energy, (January 19, 2025).

² These actions include disclosure requirements from participants in federally funded research and development enterprises, requirements for individual researchers supported by Federal research grants to be registered with a service that provides a digital persistent identifier for that individual, consequences for violating disclosure requirements, information sharing with other agencies regarding disclosure violations, and research security program requirements for awardees.

Results of Review

RTES OFFICE MADE PROGRESS BUT CONCERNS REMAIN

We determined that the RTES Office had sufficient resources and authority to perform its role in helping protect the Department's financial assistance from foreign influence, ownership, and control. Specifically, the RTES Office staff responsible for due diligence reviews had grown from 3 Federal employees in May 2023 to 17 Federal employees and contractors in August 2025. The increase in human resources, including the skills, knowledge, and expertise of the RTES Office, provided the foundation for a workforce capable of performing its due diligence review function to meet this essential mission need. In addition, in January 2025, the former Secretary formally delegated authority to the Assistant Secretary for International Affairs, and by extension the RTES Office, to conduct reviews in safeguarding the Department's investments from undue foreign influence.

Although the RTES Office had sufficient resources and authority, we found that for over 2 years it had not formally documented a limited number of controls. Specifically, the RTES Office did not formally document its controls or issue a finalized handbook until May 2025. Although the finalized handbook documents its internal due diligence review processes and procedures, the migration of these procedures into an electronic system was incomplete, which increased the risk of inconsistency and error. We also found that the RTES Office did not formally document both its coordination with its due diligence review partners and its staff training requirements. The Comptroller General of the United States' *Standards for Internal Control in the Federal Government* identifies formal documenting policies and procedures as critical when designing, implementing, and operating an effective internal control system in Federal Government entities. It also prescribes the need to document, communicate, assign, and maintain internal control responsibilities in management directives, administrative policies, or operating manuals. Finally, it identifies training as one way to develop competent individuals to achieve an entity's objectives.

Internal Due Diligence Review Processes Were Documented but Migration to an Electronic System Remained Incomplete

We found that 2 years after its inception, the RTES Office had not formally documented its internal processes. The RTES Office finalized its handbook during our audit in May 2025. While the finalized handbook documents its internal due diligence review processes and procedures, the migration of these procedures into a centralized electronic system was incomplete. The RTES Office had internal processes for conducting due diligence reviews at three phases in the project cycle:

- Phase 1: Solicitation – prior to publication of the Funding Opportunity Announcement;
- Phase 2: Application – prior to award selection; and
- Phase 3: Project Performance – post-award.

In November 2024, the RTES Office began migrating the Phase 1 and Phase 2 review processes and checklists to an electronic system, the Salesforce RTES System (Salesforce). According to RTES Office officials, the Phase 3 review process and checklist roll-out was completed in August 2025, with the exception of one program office. The roll-out for the last remaining program office was expected to begin in fiscal year 2026, once that program office approves the migration to Salesforce. We recognize that the Salesforce migration was carried out in phases due to other important tasks that were necessary prior to migrating the due diligence review procedures, and that the RTES Office has worked diligently to ensure that funding, sourcing, contracting, designing, building, and all other aspects of the Salesforce migration were eventually completed, with the exception of one program office.

Additionally, the RTES Office asserted that it provided training for the program offices on the use of Salesforce. RTES Office officials also asserted that a Salesforce user guide was published to a Salesforce Homepage for program office use and guidance starting in November 2024 and updated for the Phase 3 process in June 2025. The user guide was also posted to the RTES Office SharePoint site starting in July 2025. However, the risk of potential inconsistency and error remains until all due diligence reviews are maintained consistently and in accordance with management directives and policy.

The RTES Office's handbook serves as a reference guide for RTES Office staff on RTES risk factors and the due diligence review processes. However, during our audit, the handbook had not been finalized; therefore, RTES Office staff relied predominantly on the incomplete draft version available at the time. In June 2025, the RTES Office provided us with the handbook's final version, which included updates to the Salesforce procedures, clarified the Deputy Directors' role in the due diligence review process, and described supervisory review and approval steps. Finalizing the handbook was a positive step. However, we identified areas for improvement in the final version of the handbook. For example, the handbook states that the RTES Office performs reviews of different types of funding activities, such as financial assistance, prizes, partnership intermediary agreements, and loans. While the three-phase review process is well-established, the handbook could benefit from the addition of detailed descriptions of the review processes for each type of funding activity. Some of these activities have unique statutory RTES requirements, and as a result, there are nuances to the review process across these different activities. According to the RTES Office officials, the nuances are described in separate documents specific to those reviews; however, the handbook did not direct the reviewer to any separate documentation for further guidance. A more comprehensive description of the different types of reviews required for different activities, including any accompanying handbook references, would alleviate the risks of confusion and inconsistency in the performance of due diligence reviews.

Coordination With Due Diligence Review Partners Was Not Formalized

The coordination between the RTES Office, the Office of Intelligence and Counterintelligence (Intelligence), and various program offices was not formalized or documented. The Department's RTES Framework states that the RTES Office coordinates with Intelligence as subject matter experts. The current informal process begins when the RTES Office requests Intelligence's involvement based on criteria developed by both offices, with an emphasis on Intelligence resources on high-risk matters. To facilitate this process, the RTES Office and

Intelligence held weekly meetings to discuss matters which might merit further review. Both the RTES Office and Intelligence officials stated that their coordination evolved as the RTES Office increased its staff and developed its internal processes. Nevertheless, a formalized process would help establish expectations and accountability, ensure consistency in coordination, and document agreement between the two offices on their roles and responsibilities. During our audit, the RTES Office and Intelligence were working to complete a Memorandum of Understanding to formalize coordination.

Additionally, we found that the RTES Office had not developed an overarching document detailing its coordination and processes for engagement with program offices. In January 2025, the former Deputy Secretary instructed the RTES Office to outline its requirements and responsibilities as well as the coordination and implementation with the program offices. Routine coordination between the RTES Office and the program offices' points of contact took place to address the unique aspects within each individual program office. The program offices provided technical expertise, monitored and enforced mitigation measures, and served as the primary decision makers in awarding financial assistance.³ In an advisory capacity, the RTES Office conducted the due diligence reviews of the program offices' solicitations, potential selections, and awards; made recommendations for program officials to mitigate identified risks; and monitored compliance with the enacted mitigation measures. In June 2025, the Department temporarily detailed an employee to help update RTES policies and add RTES review procedures to existing Department-wide guidance. However, there was no overarching documentation of the RTES Office's coordination with its program office partners that outlines the requirements and responsibilities for each entity to ensure consistent implementation and continuity of coordination.

RTES Office Did Not Formalize Training Requirements

The RTES Office did not formally document training requirements for all its staff. During the scope of the audit, RTES Office officials stated they were developing a monthly training program and standardized training requirements, such as an annual workshop and external training opportunities. They also stated that their risk analysts needed a diverse range of skills, including a level of expertise and specialized training in a variety of technologies and research areas to stay abreast of evolving technologies and meet mission needs. Although the handbook provides training guidance for staff on due diligence procedures, the handbook did not mention specific training courses or requirements. According to *Standards for Internal Control in the Federal Government*, operational success is possible when the right personnel for the job are on board and receive the right training, tools, structure, incentives, and responsibilities. In June 2025, we obtained a copy of the *Onboarding Process Checklist*, which tracks, in part, the information and training provided to new hires. While the *Onboarding Process Checklist* is useful in tracking the completion of training requirements for new hires, documenting formal training requirements remains important for both new hires and ongoing staff to ensure all RTES Office staff know the requirements and retain the skills and abilities to effectively conduct due diligence reviews. After the conclusion of our fieldwork, the RTES Office asserted that it has extensive onboarding training for new employees and monthly training sessions for all risk analysts.

³ Fourteen Department program offices utilized the due diligence review services of the RTES Office.

RTES OFFICE FACED COMPETING PRIORITIES

The RTES Office did not formally document controls in a limited number of areas, in part because it was a pilot program with competing priorities. First, the RTES Office focused its human resources on the due diligence reviews (i.e., its primary mission), and as time and resources allowed, it also: (1) developed internal policies and procedures, (2) implemented all aspects of the Salesforce migration, (3) formally documented its coordination efforts with partners, and (4) formally documented a training program. As a pilot program, the RTES Office was initially limited in human resources, and it was also responsible for hiring a workforce, securing funding, and establishing relationships with program offices and key RTES due diligence partners. In addition, it was tasked with core functions such as establishing a centralized due diligence review process and conducting the due diligence reviews to identify any potential undue foreign influence.

Second, changes to the Department's policies affected the RTES Office's internal procedures and controls. Specifically, in January 2024, the former Deputy Secretary established a Department RTES Policy Working Group to develop and update agency-wide, RTES-related policies, separate from those internal to the RTES Office, to ensure that the Department had a comprehensive and robust approach to guard against undue foreign influence and was responsive to changing legislative requirements. Subsequently, the Department implemented multiple RTES-related policy actions since January 2024. While this was a positive approach toward formalizing Department-wide RTES policies and procedures, there was no definitive timeline for completion of RTES policy development. Newly drafted policies undergo a formal Department review process, which can be dependent upon responses from offices other than RTES' partners. Therefore, the timing of the approval and publication of these RTES-related policies was outside the control of the RTES Policy Working Group. It is important to note that the RTES Office was responsible for implementing the Department-wide RTES policies in addition to developing its own internal processes. Consequently, some of the RTES Office's internal policies could remain in development while the Department and the RTES Policy Working Group continue to update and develop RTES-related policies.

CONCLUSION

The RTES Office made progress since its inception, both in its technical capacity and in policy and process development; however, opportunities for improvement remain for strengthening its internal controls and formalizing its processes and coordination with key partners. For example, the due diligence review process was complex, and there were differing requirements based on award type. Until procedures are implemented and progress is tracked within one system, the process is more susceptible to inconsistencies, confusion, errors, and operational inefficiencies. In addition, the process for coordination between the RTES Office and Intelligence needs to be formally documented so that the two parties have guidance on their roles and responsibilities as well as accountability and a centralized, consistent approach. Further, any training requirements developed by the RTES Office should be documented and communicated to all RTES Office staff to establish expectations of competence for their positions, and ensure the staff obtain the specialized training necessary to conduct due diligence reviews and give meaningful

recommendations. Without a robust and formally documented set of internal controls, the RTES Office may be limited in its ability to help protect the Department's financial assistance resources and intellectual property from foreign influence, ownership, and control.

Recommendations

Given the inherent risk associated with research security and undue foreign influence, we recommend that the Acting Assistant Secretary for International Affairs direct the Director, RTES Office, to:

1. Prioritize finalization of the following controls:
 - a) Migration of the due diligence review procedures in Salesforce;
 - b) Memorandum of Understanding between the RTES Office and Intelligence that includes, at a minimum, the roles and responsibilities for each entity; and
 - c) Formal training requirements for staff as part of the standard operating procedures.
2. Develop a definitive timeline, and finalize the formal coordination between the RTES Office and the Department's program offices, as well as outline the requirements and responsibilities for each entity.

Management Comments and OIG Response

Management concurred with our recommendations and proposed and/or completed responsive corrective actions to address the reported issues. However, in their comments, management stated that "several of OIG's assertions exclude relevant context." In response to technical comments, we made several changes to the report to add additional context.

For Recommendation 1a, management agreed that it is ideal to have all the due diligence reviews in a single IT system and that is what they have been working toward; however, at this time, there is not sufficient funding available to do so. According to RTES Office officials, it is unclear when the remaining program office will have sufficient funding to complete the Salesforce migration process. Despite the funding uncertainty, we maintain our position that management should prioritize finalization of migration of the due diligence review procedures in Salesforce to reduce the risk of potential inconsistency and error among reviews. Management also stated that the RTES Office had to gain the necessary approvals and funding to establish the IT system, and that building an IT system is routinely carried out in phases. In our report, we acknowledge the various actions the RTES Office had to take before migration was possible. Further, we understand that building an IT system is routinely carried out in phases and simply state that migration is not complete.

For Recommendation 1b, management concurred with the recommendation to develop a Memorandum of Understanding with Intelligence that outlines the roles and responsibilities of each office, and committed to making this effort a priority for fiscal year 2026.

For Recommendation 1c, management stated that to address our recommendation, the RTES Office has implemented a written requirement that new employees must complete 14 hours of

training, and existing employees must complete 8 hours of continuing education for fiscal year 2026. In addition, management stated that completion of the training will be tracked by the RTES training lead and that “the RTES Office has extensive onboarding and continuing training for new and existing employees.” Further, management asserted that the actions for this recommendation are complete. We recognize that the RTES Office has developed a training program for its employees and that the standardization of this program is an ongoing process. We also recognize that new hires are presented with the *Onboarding Process Checklist*, which includes a list of required training. However, during the audit period, a similar training checklist or otherwise documented expectation of training requirements for current staff was not implemented; therefore, we maintain our position that it is important to document management’s expectations of training so that all employees are aware of their responsibilities toward maintaining competence. To address our recommendation, RTES Office officials asserted that all staff were provided with written training requirements for fiscal year 2026.

Regarding Recommendation 2, management concurred with its substance and is coordinating with the Department’s Office of Management to incorporate roles, responsibilities, and review procedures into Department-wide guidance. This is part of a broader revision effort expected to be included in the Department’s *Guide to Financial Assistance* and the Department’s *Merit Review Guide* by September 30, 2026. The updates include the coordination between the RTES Office and the program offices, and outlining the requirements and responsibilities for each entity.

Management’s comments are included in Appendix 3.

Objective, Scope, and Methodology

Objective

We conducted this audit to determine whether the Department of Energy's Office of Research, Technology and Economic Security had sufficient resources and authority to help protect the Department's financial assistance from foreign influence, ownership, and control.

Scope

The audit was performed from February 2024 through August 2025 in Washington, DC; and Livermore, California. The audit scope included the Office of Research, Technology and Economic Security activities from March 2023 through December 2024. Additional information was provided to the audit team in June 2025. The audit was conducted under Office of Inspector General project number A24LL001.

Methodology

To accomplish our audit objective, we:

- Reviewed applicable laws, regulations, and Department policies and procedures;
- Reviewed prior and related reports;
- Interviewed key personnel within the Department; and
- Gathered information and identified internal processes related to the Office of Research, Technology and Economic Security due diligence reviews.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the internal control components and underlying principles significant to the audit objective. Specifically, we assessed control activities and the underlying principle of implementing control activities, and we also assessed the information and communication component and the underlying principle of communicating internally. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Appendix 1

To assess the reliability of the data elements needed to answer the audit objectives, we: (1) reviewed source documents, (2) interviewed officials knowledgeable about the data, and (3) observed the documents from the official files and systems. We determined that the data was sufficiently reliable for the purposes of our audit objective.

Management officials waived an exit conference on December 22, 2025.

Related Reports

Office of Inspector General

- Audit Report: [*Management Challenges at the Department of Energy — Fiscal Year 2024*](#) (DOE-OIG-24-05, November 2023). In the past 2 years, Congress passed the *Infrastructure Investment and Jobs Act, CHIPS and Science Act, Inflation Reduction Act, and Puerto Rico Energy Resilience Fund*, which collectively provided the Department of Energy with an unprecedented \$99 billion in new appropriations, \$30.5 billion in new authorizations, and an enhanced loan authority of over \$400 billion. The current situation brings tremendous risk to the taxpayers—the combination of standing up 72 new Department programs, a real risk of funding entities owned or controlled by foreign adversaries, and a historic expansion of the Department’s loan program.
- Special Report: [*Management Challenges at the Department of Energy — Fiscal Year 2023*](#) (DOE-OIG-23-08, November 2022). The Office of Inspector General reported that the risks associated with the theft of intellectual property will only increase as the Department invests heavily utilizing some of the newly authorized and appropriated funds under the *Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act*. While some of this work is for fundamental research that is freely published in public, much of it is subject to intellectual property protections and/or national security considerations. This major investment remains a target for foreign governments seeking to illicitly acquire access to U.S.-funded research efforts. The economic and scientific value of the research and intellectual property developed within the Department’s complex has led foreign governments and their proxies to intensify efforts to extract information from the Department’s institutions. Since our prior *Management Challenges* report, the Department’s Research Security and Integrity Policy Working Group has drafted a new conflict of interest policy, released via a Financial Assistance Letter, which emphasizes combating financial conflicts of interest among Department-funded researchers. The Department has also begun work on a new conflict of commitment policy, which seeks to address the same concerns for non-financial, overlapping commitments from multiple institutions that will help enhance integrity among our grantees. The Department has begun to demonstrate a commitment to preventing theft of its intellectual property by instituting prohibitions on affiliation with foreign talent programs from countries of concern for all prospective *Infrastructure Investment and Jobs Act* funding recipients, and by signaling it will widen such restrictions to all financial assistance recipients for future funding opportunity announcements.

Government Accountability Office

- Report: [*DEPARTMENT OF ENERGY Actions Needed to Assess U.S. Manufacturing Policy and Protect Technology from Foreign Acquisition*](#) (GAO-24-106504, May 2024). In 2021, the Department changed its policy on the licensing of technologies developed with Department research funding to expand the scope of the U.S. manufacturing

Appendix 2

requirements for Department-funded inventions. However, the Government Accountability Office (GAO) found that the Department does not have a strategy or approach to assess the effects of this policy. The Department does not have metrics to measure whether this policy is likely to increase U.S. manufacturing of Department-funded inventions or the willingness of companies to develop these inventions. National Laboratory contractors, universities, and stakeholders raised concerns that the 2021 policy could make Department-funded inventions less attractive to prospective licensees because of the new requirements. As a result, National Laboratories and universities may be less likely to patent these inventions, although stakeholders noted that it is still too soon to tell. In addition, the GAO found that lab and university management of foreign acquisition risk is inconsistent or insufficient, in part due to a lack of comprehensive Department guidance on how to effectively manage such risks. In the absence of such guidance, lab contractors and universities are likely to continue with their inconsistent approaches for vetting entities, which may lead to licensing to entities with undue foreign influence. Similarly, foreign acquisition risk may be elevated in the continued absence of clear Department procedures for when labs should use counterintelligence reviews. Without taking steps to ensure consistent and effective risk management practices by labs and universities, the Department cannot ensure that current and potential licensees are free from undue foreign influence, which is particularly important for critical and emerging technologies. The GAO made six recommendations to the Department.

- Report: [*FEDERAL RESEARCH Agencies Need to Enhance Policies to Address Foreign Influence*](#) (GAO-21-130, December 2020). U.S. research may be subject to undue foreign influence in cases where a researcher has a foreign conflict of interest (COI). The GAO reviewed five agencies, which together accounted for almost 90 percent of all Federal research and development expenditures at universities in fiscal year 2018, and found that three have agency-wide COI policies, while two do not. In the absence of agency-wide COI policies and definitions on non-financial interests, researchers may not fully understand what they need to report on their grant proposals, leaving agencies with incomplete information to assess the risk of foreign influence. The GAO found that regardless of whether an agency has a COI policy, all five agencies require researchers to disclose information, such as foreign support for their research, as part of the grant proposal that could be used to determine if certain conflicts exist. All five agencies have mechanisms to monitor and enforce their policies and disclosure requirements when there is an alleged failure to disclose required information. All agencies rely on universities to monitor financial COI, and most agencies collect non-financial information such as foreign collaborations that can help determine if conflicts exist. Agencies have also taken actions in cases where they identified researchers who failed to disclose financial or non-financial information. The GAO made two recommendations to the Department. The Department concurred with both recommendations.

Management Comments



Department of Energy

Washington, DC 20585

MEMORANDUM FOR

LEWE SESSIONS
ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS
*PERFORMING THE DUTIES OF THE DEPUTY INSPECTOR
GENERAL*

FROM:

WILLIAM T. JOYCE JOYCE
ACTING ASSISTANT SECRETARY
OFFICE OF INTERNATIONAL AFFAIRS

SUBJECT:

A24LL001: Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs

Digitally signed by
WILLIAM JOYCE
Date: 2026.01.05
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The Department of Energy (DOE or Department) appreciates the opportunity to review and comment on the Office of Inspector General's (OIG) draft audit report titled, "*Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs.*"

Since March 2023, the Office of Research, Technology and Economic Security (RTES Office) completed over 7,700 reviews, totaling over \$170 billion of potential investments, and saved the Department from investing \$7.6 billion in projects with unmitigable risk of malign foreign influence. The Office of International Affairs (IA) leadership is pleased with the determination that the skills, knowledge, and expertise of the RTES Office provided the foundation for a workforce capable of performing its due diligence review function to meet this essential mission need. The RTES Office is one part of DOE's multi-prong approach to combat malign foreign influence in taxpayer investments.

In 2023 during the previous administration, the Department directed the establishment of the RTES Office and the immediate RTES review requirement to meet critical current needs, but did so without sufficient resources or adequate funding. Accordingly, we recognize there is room for improvement, and we welcome feedback on how to strengthen this critical function. DOE generally concurs with OIG's recommendations. However, DOE notes that several of OIG's assertions exclude relevant context.

IA, on behalf of DOE, provides the enclosed management response as well as technical comments on the report.

OIG should direct any questions to Julie K. Anderson, Director, Office of Research, Technology and Economic Security.

Management Response
OIG Draft Report:

Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs (A24LL001)

REPORT RECOMMENDATIONS

The draft report contained a total of two recommendations:

1. Prioritize the finalization of the following controls:
 - a. Migration of the due diligence review procedures in Salesforce;
 - b. Memorandum of Understanding between the RTES Office and the Office of Intelligence that includes, at a minimum, the roles and responsibilities for each entity; and
 - c. Formal training requirements for staff as part of the standard operating procedures.
2. Develop a definitive timeline, and finalize the coordination between the RTES Office and Department's program offices, as well as outline the requirements and responsibilities of each entity.

IA RESPONSE TO REPORT RECOMMENDATIONS

Recommendation 1: The OIG recommends that the Assistant Secretary for International Affairs direct the Director, RTES Office, to prioritize finalization of the following controls (a) Migration of the due diligence review procedures in Salesforce (b) Memorandum of Understanding between the RTES Office and Intelligence that includes, at a minimum, the roles and responsibilities for each entity and (c) Formal training requirements for staff as part of the standard operating procedures.

DOE Response:

(a) Migration of the due diligence review procedures in Salesforce

The review processes were implemented using available tools. IA agrees that it is ideal to have all the due diligence reviews in a single IT system and that is what we have been working towards.

The RTES Office had to gain the necessary approvals and funding to establish the IT system. The IT system itself had to be sourced, contracted, designed, and built with developers before migration was possible. In addition, the RTES Office had to obtain the approval for the Authority to Operate (ATO), which included preparing a Privacy Impact Assessment and working through the public comment process, which took approximately a year. In April 2024, the IT system design and build phase began. Less than seven months later, Phase 1 and Phase 2 review processes were conducted in the Salesforce system. As of June 23, 2025, with the exception of one program office, Phase 3 reviews are conducted in Salesforce.

Management Response
OIG Draft Report:

Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs (A24LL001)

Building an IT system is routinely carried out in phases. The IT system was implemented reasonably quickly while ensuring quality, and with only one employee managing IT system development. Expediting implementation would have required additional DOE and contractor staff and significantly increased the cost of system development, so a phased implementation approach was deemed the best use of taxpayer dollars.

While we agree that it would be ideal to have the system set up in a single IT system, at this time, there is not sufficient funding available to do so.

(b) Memorandum of Understanding (MOU) between the RTES Office and the Office of Intelligence/Counterintelligence

IA appreciates its strong relationship with the Office of Intelligence/Counterintelligence (IN). We concur with the recommendation to develop an MOU with IN that outlines the roles and responsibilities of each office. IA commits to working with our IN partners and making this effort a priority for FY2026.

(c) Formalize Training Requirements

The RTES Office has extensive onboarding and continuing training for new and existing employees which includes, but is not limited to: 1) live monthly training sessions; 2) videos, PowerPoint presentations, and job aid handouts; 3) information sharing through shared sites, newsletters and collaborative Teams channels; 4) an RTES Handbook; and 5) training for business intelligence tools. The RTES Office also developed a general DOE Research Security Training and a DOE RTES Framework training, which are presented to the DOE audience, to include IA-63 employees. The RTES Office organizes an annual workshop, which includes training on relevant topics. Further, the RTES Office hosts the RTES Security Awareness Webinar, which includes presenters from intelligence agencies, OIG, and external subject matter experts.

To formalize the training requirements, the OIG auditors indicated the RTES Office should specify the number of training hours that employees must complete and track the training hours. In response, for FY2026, the RTES Office implemented a written requirement that new employees must complete 14 hours of training and existing employees must complete 8 hours of continuing education. Further, completion of the training is now tracked by the RTES training lead.

The actions for this recommendation are complete.

Recommendation 2: Develop a definitive timeline, and finalize the coordination between the RTES Office and Department's program offices, as well as outline the requirements and responsibilities of each entity.

Appendix 3

Management Response

OIG Draft Report:

Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs (A24LL001)

DOE Response: The RTES Office agrees with the substance of this recommendation. The RTES Office continues to work with the DOE Office of Management to integrate RTES processes into DOE-wide guidance documents. These updates will incorporate the documented processes from existing guidance documents, which outline the RTES roles and responsibilities and process steps. Specifically, the coordination between the RTES Office and the Department's program offices will be codified by the DOE Office of Management in the DOE Guide to Financial Assistance and the DOE Merit Review Guide. These updated requirements are scheduled to be included in the Guide to Financial Assistance and the DOE Merit Review Guide by September 30, 2026.

FEEDBACK

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