



U.S. DEPARTMENT
of **ENERGY** | Office of
Inspector General

Office of Inspector General Semiannual Report to Congress

For Period Ending
March 31, 2026

DOE-IG-0089

A Message From the Office of the Inspector General

Honorable Members of Congress:

I am pleased to present the Department of Energy Office of Inspector General's Semiannual Report to Congress, summarizing our oversight accomplishments during the first half of the fiscal year, October 1, 2025, through March 31, 2026. This period reflects the Office of Inspector General's continued commitment to strengthen integrity, efficiency, and economy across Departmental operations.

During the first 6 months of the fiscal year, the Office of Inspector General completed 27 audit and inspection reports, each designed to strengthen Departmental operations, enhance stewardship of taxpayer resources, and promote the efficiency and effectiveness of critical programs. These reports demonstrate the dedication and professionalism of our workforce and our continued focus on producing high-quality, high-impact work.

The Office of Inspector General's investigative work remains a cornerstone of our oversight mission. During this reporting period, the Office of Inspector General closed multiple investigations involving allegations of fraud and misconduct, reinforcing accountability and strengthening trust in public service. Our dedicated Federal agents worked closely with prosecutorial partners and Department officials to ensure that investigative findings translate into meaningful outcomes to include indictments, criminal convictions, guilty pleas, settlements, and financial recoveries. In addition, investigative findings led the Department to pursue suspensions and debarments, protecting the Government's interests and ensuring that individuals and entities engaged in misconduct are prevented from receiving future Federal awards.

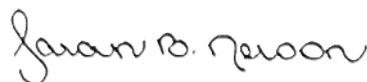
This reporting period also marked an important organizational milestone. After many successful years of meeting or exceeding our established performance metrics, the Office of Inspector General formally retired those legacy measures. The metrics served



the organization well, guiding performance and helping drive a culture of continuous improvement. Having consistently achieved and, in many cases, surpassed the metrics, the Office of Inspector General recognized the need for a new framework that better reflects the current oversight environment and the future direction of our mission.

To address this, the Office of Inspector General conducted a comprehensive update of its Strategic Plan, establishing new goals and measures designed to strengthen mission execution and push the organization toward even higher levels of performance. These updated goals will better position the Office of Inspector General to anticipate emerging risks, direct resources toward high-impact areas, and continue to deliver value to Congress, the Department, and the American public. These efforts reflect our ongoing commitment to fiscal responsibility, transparency, and stewardship of public funds.

I am proud of the dedication, professionalism and resilience demonstrated by our team, whose work continues to uphold the principles of good governance and public trust. Already, these changes implemented within the Office of Inspector General have led to an increase in the number of reports published compared to the same period a year ago, reflecting improved internal processes and the improved operational capabilities of our workforce. We remain firmly committed to transparent, rigorous, and impactful oversight, to include the identification of new opportunities for improvement across the Department of Energy. I thank our stakeholders and partners for their continued support and collaboration and look forward to advancing our mission in service of the Department and the American people.



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

Mission, Vision, and Values

Mission

To strengthen the integrity, economy and efficiency of the Department's programs and operations, including by deterring and detecting fraud, waste, abuse, and mismanagement through the faithful administration of the law.

Vision

We serve the Nation by executing independent, high-quality work, investing in a talented workforce, and applying innovative approaches to advance effective and accountable Government.

Values

Our values serve as the cornerstones of the Office of Inspector General's organizational culture and guide our decisions and actions.

Integrity

Acting with honesty, independence, and impartiality in all we do.

Objectivity

Acting in the best interest of the taxpayer by conducting our work in a fair and factual manner.

Excellence

Delivering high-quality, timely work that produces meaningful and actionable results that strengthen the Department's programs and operations.


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Abbreviation Listing

BPA	Bonneville Power Administration
CARES	Coronavirus Aid, Relief, and Economic Security
CohnReznick	CohnReznick, LLC
DCAA	Defense Contract Auditing Agency
Department	Department of Energy
DOJ	Department of Justice
FERC	Federal Energy Regulatory Commission
FISMA	<i>Federal Information Security Modernization Act of 2014</i>
FY	Fiscal Year
G&A	General and Administrative
IT	Information Technology
KPMG	KPMG, LLC
LANL	Los Alamos National Laboratory
LLNL	Lawrence Livermore National Laboratory
LPO	Loan Programs Office
M&O	Management and Operating
NFR	Notice of Findings and Recommendations
NNSA	National Nuclear Security Administration
Nuclear Energy	The Office of Nuclear Energy
OI	Office of Investigations
OIG	Office of Inspector General
SNL	Sandia National Laboratories
SRS	Savannah River Site
WAPA	Western Area Power Administration

Statistical Highlights

Total Monetary Impact		\$254.25 Million
	Questioned and unsupported costs	\$247 Million
	Restitution, funds returned to the Department, penalties, and court costs	\$7 Million
	Funds put to better use	\$250,000

Accountability



Persons referred to a prosecuting authority	20
Administrative discipline and other management action	31
Criminal convictions	6

Reports and Recommendations



Audit and inspection reports issued	27
Other audit products issued	1
Recommendations contained in issued reports	135

Prevention



Referrals for suspension and debarment	12
Fraud Awareness Briefings	110

Investigative Activities

What We Investigate	How Investigations Promote Accountability	How Investigations Save Taxpayer Dollars
The OIG's OI addresses alleged violations of law that impact Department programs, operations, facilities, and personnel.	The OIG works closely with officials who have the authority to hold offenders accountable, including the DOJ and other law enforcement organizations and Department officials.	Our findings result in financial remedies such as fines, settlements, and recoveries as well as opportunities for funds to be put to better use. These all have a monetary impact with potential taxpayer savings.

Cases	
Cases Open as of October 1, 2025	255
New Cases Opened	40
Cases Closed	61
Cases Open as of March 31, 2026	234
Multi-Agency Joint Cases Opened During the Reporting Period	6
Qui Tam Cases Opened During the Reporting Period	3
Total Open Qui Tam Investigations as of March 31, 2026	18
Reports	
Total Investigative Reports Issued During the Reporting Period	25
<i>Investigative Reports issued by the OI include Reports of Investigation and Investigative Reports to Management</i>	

For more information on qui tams—lawsuits filed by private citizens alleging frauds against the Government—go to: <https://shorturl.at/48Ca9>

Actions Taken on Investigative Findings	
Administrative Discipline and Other Management Actions	31
Suspensions/Debarments ¹ <i>Suspensions/Debarments reported may have been referred in prior reporting periods.</i>	19
Referrals for Suspension/Debarment <i>This number reflects referrals for this reporting period.</i>	12
Total Persons Referred to a Prosecuting Authority <i>Persons is defined as an individual or an entity. For example, two co-owners and their business entity would be counted as three persons.</i>	20
DOJ Referrals	16
State/Local Referrals	4
Referrals Accepted for Prosecution <i>Some referrals accepted during the 6-month period were referred for prosecution during a previous reporting period.</i>	9
Total Indictments/Criminal Informations <i>Sealed Indictments are included.</i>	5
Indictments/Criminal Informations Resulting From Prior Reporting Periods	3
Criminal Convictions	6
Pre-Trial Diversions	1
Civil Actions	2
Monetary Impact	
Dollars Recovered (Fines, Settlements, Recoveries) <i>Some of the money collected was the result of investigations involving multiple agencies.</i>	\$6,994,377
Cost Avoidance <i>This includes funds from awards that were canceled or modified as a result of OIG investigations.</i>	\$250,000

¹ This number includes proposed debarments issued under the Federal Acquisition Regulation. We report proposed debarments under the Federal Acquisition Regulation because those actions have the same effect as a debarment or a suspension in accordance with 48 Code of Federal Regulations § 9.405. The inclusion of proposed debarments under the Federal Acquisition Regulation presents a more complete picture of the effect of OIG referrals, but they are not final actions.

Whistleblower and Hotline Activities

Whistleblowers and individuals who report suspected wrongdoing to our Hotline play a critical role in keeping Government honest, efficient, and accountable.

Federal laws outline the duty of Federal employees to disclose wrongdoing, and they are to do so in an environment free from the threat of retaliation. During this reporting period, the OIG substantiated one allegation of whistleblower retaliation and closed that allegation via an Investigative Report. At the time of publication, the Investigative Report is undergoing review by the Department. Details of this Investigative Report will be provided in the next Semiannual Report to Congress. The Hotline activities reported below capture the reporting and disposition of allegations received from Department employees, contractors, and the public.

Whistleblower Activities

Whistleblower Matters Open as of October 1, 2025		51
Whistleblower Matters Opened this Period		33
Whistleblower Matters Closed this Period		43
Whistleblower Matters Closed via Investigative Reports	1	
Whistleblower Matters Closed via Letters	42	
Whistleblower Matters Open as of March 31, 2026		41

Hotline Activities

Total Hotline Calls, Emails, Letters, and Other Complaints (Contacts) <i>This number refers to any contact that required Hotline staff review, including re-contacts for additional information and requests for disposition.</i>	4,465
Hotline Contacts Resolved Immediately/Redirected/No Further Action	4,078
Hotline Contacts Predicated For Evaluation	387
Total Hotline Predications Processed This Reporting Period <i>This number includes 27 predications carried over from the last semiannual reporting period</i>	385
Hotline Predications Transferred to OIG Program Office	52
Hotline Predications Referred to Department Management or Other Entity for Information/Action	143
Hotline Predications Closed Based on Preliminary OIG Activity and Review	190
Hotline Predications Open at the End of the Reporting Period	29

Audit and Inspection Reporting

Total Reports Issued	27
Audit Reports	23
Inspection/Evaluation Reports	4
Other Issued Products	1

What audit and inspection activities the OIG performs	Our work provides oversight of Department organizations, programs, and operations; its operational efficiency, effectiveness, and vulnerabilities; assessments of cybersecurity; and determinations about the costs incurred by contractors.
How audit and inspection activities save taxpayer dollars	Our reports include recommendations for better (more efficient) use of funds , questioned costs, and unsupported costs. We question costs that are unnecessary, unreasonable, or result from an alleged violation of law, regulation, contract, etc. (may include unresolved subcontract costs pending audit). We identify costs claimed that are not supported by adequate documentation as unsupported .
How audit and inspection activities improve operations and programs	In addition to identifying questioned costs and funds that may be put to better use, our work examines Department programs and operations. We make recommendations to improve effectiveness and efficiency, reduce risk to taxpayer-funded initiatives, and provide other benefits.

Better Use of Funds	Reports	Dollars
Reports issued before the reporting period that included recommendations for better use of funds for which decisions on dollars had not been made as of October 1, 2025 <i>Management Decisions are Department management's evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management concerning its response.</i>	1	\$276
Reports issued during the reporting period that included recommendations for better use of funds <i>This applies regardless of whether a decision on dollars has been made.</i>	—	—
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	—	—
Agreed to by management	—	—
Not agreed to by management	—	—
Reports that include recommendations for better use of funds for which decisions on dollars have not been made at the end of the reporting period	1	\$276



Source: U.S. Department of Energy

Questioned and Unsupported Costs

	Reports	Alleged Violation	Unsupported Costs	Unreasonable/Unnecessary	Total
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of October 1, 2025	7	\$10,135,720	\$3,174,857	\$159,949,842	\$173,260,419
Reports issued during the reporting period that include questioned or unsupported costs <i>This applies regardless of whether a decision on dollars has been made.</i>	10	\$101,719,333	\$1,176,949	\$143,782,806	\$246,679,088
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	7	\$97,778,022	\$2,845,603	\$159,949,842	\$260,573,467
Value of disallowed costs	—	—	—	—	—
Value of costs not disallowed	—	\$97,778,022	\$2,845,603	\$159,949,842	\$260,573,467
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	12	\$14,077,031	\$1,506,203	\$143,782,806	\$159,366,040

Unresolved Costs²

Total of unresolved costs in reports issued before the reporting period for which the Department may have made some decisions on dollars but not all issues were resolved as of October 1, 2025	\$117,386,039
Total of unresolved costs in reports issued during the reporting period <i>This applies regardless of whether a decision on dollars has been made.</i>	—
Total of unresolved costs in reports for which a decision on dollars was made during the reporting period	—
Value of disallowed costs	—
Value of costs not disallowed	—
Total of unresolved costs in reports for which decisions on dollars have not been made at the end of the reporting period	\$117,386,039

² The OIG is currently working with the Department to determine how these costs will be resolved.

Actions Taken by Department Management in Response to Office of Inspector General Investigations and Reports

Debarment in a Grant Fraud Investigation

A former Department grantee employee was issued a 3-year Notice of Debarment by the U.S. Department of Commerce, Office of Chief Financial Officer and Assistant Secretary for Administration. As previously reported in the September 30, 2025, *Semiannual Report to Congress*, the U.S. District Court for the District of Oregon sentenced a former Department grantee employee to 8 months of incarceration, 3 years of probation, and ordered the former grantee employee to pay \$211,083 in restitution, \$10,000 in fines, and an assessment of \$100. The OIG investigation determined the former grantee employee embezzled funds from the grantee's health benefits trust account that was created to pay benefits, fees, and other charges for the grantee's employees covered under its self-funded health care benefit program. The health benefits account was funded, in part, through grants from the Department, the National Oceanic and Atmospheric Administration, and the Department of Interior. This was a joint investigation with the Federal Bureau of Investigation and the Department of Commerce OIG.

Debarments Issued by NNSA in a Conflict-of-Interest Investigation

The NNSA Suspending and Debarring Official issued a debarment to a former SNL employee, their brother, and their jointly owned company for a period of 3 years. This action followed an OIG investigation which found the former employee used their official position to influence the issuance of seven subcontracts to their company and billed 685.75 labor hours to SNL for work they conducted on behalf of the company. As previously reported in the September 30, 2025, *Semiannual Report to Congress*, their employment with SNL was terminated as a result of the OIG findings. The Sandia Field Office is also reviewing \$537,046 in questioned costs because of the former employee's actions.

Financial Recovery and Debarment Issued in a Timecard Fraud Investigation

The Department's Suspending and Debarment Official issued a debarment to a former contractor employee working at the Hanford Site for a period of 3 years. The OIG investigation determined the contractor employee mischarged approximately 1,069 hours of time from September 2020 through April 2023, by recording time that was not worked. The contractor employee's mischarging resulted in a total of \$83,416 charged to the Government for services it did not receive, which was remitted from the contract and returned to the Department.

Increased Collaboration With States as Part of the Home Energy Rebates Programs

During our ongoing inspection of California's implementation of the Home Energy Rebates programs, we found that the California State Energy Office had not fully established, documented, and maintained an effective system of internal control over the Federal award. As a result of our inspection, the Office of State and Community Energy Programs coordinated with the Department of Treasury to ensure that states could access the Do-Not-Pay system to prevent the distribution of Federal funds to disallowed recipients. The Office of State and Community Energy Programs is also in the process of developing guidance for states on how to obtain access to the Do-Not-Pay system for processing future rebate applications.

Actions Taken to Address Cybersecurity Weaknesses

The Department took actions to address weaknesses identified by the OIG during cybersecurity evaluations. As a result of the actions taken, the OIG closed 15 prior year recommendations identified in the Management Letter, *Weaknesses Identified With the Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2025*. Actions were taken to address OIG-identified weaknesses that included access reviews, account management, audit logging, and vulnerability management.

Table of Published Reports

The following table identifies all reports issued from October 1, 2025, through March 31, 2026.

Audit Reports					
Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
November 11, 2025	<i>The Federal Energy Regulatory Commission's Fiscal Year 2025 Financial Statements</i> (DOE-OIG-26-01)	—	—	—	—
November 14, 2025	<i>The Department of Energy Nuclear Waste Fund's Fiscal Year 2025 Financial Statements</i> (DOE-OIG-26-02)	—	—	—	—
December 11, 2025	<i>The Department of Energy's Fiscal Year 2025 Financial Statements</i> (DOE-OIG-26-03)	—	—	—	—
December 15, 2025	<i>The Department of Energy's Fiscal Year 2025 Financial Statements</i> (DOE-OIG-26-04)	28	—	—	—
December 18, 2025	<i>Opportunities Exist to Improve the Loan Programs Office's Management of Conflicts of Interest for Federal Employees</i> (DOE-OIG-26-06)	3	—	—	—
January 22, 2026	<i>Improvements Needed to Address the Department of Energy's Exposure to Information Supply Chain Risks</i> (DOE-OIG-26-09)	—	—	—	—

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
January 23, 2026	<i>Additional Actions Could Improve the Department's Pilot Vetting Process Within the Office of International Affairs</i> (DOE-OIG-26-11)	2	—	—	—
February 10, 2026	<i>Fluor Federal Petroleum Operations, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-FE0011020</i> (DOE-OIG-26-13)	3	—	\$2,598,107	—
February 19, 2026	<i>Lawrence Livermore National Laboratory's Costs Incurred and Claimed for Fiscal Year 2021 Under Contract No. DE-AC52-07NA27344</i> (DOE-OIG-26-14)	2	—	\$63,559,061 ³	—
March 2, 2026	<i>UChicago Argonne, LLC's Costs Incurred and Claimed for Fiscal Years 2021 and 2022 Under Contract No. DE-AC02-06CH11357</i> (DOE-OIG-26-15)	1	—	\$12,045,591 ⁴	\$1,176,949
March 2, 2026	<i>The Western Area Power Administration's Fiscal Year 2025 Financial Statements Audit</i> (DOE-OIG-26-16)	—	—	—	—

³ All of these questioned costs represent performance award fees that were included in a cost pool. While the contractors are entitled to the earned fees, the fees were questioned because they were improperly included as a cost to the contractor in the Incurred Cost Submission, which was a noncompliance with the Federal Acquisition Regulation.
⁴ Of these questioned costs, \$11,487,044 represent performance award fees that were included in a cost pool. While the contractors are entitled to the earned fees, the fees were questioned because they were improperly included as a cost to the contractor in the Incurred Cost Submission, which was a noncompliance with the Federal Acquisition Regulation.

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
March 3, 2026	<i>Internal Control Weaknesses Identified During the Western Area Power Administration's Fiscal Year 2025 Financial Statements Audit</i> (DOE-OIG-26-17)	5	—	—	—
March 4, 2026	<i>The National Nuclear Security Administration's Management and Operating Contractors Generally Classified Subcontracts in Accordance with the Federal Acquisition Regulation</i> (DOE-OIG-26-18)	—	—	—	—
March 4, 2026	<i>The Regents of the University of California's Costs Incurred and Claimed for Fiscal Year 2021 Under Contract No. DE-AC02-05CH11231</i> (DOE-OIG-26-19)	1	—	\$6,356,900 ⁵	—
March 6, 2026	<i>Fermi Research Alliance LLC's Costs Incurred and Claimed for Fiscal Years 2021 and 2022 Under Contract No. DE-AC02-07CH11359</i> (DOE-OIG-26-20)	—	—	\$10,042,755 ⁶	—

⁵ All of these questioned costs represent performance award fees that were included in a cost pool. While the contractors are entitled to the earned fees, the fees were questioned because they were improperly included as a cost in the Incurred Cost Submission, which was a noncompliance with the Federal Acquisition Regulation.

⁶ Of these questioned costs, \$9,900,292 represent performance award fees that were included in a cost pool. While the contractors are entitled to the earned fees, the fees were questioned because they were improperly included as a cost in the Incurred Cost Submission, which was a noncompliance with the Federal Acquisition Regulation.

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
March 6, 2026	<i>Jefferson Science Associates, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-AC05-06OR23177 (DOE-OIG-26-21)</i>	—	—	\$6,298,156 ⁷	—
March 9, 2026	<i>Weaknesses Identified With the Department of Energy's Unclassified Cybersecurity Program in Fiscal Year 2025 (DOE-OIG-26-22)</i>	73	—	—	—
March 12, 2026	<i>Consolidated Nuclear Security, LLC's Statement of Cost Incurred and Claimed for Fiscal Years 2016 Through 2018 Under Contract No. DE-NA0001942 (DOE-OIG-26-23)</i>	2	—	\$323,923	—
March 24, 2026	<i>Additional Actions Would Help the National Nuclear Security Administration Realize Guaranteed Savings Through Its Energy Savings Performance Contract With Siemens Government Technologies Inc. at the Pantex Plant (DOE-OIG-26-24)</i>	3	—	—	—
March 24, 2026	<i>Opportunities Exist to Improve the Department's Oversight of Demonstration and Deployment Projects (DOE-OIG-26-25)</i>	5	—	\$143,513,482	—

⁷ All of these questioned costs represent performance award fees that were included in a cost pool. While the contractors are entitled to the earned fees, the fees were being questioned because they were improperly included as a cost in the Incurred Cost Submission, which is a noncompliance with the Federal Acquisition Regulation.

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
March 24, 2026	<i>Fluor Federal Petroleum Operations, LLC's Costs Incurred and Claimed for Fiscal Years 2017 Through 2020 Under Contract No. DE-FE0011020 (DOE-OIG-26-26)</i>	2	—	\$122,344	—
March 26, 2026	<i>Jefferson Science Associates, LLC's Costs Incurred and Claimed for Fiscal Years 2019 and 2020 Under Contract No. DE-AC05-06OR23177 (DOE-OIG-26-27)</i>	2	—	\$650,820	—
March 30, 2026	<i>The Department of Energy Took Actions Necessary to Implement the Cybersecurity Information Sharing Act of 2015 (DOE-OIG-26-28)</i>	—	—	—	—

Inspection, Evaluations, and Special Reports

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
December 22, 2025	<i>Management Challenges at the Department of Energy- Fiscal Year 2026</i> (DOE-OIG-26-05)	—	—	—	—
January 14, 2026	<i>Additional Actions Would Strengthen Georgia's Internal Controls for Implementing the Home Energy Rebates Programs</i> (DOE-OIG-26-07)	1	—	—	—
January 20, 2026	<i>Additional Actions Would Strengthen Indiana's Internal Controls for Implementing the Home Energy Rebates Programs</i> (DOE-OIG-26-08)	1	—	—	—
January 22, 2026	<i>Additional Actions Would Strengthen New Mexico's Internal Controls for Implementing the Home Energy Rebates Program</i> (DOE-OIG-26-10)	1	—	—	—
February 2, 2026	<i>The Federal Energy Regulatory Commission's Unclassified Cybersecurity Program for Fiscal Year 2025 Was Effective</i> (DOE-OIG-26-12)	—	—	—	—

Audit Reviews

In addition to published audit reports, the Office of Audits conducts reviews of major contractors' Certified Indirect Cost Proposal Submissions to ensure adequacy for upcoming incurred cost audits, as well as Real Time Labor Reviews (floor checks) to ensure compliance with labor charging policies, procedures, and internal controls to be used in upcoming incurred cost audits.

Adequacy and Real Time Labor Reviews

Review Type	Title	Date
Adequacy Review	<i>Final Indirect Cost Submission for Battelle Savannah River Alliance, LLC for Fiscal Year 2024 Under Contract No. 89303321CEM000080</i>	March 30, 2026

IT/Cyber Notices of Findings and Recommendations

In addition to published audit and inspection reports, the Office of Audits conducts reviews over the cybersecurity programs, including M&O contractors, to ensure compliance with Federal and Departmental requirements. As part of our review, we issue NFRs detailing the specific conditions, causes, and impact an identified weakness may have to the Department's security posture. During the current reporting period, we issued 30 NFRs. The NFRs are later summarized and included in our annual unclassified cybersecurity report. Given the sensitivity of the findings, we are providing a summary of the total NFRs issued along with the status of the recommendations.

Department Program	Total NFRs Issued	Total NFRs Closed	Recs Newly Issued	Prior Year(s) Recs Reissued	Prior Year(s) Recs Closed	Total Recs Open
Chief Information Officer	1	0	3	0	0	3
Science	11	2	13	11	5	24
Environmental Management	5	8	8	0	17	8
National Nuclear Security Administration	6	1	19	3	2	22
Power Marketing Administration	2	2	1	2	4	3
Nuclear Energy	0	2	0	0	3	0
Energy Efficiency and Renewable Energy ¹	1	0	0	2	0	2
Fossil Energy and Carbon Management ²	2	1	8	0	1	8
Chief Financial Officer	2	0	3	0	0	3

¹ The prior year Energy Efficiency and Renewable Energy (now the Office of Critical Minerals and Energy Innovation) finding was issued to the National Renewable Energy Laboratory (now the National Laboratory of the Rockies) when it was under Energy Efficiency and Renewable Energy.

² These findings were issued to the Office of Fossil Energy and Carbon Management, now designated the Hydrocarbons and Geothermal Energy Office.

Investigations Resulting in Reportable Outcomes

All OIG investigations that result in a reportable outcome are disclosed to the public in our Semiannual Report to Congress. The following table includes reportable outcomes during the period from October 1, 2025, through March 31, 2026.

Summary Title
<i>Debarment in a Grant Fraud Investigation</i>
<i>Debarments Issued by NNSA in a Conflict-of-Interest Investigation</i>
<i>Financial Recovery and Debarment Issued in a Timecard Fraud Investigation</i>
<i>Guilty Verdict and Sentencing in Illegal Kickback Scheme Investigation</i>
<i>A Guilty Plea and Sentencings in an Arms Export Control Act Investigation</i>
<i>Civil Settlement in a Labor Mischarging Fraud Investigation</i>
<i>Sentencing in Economic Injury Disaster Loan Fraud Investigation</i>
<i>Guilty Plea in CARES Act Fraud Investigation</i>
<i>Department Contractor Employee Indicted and Pleaded Guilty in a Child Sexual Abuse Material Investigation</i>
<i>Indictment in a Contract Fraud Investigation</i>
<i>Indictment in a Theft of Government Property Investigation</i>
<i>Arrest, Suspension, and Retirement Prior to Adjudication in a Theft of Government Property Investigation</i>
<i>Civil Settlement in False Claims Investigation</i>
<i>Civil Settlement Agreement in a Paycheck Protection Program Loan Investigation</i>
<i>Restitution/Employee Suspension/Retirement in a Timecard Fraud Investigation</i>
<i>Repayment of Disputed Labor Costs Following OIG Investigation</i>
<i>Debarment in a Grant Fraud Investigation</i>
<i>Debarment Referral and Restitution for Department Contractor Employee in Timecard Fraud Investigation</i>
<i>Debarment in a Child Sexual Abuse Investigation</i>
<i>Department Contractor Employee Suspended from Work in Timecard Fraud Investigation</i>
<i>Policy/Program Improvement in an Employee Misconduct Investigation</i>
<i>Sentencing in Theft of Government Property Investigation</i>

Investigations Involving Unauthorized Public Disclosure of Classified Information

Pursuant to the requirement of Section 6718 of the National Defense Authorization Act, during the reporting period from October 1, 2025, through March 31, 2026, the work of the OI included the following reports:

The number of investigations opened regarding an unauthorized public disclosure of classified information	—
The number of investigations completed regarding an unauthorized public disclosure of classified information	—
Of the number of such completed investigations identified under Subparagraph (B), the number referred to the Attorney General for criminal investigation	N/A

Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated

During the reporting period from October 1, 2025, through March 31, 2026, the following investigations were conducted by the OI that involved a senior Government employee at the GS-15 level or above.

Facts and Circumstances	Status and Disposition	Referred to Department of Justice	Department of Justice Declination
Alleged potential endorsement issued by Government officials	Closed; Substantiated	Yes February 19, 2021	Yes
Alleged misuse of position	Closed; Unsubstantiated	Yes March 16, 2026	Yes
Alleged felony theft of personal property and Government ethics violations	Closed; Substantiated	No (Local Prosecution)	N/A
Alleged misappropriation of funds	Closed; Unsubstantiated	No	N/A

Cooperation With the Office of Inspector General

Interference With Inspector General Independence

During the reporting period from October 1, 2025, through March 31, 2026, the Department neither interfered with OIG independence nor denied funding for OIG activities.

Management Decision Status

During the reporting period from October 1, 2025, through March 31, 2026, there were no audit or inspection reports where the OIG disagreed with the management decision, and no revised management decisions were made. Regarding audit and inspection reports issued during prior reporting periods, none received a management decision or lacked a management decision.



Source: U.S. Department of Energy

Open Recommendations - 233 Recommendations Accepted but Not yet Implemented

The following table identifies 47 reports with a total of 233 recommendations, which were agreed to by the Department but have not been implemented as of March 31, 2026. The total potential cost savings associated with these reports is \$165,172,037. Beyond these potential cost savings, many of the recommendations of the OIG will result in additional benefits and savings that may not be readily monetized at the time the report is published.

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
December 17, 2007	<u>Beryllium Surface Contamination at the Y-12 National Security Complex</u> (IG-0783)	1	—
October 31, 2018	<u>The Department of Energy's Funds Distribution System 2.0</u> (DOE-OIG-19-03)	5	—
June 1, 2020	<u>The Strategic Petroleum Reserve's Modernization Program</u> (DOE-OIG-20-43)	1-2	—
July 13, 2020	<u>Audit Coverage of Cost Allowability for Nuclear Waste Partnership, LLC, from October 1, 2014, to September 30, 2017, under the Department of Energy Contract No. DE-EM0001971</u> (DOE-OIG-20-49)	1	\$916,046
September 21, 2022	<u>The Management of Emergency Communication Systems at the Oak Ridge Reservation</u> (DOE-OIG-22-43)	1	—
June 1, 2023	<u>Access of Executive Branch Personnel Records</u> (DOE-OIG-23-23)	1-2	—
June 13, 2023	<u>Management of the Bonneville Power Administration's Cybersecurity Program</u> (DOE-OIG-23-25)	1-19	—
August 11, 2023	<u>Management of the Los Alamos National Laboratory's Unclassified Cybersecurity Program</u> (DOE-OIG-23-28)	1-2	—
September 29, 2023	<u>Sensitive and High-Risk Property Management at the Brookhaven National Laboratory</u> (DOE-OIG-23-35)	2-3	—
September 29, 2023	<u>The Department of Energy's Oversight of the Employee Concerns Program</u> (DOE-OIG-23-36)	1	—
September 29, 2023	<u>UT-Battelle, LLC, Costs Claimed under Department of Energy Contract No. DE-AC05-00OR22725 for Fiscal Year 2017</u> (DOE-OIG-23-37)	3	\$15,311,819

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
March 27, 2024	<i>Management of Cybersecurity Over the Clearance Action Tracking System</i> (DOE-OIG-24-15)	27	—
July 2, 2024	<i>Bonneville Power Administration's Physical Protection Program for Critical Assets</i> (DOE-OIG-24-21)	1-2	—
August 30, 2024	<i>Opportunities Exist to Improve Bonneville Power Administration's Management of Fish and Wildlife Program Contracts</i> (DOE-OIG-24-27)	1-8	—
September 27, 2024	<i>Bonneville Power Administration Needs to Improve Cybersecurity Over Selected Transmission Infrastructure Systems</i> (DOE-OIG-24-34)	1-18	—
September 30, 2024	<i>The Department of Energy Has Made Little Progress Implementing the Geospatial Data Act of 2018</i> (DOE-OIG-24-35)	2-4	—
December 17, 2024	<i>Interim Findings - The Department's Loan Programs Office is Not Managing Organizational Conflicts of Interest in Compliance with Regulations</i>	3-4	—
December 30, 2024	<i>Allegations of Management Concerns at the Department of Energy's Office of Intelligence and Counterintelligence</i> (DOE-OIG-25-11)	2	—
March 7, 2025	<i>Performance Audit of Mission Support and Test Services LLC Statement of Costs Incurred and Claimed Submissions for Fiscal Year Ended September 30, 2018 and Incurred Cost Submissions for Fiscal Years Ended September 30, 2019 and September 30, 2020</i> (DOE-OIG-25-17)	1-5	—
March 14, 2025	<i>SLAC National Accelerator Laboratory's Proposed Amounts on Unsettles Flexibility Priced Contracts for Fiscal Year 2021</i> (DOE-DCAA-25-4281)	1-2	—
June 12, 2025	<i>Review of Explosives Storage at the Savannah River Site</i> (DOE-OIG-25-21)	1-2	—
June 12, 2025	<i>Paycheck Protection Program Loans at the Hanford Site</i> (DOE-OIG-25-22)	1, 6	\$2,181,565

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
June 23, 2025	<u>Regional Clean Hydrogen Hubs Program</u> (DOE-OIG-25-23)	1-2	—
July 24, 2025	<u>Opportunities to Improve Internal Control Gaps for the Office of Clean Energy Demonstrations' Implementation of the Advanced Industrial Facilities Deployment Program</u> (DOE-OIG-25-26)	1-2	—
August 4, 2025	<u>The Department of Energy and Sandia National Laboratories Took Corrective Actions, but Additional Actions Would Further Improve Subcontract Management</u> (DOE-OIG-25-27)	1	—
August 7, 2025	<u>Allegation Regarding National Nuclear Security Administration Laboratories Not Following Export Control Regulations</u> (DOE-OIG-25-28)	1-2	—
August 12, 2025	<u>The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements</u> (DOE-OIG-25-29)	3-5	—
September 8, 2025	<u>The Western Area Power Administration's Physical Protection Program for Critical Assets</u> (DOE-OIG-25-33)	2-3	—
September 11, 2025	<u>Allegations of Flight Concerns at the National Nuclear Security Administration's Remote Sensing Laboratory</u> (DOE-OIG-25-34)	1-5	—
September 30, 2025	<u>The Grid Deployment Office's Implementation of the Puerto Rico Energy Resilience Fund Program</u> (DOE-OIG-25-35)	1	—
September 29, 2025	<u>Nuclear Waste Partnership's LLC's Statement of Costs Incurred and Claimed for Fiscal Year 2020 Under Contract No. DE-EM0001971</u> (DOE-OIG-25-37)	1,2,5	—
December 25, 2025	<u>Management Letter - The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements</u> (DOE-OIG-26-04)	1-28	—
January 14, 2026	<u>Additional Actions Would Strengthen Georgia's Internal Controls for Implementing the Home Energy Rebates Programs</u> (DOE-OIG-26-07)	1	—

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
January 14, 2026	<i>Additional Actions Would Strengthen Indiana's Internal Controls for Implementing the Home Energy Rebates Programs</i> (DOE-OIG-26-08)	1	—
January 23, 2026	<i>Additional Actions Would Strengthen New Mexico's Internal Controls for Implementing the Home Energy Rebates Programs</i> (DOE-OIG-26-10)	1	—
January 23, 2026	<i>Additional Actions Could Improve the Department of Energy's Pilot Vetting Process Within the Office of International Affairs</i> (DOE-OIG-26-11)	1-2	—
February 10, 2026	<i>Fluor Federal Petroleum Operations, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-FE0011020</i> (DOE-OIG-26-13)	1-3	\$2,598,107
February 19, 2026	<i>Lawrence Livermore National Laboratory's Costs Incurred and Claimed for Fiscal Year 2021 Under Control No. DE-AC52-07NA27344</i> (DOE-OIG-26-14)	1-2	—
March 2, 2026	<i>Argonne National Laboratory's Incurred Cost Submission for Fiscal Years 2021 and 2022 Under Department of Energy Contract No. DE-AC02-06CH11357</i> (DOE-OIG-26-15)	1	\$1,735,496
March 3, 2026	<i>Management Letter: Internal Control Weaknesses Identified During the Western Area Power Administration Fiscal Year 2025 Financial Statements Audit</i> (DOE-OIG-26-17)	1-5	—
March 5, 2026	<i>Regents of the University of California's Costs Incurred and Claimed for Fiscal Year 2021 Under Contract No. DE-AC02-05CH11231</i> (DOE-OIG-26-19)	1	—

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
March 9, 2026	<u>Management Letter - Weaknesses Identified With the Department of Energy's Unclassified Cybersecurity Program in Fiscal Year 2025</u> (DOE-OIG-26-22)	1a-b, 2a-d, 3a-d, 4a-d, 5a-d, 6a-c, 7a, 8a-b, 9a-d, 10a-e, 11a-f, 12a-d, 13a-b, 14a, 15a-b, 16a-b, 17a-b, 18a, 19a, 20a, 21a-b, 22a-b, 23a-b, 24a, 25a, 26a, 27a, 28a, 29a, 30a, 31a, 32a, 33a, 34a-b	—
March 12, 2026	<u>Consolidated Nuclear Security, LLC's Statement of Costs Incurred and Claimed Submissions for Fiscal Years 2016 Through 2018 Under Contract No. DE-NA0001942</u> (DOE-OIG-26-23)	1, 2a-b	\$323,923
March 24, 2026	<u>Additional Actions Would Help the National Nuclear Security Administration Realize Guaranteed Savings Through Its Energy Savings Performance Contract With Siemens Government Technologies Inc. at the Pantex Plant</u> (DOE-OIG-26-24)	1-3	—
March 24, 2026	<u>Opportunities Exist to Improve the Department's Oversight of Demonstration and Deployment Projects</u> (DOE-OIG-26-25)	1-5 ⁸	\$143,513,482
March 24, 2026	<u>Fluor Federal Petroleum Operations, LLC's Costs Incurred and Claimed for Fiscal Years 2017 Through 2020 Under Contract No. DE-FE0011020</u> (DOE-OIG-26-26)	1-2	\$122,344
March 26, 2026	<u>Jefferson Science Associates, LLC's Costs Incurred and Claimed for Fiscal Years 2019 and 2020 Under Contract No. DE-AC05-06OR23177</u> (DOE-OIG-26-27)	1-2	\$650,820
Total Open Recommendations <i>The total potential monetary benefits under-represent the potential monetary impact of recommendations.</i>		233	\$165,172,037

⁸ Management decision pending for 2 of the 5 recommendations.

Reviews Closed and Not Disclosed to the Public

The OIG did not issue any audit or inspection reports that were undisclosed to the public for the reporting period from October 1, 2025, through March 31, 2026.

However, the OIG issued the following audit products (Adequacy Review and IT/Cyber NFRs) for the reporting period from October 1, 2025, through March 31, 2026, that were undisclosed to the public.

Adequacy and Real Time Labor Reviews

Review Type	Title	Date
Adequacy Review	<i>Final Indirect Cost Submission for Battelle Savannah River Alliance, LLC for Fiscal Year 2024 Under Contract No. 89303321CEM000080</i>	March 30, 2026

IT/Cyber Notices of Findings and Recommendations

Department Program	Total NFRs Issued	Total NFRs Closed	Recs Newly Issued	Prior Year(s) Recs Reissued	Prior Year(s) Recs Closed	Total Recs Open
Chief Information Officer	1	0	3	0	0	3
Science	11	2	13	11	5	24
Environmental Management	5	8	8	0	17	8
National Nuclear Security Administration	6	1	19	3	2	22
Power Marketing Administration	2	2	1	2	4	3
Nuclear Energy	0	2	0	0	3	0
Energy Efficiency and Renewable Energy ¹	1	0	0	2	0	2
Fossil Energy and Carbon Management ²	2	1	8	0	1	8
Chief Financial Officer	2	0	3	0	0	3

¹ The prior year Energy Efficiency and Renewable Energy (now the Office of Critical Minerals and Energy Innovation) finding was issued to the National Renewable Energy Laboratory (now the National Laboratory of the Rockies) when it was under Energy Efficiency and Renewable Energy.

² These findings were issued to the Office of Fossil Energy and Carbon Management, now designated the Hydrocarbons and Geothermal Energy Office.

Congressional Matters

Legislative and Regulatory Reviews

During the reporting period, the OIG reviewed proposed legislation and regulations related to the Department's programs and operations.

Congressional Testimony

No Congressional testimony was presented during the reporting period from October 1, 2025, through March 31, 2026.



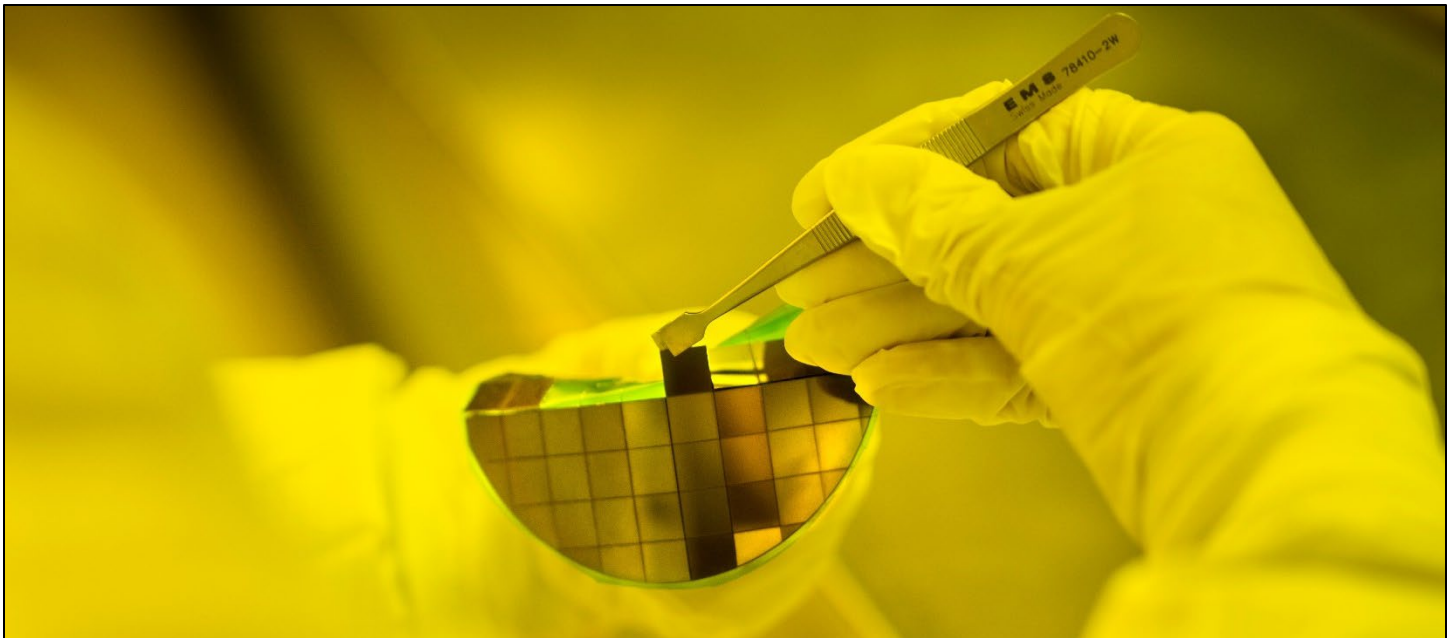
Source: Architect of the Capitol

Peer Reviews

Peer Reviews Conducted by Department OIG October 1, 2025 – March 31, 2026			
Type of Review	Date of Peer Review	OIG Reviewed	Outstanding Recommendations
Audit	None	N/A	N/A
Inspection	None	N/A	N/A
Investigation	None	N/A	N/A

Peer Reviews Conducted by Other OIGs October 1, 2025 – March 31, 2026				
Type of Review	Date of Peer Review	Reviewing OIG	Frequency Requirement	Outstanding Recommendations
Audit	None	N/A	At Least Once Every 3 Years	N/A
Inspection	March 12, 2026	Department of Defense OIG	At Least Once Every 3 Years	None
Investigation	None	N/A	N/A	N/A

The most recent peer review was completed for Audits in March 2025 by the Social Security Administration. Investigations underwent peer review in October 2022.



Source: U.S. Department of Energy

Summary of OIG Activities

Guilty Verdict and Sentencing in Illegal Kickback Scheme Investigation

Michael Clinesmith, a former Department contractor employee at Kansas City National Security Campus was found guilty by a jury in the U.S. District Court for the District of Kansas of one count of Conspiracy to Commit Wire Fraud. Clinesmith was sentenced to 29 months in Federal prison, 2 years of supervised release, \$150,000 in fines, and an assessment of \$500. Additional restitution costs may be applied by the court within 90 days. As previously reported in the March 31, 2024, and September 30, 2025, *Semiannual Report to Congress*, Clinesmith and a Department subcontractor were indicted on six counts including Conspiracy to Commit Wire Fraud, Wire Fraud and Honest Services Fraud. The OIG investigation determined that from at least 2011 through approximately January 2021, Clinesmith solicited and received kickbacks and bribes from the subcontractor in exchange for steering subcontract awards. Clinesmith received more than \$1 million in illicit payments from the subcontractor, who lied to federal agents regarding the number of impacted subcontracts and his involvement in the scheme. A DOJ press release can be found [here](#).



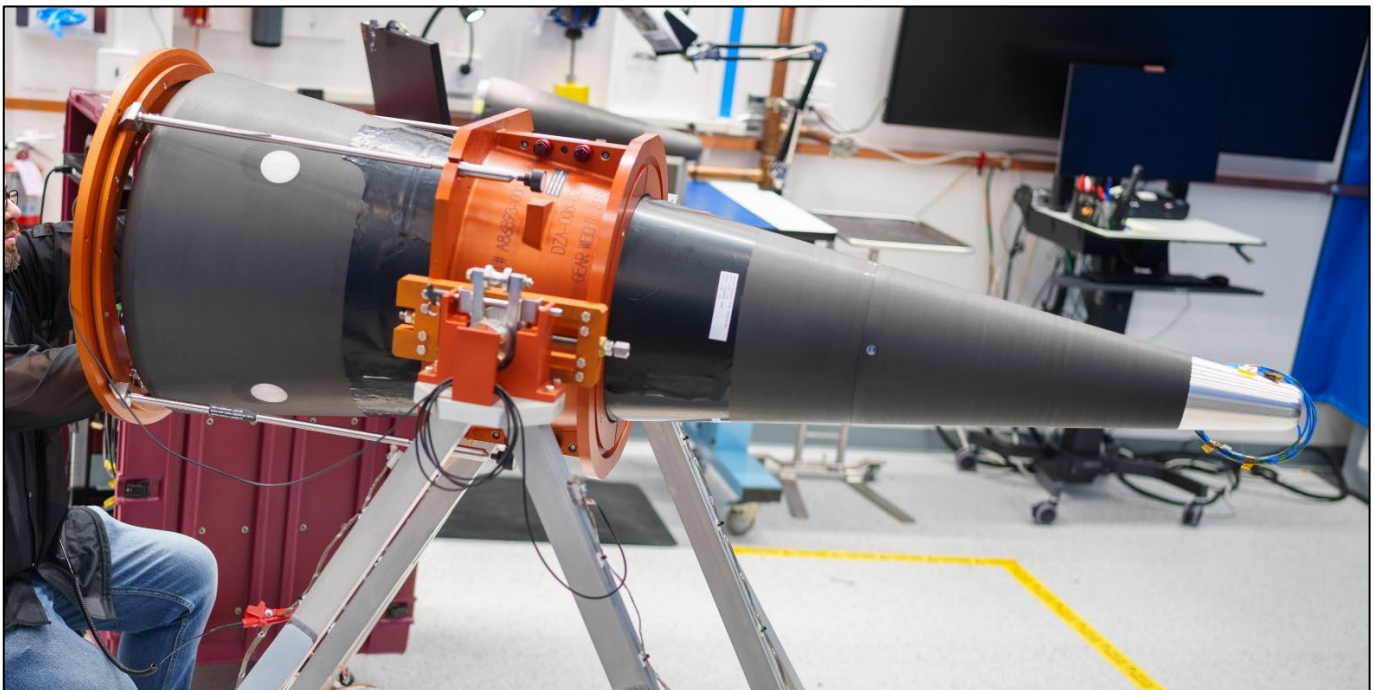
Source: U.S. Department of Energy

A Guilty Plea and Sentencings in an Arms Export Control Act Investigation

Department subcontractor, Quadrant Magnetics, LLC pleaded guilty in the U.S. District Court for the Western District of Kentucky to one count of Conspiring to Violate the Arms Export Control Act. Quadrant Magnetics was subsequently sentenced to fines and penalties in the amount of \$1,000,000, a 2-year term of probation, and a forfeiture money judgment in the amount of \$1,332,515. Additionally, two Quadrant Magnetics executives, Scott Tubbs and Phill Pascoe, were sentenced in the U.S. District Court for the Western District of Kentucky. Tubbs was sentenced to 3 years supervised probation, 240 hours of community service, and a \$20,000 fine. Pascoe was sentenced to 19 months of incarceration, 2 years of supervised probation, and a \$25,000 fine. As previously reported in the March 31, 2025, *Semiannual Report to Congress*, the OIG investigation determined that from January 2012 through December 2018 Quadrant Magnetics exported 70 drawings containing export-controlled technical data to a Chinese magnet manufacturer without an export license, in violation of the International Traffic in Arms Regulations. Quadrant Magnetics imported rare earth magnets that were smelted and magnetized by the Chinese magnet manufacturer and sold them to Government contractors who included them in components sold to the Department of Energy, Department of Defense, and other Government agencies. This was a joint investigation with the Defense Criminal Investigative Service, Homeland Security Investigations, and the Federal Bureau of Investigation. A previous DOJ press release can be found [here](#).

Civil Settlement in a Labor Mischarging Fraud Investigation

The DOJ entered into a \$3,450,000 Civil Settlement Agreement with the Hanford Site prime contractor, Hanford Mission Integration Solutions. The Settlement Agreement resolved allegations that Hanford Mission Integration Solutions' management was aware of and failed to prevent inflated labor hours being charged to the Department from August 2020 through September 2025. These hours were paid by the Department from Federal funds and included payment for labor hours for which employees were not scheduled or assigned sufficient work to perform. This settlement also resolves a separate lawsuit filed by a qui tam Relator pertaining to allegations of excessive idle time in the Hanford Mission Integration Solutions' Refrigeration Services group. Of the total \$3,450,000 settlement amount, \$1,725,000 of it was restitution made payable to the Department. Hanford Mission Integration Solutions will pay the Relator \$793,000 as part of the qui tam lawsuit, and an additional \$1,490,000 for expenses and attorney's fees. As previously reported in the September 30, 2024, *Semiannual Report to Congress*, the Department withheld \$5,783,533 in performance fees as a result of the OIG investigation. This investigation was coordinated with and prosecuted by the U.S. Attorney's Office for the Eastern District of Washington. A DOJ press release can be found [here](#).



Source: U.S. Department of Energy

Sentencing in Economic Injury Disaster Loan Fraud Investigation

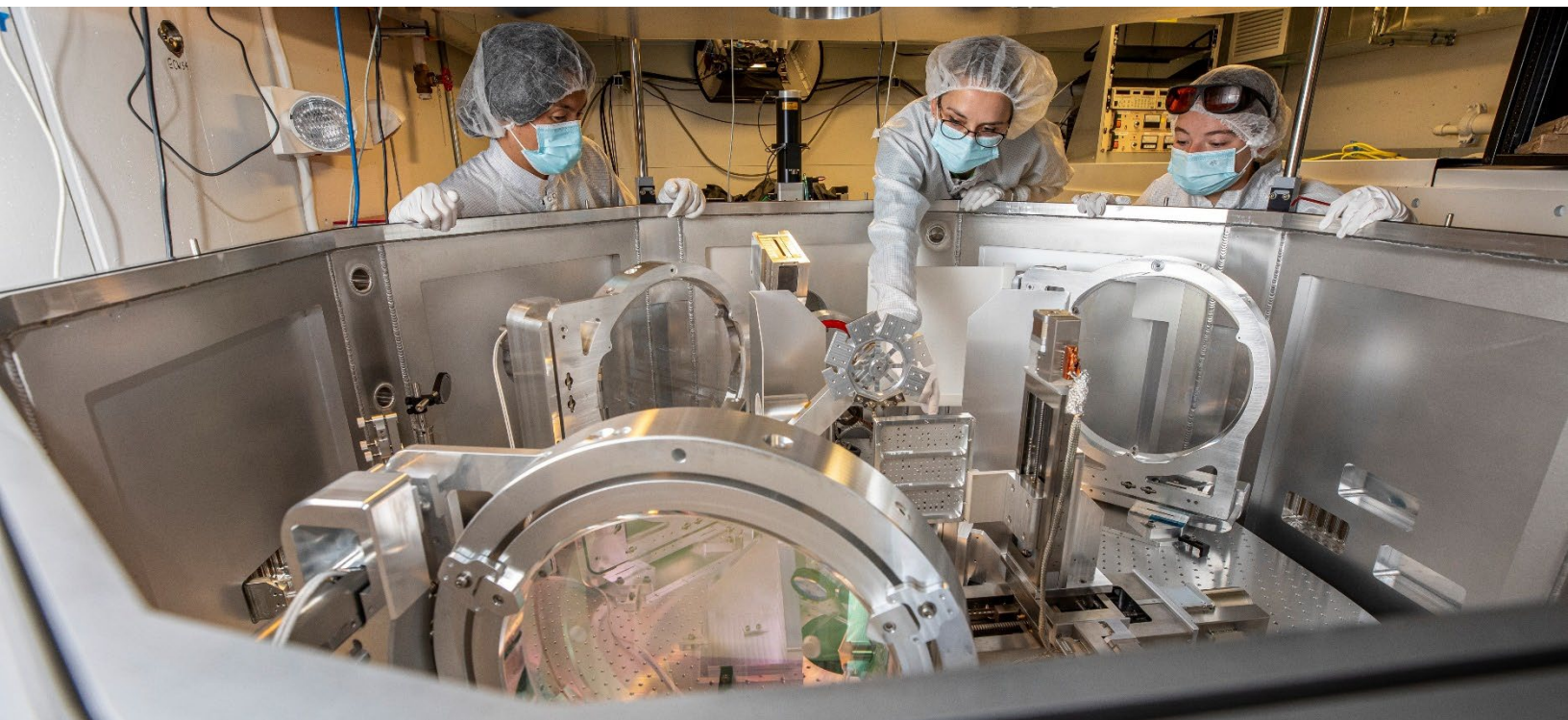
Leticia Arceneaux, a former employee at the BPA was sentenced in the U.S. District Court for the Western District of Texas, San Antonio Division, to 12 months and 1 day in prison, followed by 3 years of supervised release and ordered to pay \$492,842 in restitution. The court also ordered Arceneaux to forfeit her Thrift Savings Plan account, and any amount collected will be credited toward the money judgment. As previously reported in the September 30, 2025, *Semiannual Report to Congress*, the OIG investigation determined Arceneaux fraudulently obtained \$480,100 in Economic Injury Disaster Loan funds by submitting false loan applications and loan modifications on behalf of a volleyball club. Arceneaux falsely claimed these funds would be used as working capital by the volleyball club to alleviate economic injury caused by COVID-19, when in fact these loan funds were used by Arceneaux for personal purposes, including travel, a new car, hosting large social gatherings, and building a home pool. The U.S. Attorney's Office filed an Information in the same court, charging Arceneaux to three counts of Wire Fraud. Arceneaux pleaded guilty to one count of Wire Fraud. A DOJ press release can be found [here](#).

Guilty Plea in CARES Act Fraud Investigation

A former Department subcontractor employee at the SRS pleaded guilty to one count of Wire Fraud in the U.S. District Court for the District of South Carolina. As previously reported in the September 30, 2025, *Semiannual Report to Congress*, the subcontractor employee used their Department issued computer to falsely apply for and receive an Economic Injury Disaster Loan in the amount of \$10,200. The employee also applied for three additional loans using false information. A sentencing hearing is pending.

Department Contractor Employee Indicted and Pleaded Guilty in a Child Sexual Abuse Material Investigation

Andrew Worrall, a former Department contractor employee at the Oak Ridge National Laboratory was indicted in the U.S. District Court for the Eastern District of Tennessee for Sexual Exploitation of a Child and Enticement of a Child. Worrall was also indicted in the U.S. District Court for the District of South Carolina for Exploitation of a Child for the Purpose of the Production of Child Pornography. Worrall pleaded guilty to one count of Sexual Exploitation of a Child in the U.S. District Court for the Eastern District of Tennessee and one count of Sexual Exploitation of a Child in the U.S. District Court for the District of South Carolina. A sentencing hearing is scheduled for June 2026. Worrall faces up to 60 years in Federal prison, \$500,000 in fines, restitution, forfeiture, special assessments, and up to a lifetime of supervised release. As part of the plea agreement, Worrall agreed to forfeit his home in the Eastern District of Tennessee and to waive any form of relief of removal from the United States after his incarceration is complete, as he is a removable alien. The OIG investigation determined Worrall was communicating with, directing, and paying a minor child for illicit videos and pictures. This is an ongoing investigation. A DOJ press release can be found [here](#).



Source: U.S. Department of Energy

Indictment in a Contract Fraud Investigation

The former Director of the Housing and Energy Services Division of the Knoxville-Knox County Community Action Committee was indicted in the U.S. District for the Eastern District of Tennessee on five counts of Wire Fraud, one count of Conspiracy to Commit Extortion Under Color of Official Right, one count of Conspiracy to Corruptly Solicit, Demand and Accept Bribes and three counts of Corruptly Soliciting, Demanding and Accepting Bribes. The former Director was responsible for the proper administration of weatherization funds from both the Department and the Tennessee Valley Authority. The OIG investigation determined that the former Director allegedly agreed to direct contracts to a contractor in exchange for 50% of the profits. The former Director allegedly received approximately \$450,000 in cash, several firearms, a Polaris Slingshot, and construction materials for their personal residence including concrete and kitchen cabinets, as part of this arrangement. Previously, the owner of the contractor pleaded guilty to six counts of Tax Evasion and is currently awaiting sentencing. This is an ongoing joint investigation with the Tennessee Valley Authority OIG.

Indictment in a Theft of Government Property Investigation

The child of a deceased Department contractor employee's spouse was indicted in the U.S. District Court for the District of South Carolina on one count of Theft of Government Property. The OIG investigation determined, the child cashed 24 pension checks worth \$11,040 and opened a savings account in their deceased parent's name. The deceased employee received survivor benefits from their late spouse, a retired SRS contractor. The Site Contractor Pension Office continued to pay survivor benefits for a period of 24 months before confirming the beneficiary's death.

Arrest, Suspension, and Retirement Prior to Adjudication in a Theft of Government Property Investigation

A Department employee at BPA was arrested by the Vancouver, Washington Police Department on State of Washington charges involving the theft of copper from a BPA facility. The Department employee allegedly stole approximately 300 pounds of copper valued at \$1,524 from a hazmat building at BPA's Ross Island Complex in Vancouver, Washington. Subsequently, the Department's Suspending and Debarment Official issued a Notice of Suspension to the employee. BPA served the employee with a Notice of Proposed Removal, which they acknowledged and subsequently requested retirement. The OIG assisted with the investigation and arrest. This is an ongoing joint investigation with the Vancouver, Washington Police Department.

Civil Settlement in False Claims Investigation

The DOJ entered into a \$165,000 Civil Settlement Agreement with Jose A. Nieves, a former NNSA employee working at the Sandia Field Office, of which \$106,318 was attributed to the NNSA. The settlement agreement resolved allegations that Nieves violated the *Federal False Claims Act* by submitting false timesheets to the NNSA and to U.S. Air Force contractors in which he claimed to work full-time hours at both jobs simultaneously. This was a joint investigation with the U.S. Air Force's Office of Special Investigations. A DOJ press release can be found [here](#).

Civil Settlement Agreement in a Paycheck Protection Program Loan Investigation

The DOJ entered into a \$125,000 Civil Settlement Agreement with a Department subcontractor at the Oak Ridge National Lab and Y-12 National Security Complex. The Settlement Agreement resolved allegations that the subcontractor violated the *Federal False Claims Act* by submitting a Paycheck Protection Program forgiveness application in which the subcontractor claimed certain payroll expenses that were direct billed to and paid by the Department, which should not have been included in the forgiveness application. This is an ongoing joint investigation with the Small Business Administration.

Restitution/Employee Suspension/Retirement in a Timecard Fraud Investigation

A former Department contractor employee at LLNL's High Explosives Applications Facility was placed on investigatory leave and ordered to pay LLNL restitution in the amount of \$988 for hours that they did not work. The OIG investigation determined that badging and surveillance records showed the individual was off-site for extended periods of time and had left early. The contractor employee admitted to leaving early and being off-site for extended periods of time and agreed to cooperate and repay LLNL for their timecard discrepancies. The former contractor employee elected to retire before LLNL could make a final employment decision.

Repayment of Disputed Labor Costs Following OIG Investigation

The OIG was notified by Savannah River National Laboratory that one of their subcontractors repaid \$43,365 in questioned labor costs as a result of an OIG investigation. The investigation stemmed from an internal audit conducted by the M&O contractor, which identified concerns that certain employees did not meet the education requirements outlined in the contract.

Debarment in a Grant Fraud Investigation

The National Science Foundation announced 3 year debarments for the Chief Executive Officer of a Department Small Business Technology Transfer awardee, the awardee, and an affiliated company. As previously reported in the March 31, 2025 and September 30, 2025, *Semiannual Report to Congress*, the Chief Executive Officer was sentenced to 3 years of probation, \$200,000 restitution, and an assessment of \$25 related to an National Science Foundation Small Business Innovation Research award, after pleading guilty to one count of 18 United States Code 641, Unlawful Conversion/ Conveying of Government Money. Specifically, the Chief Executive Officer pleaded guilty to using Government money in a manner unrelated to the award. The OIG investigation also determined that the awardee failed to pay its cooperating research institution the required 30% under a Department Small Business Technology Transfer award; and used National Science Foundation funds to pay salary to individuals who worked on the Department's Small Business Technology Transfer award, despite receiving funds to do both. This was a joint investigation with the National Science Foundation OIG.

Debarment Referral and Restitution for Department Contractor Employee in Timecard Fraud Investigation

A former Department contractor employee at LLNL was referred for debarment and per a restitution letter repaid LLNL for hours they did not work. As previously reported in the September 30, 2025, *Semiannual Report to Congress*, the former contractor employee admitted to falsifying their timecard. The former contractor employee agreed to cooperate and repay LLNL for the hours they did not work. The OIG referred the former contractor employee for debarment; however, the NNSA's Suspension and Debarment Official determined debarment was not necessary at this time. The OIG Chief Counsel additionally issued warning letters to this former contractor employee and another contractor who also admitted to timecard fraud and was terminated.

Debarment in a Child Sexual Abuse Investigation

The Department's Suspending and Debarment Official issued a debarment to a former Fluor Idaho construction laborer who previously worked at the Idaho Nuclear Technical and Engineering Center for a period of 3 years. As previously reported in the March 31, 2022, *Semiannual Report to Congress*, the former employee pleaded guilty to one count of Injury to Child, a violation of Idaho Code and was sentenced to 10 years of supervised probation in the District Court of the Sixth Judicial District of Idaho. Additionally, the Fluor Idaho construction laborer was terminated by Fluor, pursuant to an OIG referral. This was a joint investigation with Homeland Security Investigations and Idaho Attorney General's Internet Crimes Against Children Task Force.

Department Contractor Employee Suspended from Work in Timecard Fraud Investigation

LLNL suspended and placed on investigatory leave a contractor employee due to timecard fraud. The OIG investigation determined that surveillance records showed the individual had arrived late, left early, and did not submit leave requests for days they did not work. The contractor employee admitted to falsifying their time and agreed to cooperate and repay LLNL for their timecard discrepancies.

***Policy/Program
Improvement in an
Employee Misconduct
Investigation***

BPA notified the OIG that it changed its process, incorporating theft prevention and deterrence measures resulting from an identified gap in their recycling process at its Ross Island Campus that was uncovered during an open OIG investigation involving theft of recyclable materials.

***Sentencing in Theft of
Government Property
Investigation***

An employee of a school district, which received donated computers from the Idaho National Laboratory, was sentenced to 1 year of incarceration with the full term suspended, 4 years of probation, and restitution in the amount of \$91,656, after pleading guilty in the District Court for the Fourth Judicial District of the State of Idaho to one count of Grand Theft. The joint investigation determined the school district employee requested more computers than necessary from a Department-funded computer donation program so he could sell them for his own benefit. This was a joint investigation with the General Services Administration OIG and the City of Mountain Home Police Department.

The Federal Energy Regulatory Commission's Fiscal Year 2025 Financial Statements

This audit was performed by the independent public accounting firm of KPMG on behalf of the OIG. KPMG audited the balance sheet of FERC, as of September 30, 2025, and the related statement of net cost, changes in net position, custodial activity, and statement of budgetary resources for FY 2025.

KPMG concluded that the financial statements presented fairly, in all material respects, the financial position of FERC as of September 30, 2025, and its net cost, changes in net position, custodial activity, and budgetary resources for FY 2025, in accordance with U.S. generally accepted accounting principles. KPMG also considered FERC's internal control over financial reporting as part of its review and did not identify any deficiency in internal control over financial reporting that was considered a material weakness. KPMG tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct material effect on the financial statements. The results of the auditors' review disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards, applicable Office of Management and Budget guidance, or the Federal Financial Management Improvement. (DOE-OIG-26-01, November 2025)

The Department of Energy's Nuclear Waste Fund's 2025 Financial Statement Audit

This audit was performed by the independent public accounting firm KPMG on behalf of the OIG. KPMG audited the balance sheet of the Nuclear Waste Fund, as of September 30, 2025, and the related statements of net cost, changes in net position, and budgetary resources for FY 2025. KPMG concluded that the financial statements presented fairly, in all material respects, the financial position of the Nuclear Waste Fund as of September 30, 2025, and its net costs, changes in net position, and budgetary resources for the FY 2025, in accordance with U.S. generally accepted accounting principles.

The review identified certain deficiencies in internal control that KPMG considered to be a significant deficiency as it related to internal controls over IT systems. During testing of the Nuclear Waste Fund's various financial systems, KPMG identified access control deficiencies associated with controls over provisioning of new or modified user access, recertification of existing user access, and terminating of user access. Furthermore, control deficiencies were identified over providing least privileged access and segregation of duties. (DOE-OIG-26-02, November 2025)



Source: U.S. Department of Energy

The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements

This audit was performed by the independent public accounting firm KPMG on behalf of the OIG. KPMG audited the consolidated financial statements of the Department, which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost, changes in net position, and combined statement of budgetary resources for FY 2025, and the related notes to the consolidated financial statements. KPMG concluded that except for matters pertaining to the estimated environmental cleanup liabilities for the Portsmouth Paducah Project Office, Waste Isolation Pilot Plant, SRS, and Hanford Site, the consolidated financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles for the FY ended September 30, 2025.

During the audit, KPMG identified a material weakness over the environmental management liability estimate. KPMG was unable to obtain sufficient appropriate audit evidence to support the liability and cost estimates for Portsmouth Paducah Project Office and Waste Isolation Pilot Plant, the contingency estimate for SRS, and the changes in liability and cost estimates for the Hanford Site as of and for the FY ended September 30, 2025. Consequently, KPMG was unable to determine whether any adjustments to the amounts were necessary. Additionally, the audit identified certain deficiencies in internal control that KPMG considered to be a significant deficiency related to access controls over the Department's various financial systems. (DOE-OIG-26-03, December 2025)

Management Letter: The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements

During the Department's FY 2025 consolidated financial statement audit, KPMG identified certain deficiencies in internal control that were considered to be a material weakness and a significant deficiency. KPMG communicated these concerns in the audit report, *Department of Energy's Fiscal Year 2025 Consolidated Financial Statements* (DOE-OIG-26-03). Specifically, KPMG identified a material weakness over the environmental management liability estimate driven by the inability to obtain sufficient appropriate audit evidence to support the liability and cost estimates for Portsmouth Paducah Project Office and Waste Isolation Pilot Plant, the contingency estimate for SRS, and the changes in liability and cost estimates for the Hanford Site as of and for the FY ended September 30, 2025. Additionally, the audit identified certain deficiencies in internal control that KPMG considered to be a significant deficiency related to access controls over the Department's various financial systems. The findings that led to the significant deficiency will be included in a separate management letter covering the Department's unclassified cybersecurity program for FY 2025, *Weaknesses Identified With the Department of Energy's Unclassified Cybersecurity Program in Fiscal Year 2025* (DOE-OIG-26-22). (DOE-OIG-26-04, December 2025)



Source: U.S. Department of Energy

Opportunities Exist to Improve the Loan Programs Office's Management of Conflicts of Interest for Federal Employees

The OIG found that the LPO did not always manage conflicts of interest for Federal employees, as required. Although the OIG did not identify issues with required ethics training, the LPO did not always ensure compliance with Federal ethics regulations. Specifically, the LPO did not always identify or mitigate instances of potential conflicts of interest and the appearance of loss of impartiality; ensure outside positions were disclosed or approved; provide accurate or sufficient information to the Department's Office of the General Counsel; properly vet Federal employees for potential conflicts of interest; and file financial disclosure reports timely with required information.

These issues occurred because the LPO did not comply with ethics regulations and internal policies. The OIG also found that the lack of a conflict of interest standard operating procedure and a Designated Ethics Official in its legal division contributed to the LPO's conflict of interest and impartiality issues. The LPO could not provide reasonable assurance that it managed conflicts of interest and/or the appearance of loss of impartiality concerns. Given the importance and sensitivity of the LPO's mission, it is critical for LPO Federal employees to be impartial and free from conflicts of interest with companies conducting business with the LPO. Any real or apparent conflict of interest may undermine public trust, accountability, and the LPO's integrity. (DOE-OIG-26-06, December 2025)

Additional Actions Would Strengthen Georgia's Internal Controls for Implementing the Home Energy Rebates Program

The OIG determined that not all of the Georgia Environmental Finance Authority's controls were adequate to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*. Specifically, the Georgia Environmental Finance Authority did not have a written policy for monitoring and assessing contractor and implementing company's performance for its oversight of two Home Energy Rebates programs. In response to our inspection, the Georgia Environmental Finance Authority developed a monitoring policy to address our finding that will help identify, assess, and respond to program risks and remediate deficiencies to ensure proper stewardship of taxpayer dollars. (DOE-OIG-26-07, January 2026)

Additional Actions Would Strengthen Indiana's Internal Controls for Implementing the Home Energy Rebates Program

The OIG determined that the Indiana Office of Energy Development did not establish an adequate internal controls system to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*, though it began accepting rebate applications in May 2025. Specifically, the Indiana Office of Energy Development did not document risk assessments that identified, analyzed, and responded to potential risks that could prevent the Home Energy Rebates programs from achieving their stated objectives; and did not develop a program-specific policy for monitoring and assessing the implementing company's performance. (DOE-OIG-26-08, January 2026)

Improvements Needed to Address the Department of Energy's Exposure to Information Technology Supply Chain Risks

The OIG determined that the Department made progress in effectively managing its IT Supply Chain Risk Management process, but opportunities for improvement existed to help ensure compliance with Federal and Department requirements. Specifically, the OIG found issues related to the accuracy of the Department's critical software inventory and found insufficient assessments and reviews of potentially vulnerable suppliers.

Without improvements to its Supply Chain Risk Management process, the Department is vulnerable to potentially malicious, counterfeit, or vulnerable IT equipment or services. The inability to identify critical software quickly also places the Department at an elevated risk in the event of a compromise as it may be unable to rapidly respond to remediate vulnerabilities. Further, had entities routinely performed Supply Chain Risk Management assessments and reviews, they may have increased awareness of supply chain risks involving certain vendors, resulting in different security decisions. (DOE-OIG-26-09, January 2026)

Additional Actions Would Strengthen New Mexico's Internal Controls for Implementing the Home Energy Rebates Program

The OIG found that the New Mexico State Energy Office had not established a comprehensive internal controls system, though it has offered rebates since September 2024. Specifically, the New Mexico State Energy Office did not identify, assess, and document potential risks that could prevent the programs from achieving stated objectives; did not document important control activities; and did not ensure the activities of the implementing company aligned with what the Office of State and Community Energy Programs approved.

Additionally, the OIG identified areas of potential risk related to the New Mexico State Energy Office's proposed plan to contract a company to implement a multifamily energy rebates program. Under the proposed plan, the multifamily implementing company would oversee its own work for installing energy-saving equipment and approving rebate requests. Additionally, the implementing company did not plan to verify self-reported household income or follow up with property owners to ensure they meet certain occupancy and rent requirements. (DOE-OIG-26-10, January 2026)

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

The OIG found that the Office of Research, Technology and Economic Security had sufficient resources and authority to perform its role in helping protect the Department's financial assistance from foreign influence, ownership, and control. However, the OIG found that it had not formally documented a limited number of controls. Specifically, the Office of Research, Technology and Economic Security 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 Office of Research, Technology and Economic Security had not formally documented either coordination with its due diligence review partners or training requirements for staff. (DOE-OIG-26-11, January 2026)

***The Federal Energy
Regulatory Commission's
Unclassified
Cybersecurity Program for
Fiscal Year 2025 Was
Effective***

As an independent agency within the Department, FERC is mandated to comply with FISMA. Therefore, we initiated this evaluation to determine whether FERC's unclassified cybersecurity program adequately protected data and information systems in accordance with FISMA. The OIG contracted with KPMG to assist in the assessment of FERC's unclassified cybersecurity program. The OIG monitored KPMG's work to ensure it complied with applicable requirements.

The FY 2025 evaluation found that FERC had adequately protected data and information systems in accordance with FISMA. Specifically, during the review of FISMA security metrics, the OIG determined that FERC had implemented an effective unclassified cybersecurity program within the context of the maturity model. In addition, based on limited testing of general IT controls and business process application controls at FERC, the OIG determined that all selected controls were adequately designed, implemented, and operating effectively through the end of the FY. (DOE-OIG-26-12, February 2026)

***Fluor Federal Petroleum
Operations, LLC's Costs
Incurred and Claimed for
Fiscal Years 2022 and
2023 Under Contract No.
DE-FE0011020***

This audit was performed by the DCAA on behalf of the OIG and examined Fluor Federal Petroleum Operations, LLC's costs incurred and claimed for FY 2022 and FY 2023 under M&O contract No. DE-FE0011020.

The DCAA identified three audit findings and questioned over \$2.5 million in direct labor costs associated with unallowable recruitment costs for a seconded employee, unreasonable labor costs, and overtime premiums unallowable per contract terms; travel costs associated with relocation and per diem expenses; and other direct costs associated with home office expenses that were unallowable per contract terms. In addition to the questioned costs, the DCAA reported two scope limitations, which prevented it from determining whether certain subcontract costs were fair and reasonable. (DOE-OIG-26-13, February 2026)

***Lawrence Livermore
National Laboratory's
Costs Incurred and
Claimed for Fiscal Year
2021 Under Contract No.
DE-AC52-07NA27344***

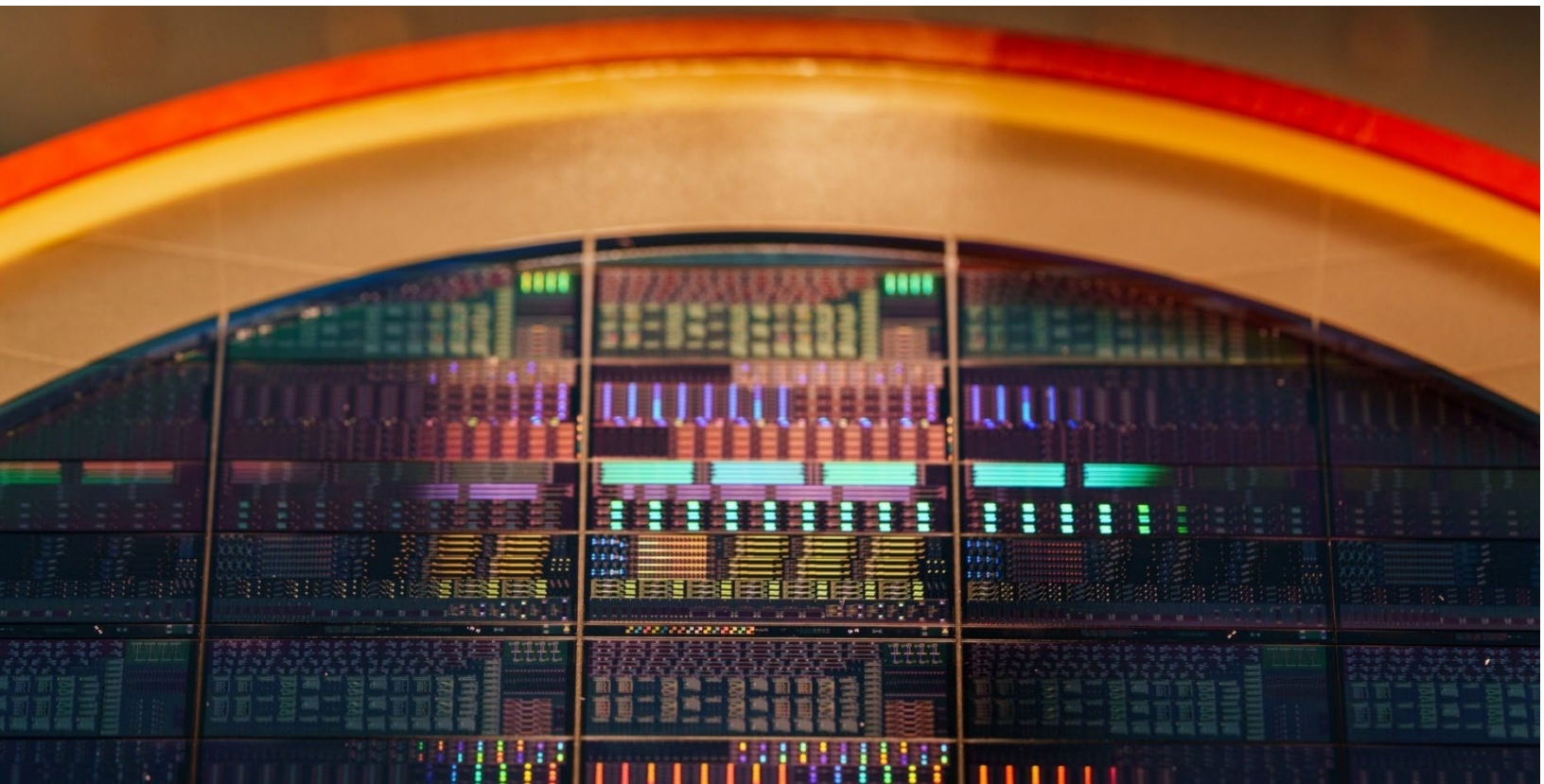
This audit was performed by the DCAA on behalf of the OIG and examined Lawrence Livermore National Security, LLC's costs incurred and claimed for FY 2021 at LLNL under M&O contract No. DE-AC52-07NA27344.

The DCAA identified two audit findings. First, the DCAA questioned over \$63 million in the management fee in the Laboratory Directed Research and Development allocation base. The DCAA questioned the management fee, which represented a contractual incentive paid by the Department, because Lawrence Livermore National Security included it as a cost in the Laboratory Directed Research and Development allocation base. The DCAA validated that the proposed fee amount did not exceed the amount in the contract, and the Department determined that the contractor was entitled to the earned fee. Second, the DCAA increased Lawrence Livermore National Security's proposed allocation bases for one indirect cost pool because Lawrence Livermore National Security did not include all activity that had a causal or beneficial relationship to the cost pool. In addition to the two audit findings, the DCAA reported scope limitations related to unresolved risk that could materially affect labor and material costs; and unresolved subcontract costs. (DOE-OIG-26-14, February 2026)

***UChicago Argonne, LLC's
Costs Incurred and
Claimed for Fiscal Years
2021 and 2022 Under
Contract No. DE-AC02-
06CH11357***

This audit was performed by the DCAA on behalf of the OIG and examined UChicago Argonne, LLC's costs incurred and claimed for FY 2021 and FY 2022 at the Argonne National Laboratory, under M&O contract No. DE-AC02-06CH11357.

The DCAA identified four audit findings and questioned over \$13 million in indirect and direct costs, including \$11,487,044 in performance fees. The performance fees represented a contractual incentive paid by the Department and were questioned by the DCAA because UChicago Argonne, LLC included the fee as a cost in the G&A pool. The DCAA reconciled the performance fees to the general ledger, and the Department determined that the contractor was entitled to the earned fee. The DCAA also questioned \$1,176,949 in Board of Governors expenses that were greater than the final approved expenses; \$47,183 in executive salaries that were more than the statutory compensation ceiling; and \$511,724 of direct laboratory purchase order/subcontract costs with universities because the costs were not incurred specifically for the contract. (DOE-OIG-26-15, March 2026)



Source: U.S. Department of Energy

The Western Area Power Administration's Fiscal Year 2025 Financial Statements Audit

This audit was performed by the independent public accounting firm KPMG on behalf of the OIG. KPMG audited the balance sheet of the Department's WAPA, as of September 30, 2025, and the related consolidated statement of net cost, changes in net position, combined statement of budgetary resources, and custodial activity for FY 2025.

KPMG concluded that the financial statements presented fairly, in all material respects, the financial position of WAPA as of September 30, 2025, and its net cost, changes in net position, budgetary resources, and custodial activity for the FY 2025 in accordance with U.S. generally accepted accounting principles. KPMG also considered WAPA's internal control over financial reporting as part of its review and did not identify any deficiency in internal control over financial reporting that was considered a material weakness. KPMG tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct material effect on the financial statements. The results of the auditors' review disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards, applicable Office of Management and Budget guidance, or the *Federal Financial Management Improvement Act*. (DOE-OIG-26-16, March 2026)

Internal Control Weaknesses Identified During the Western Area Power Administration's Fiscal Year 2025 Financial Statements Audit

The OIG engaged the independent public accounting firm KPMG to conduct the FY 2025 financial statements audit of WAPA. As part of this audit, KPMG considered WAPA's internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing its opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WAPA's internal control. During the audit, KPMG identified certain deficiencies in WAPA's internal control related to the recording of operation and maintenance expenses, purchased power expense, and accounts payable that are included in the management letter. (DOE-OIG-26-17, March 2026)

The National Nuclear Security Administration's Management and Operating Contractors Generally Classified Subcontracts in Accordance With the Federal Acquisition Regulation

The OIG found that NNSA M&O contractors for the Kansas City National Security Campus and LANL, Honeywell Federal Manufacturing and Technologies, LLC, and Triad National Security, LLC, respectively, generally classified subcontracts in accordance with the Federal Acquisition Regulation and had procurement policies for firm-fixed-price subcontracts consistent with the Federal Acquisition Regulation. During the audit, the OIG requested the universe of subcontracts from Honeywell. While compiling the universe of 14,006 subcontracts, Honeywell initially identified and disclosed 35 subcontracts that were classified as firm-fixed-price but should have been classified as cost-plus-fixed-fee and later identified an additional misclassified subcontract. According to Honeywell officials, the subcontracts were misclassified due to human error, and it took corrective actions to prevent subcontract misclassification in the future. The OIG reviewed a judgmental sample of 65 firm-fixed-price subcontracts and did not identify any additional subcontracts that were improperly classified. At Triad National Security, LLC, the OIG reviewed a judgmental sample of 30 firm-fixed-price subcontracts and found 1 subcontract that was improperly classified. In addition, a Triad National Security, LLC internal audit identified an inconsistent subcontract classification within its procurement system. (DOE-OIG-26-18, March 2026)



Source: U.S. Department of Energy

The Regents of the University of California's Costs Incurred and Claimed for Fiscal Year 2021 Under Contract No. DE-AC02-05CH11231

This audit was performed by the DCAA on behalf of the OIG and examined the Regents of the University of California's costs incurred and claimed for FY ending September 30, 2021, at the Lawrence Berkeley National Laboratory, under M&O contract No. DE-AC02-05CH11231.

The DCAA identified two audit findings and questioned approximately \$6.4 million in the management fee in the total cost rate pool. The DCAA questioned the management fee, which represented a contractual incentive paid by the Department, because the Regents of the University of California included the fee as a cost in the total cost rate pool. The DCAA reconciled the proposed fee amount to the general ledger, and the Department determined that the contractor was entitled to the earned fee. In addition, the DCAA increased the Regents of the University of California's proposed allocation bases for three indirect cost pools because of the Regents of the University of California's error in the treatment of several purchase orders that resulted in understated allocation bases. (DOE-OIG-26-19, March 2026)



Source: U.S. Department of Energy

***Fermi Research Alliance
LLC's Costs Incurred and
Claimed for Fiscal Years
2021 and 2022 Under
Contract No. DE-AC02-
07CH11359***

This audit was performed by the DCAA on behalf of the OIG, which examined Fermi Research Alliance, LLC's costs incurred and claimed for FY 2021 and FY 2022 at the Fermi National Accelerator Laboratory, under M&O contract No. DE-AC02-07CH11359.

The DCAA identified two audit findings and questioned approximately \$9.9 million in performance award fees and \$142,463 in direct costs. Specifically, the DCAA questioned performance award fees in the G&A pool. The DCAA questioned the performance award fees, which represented a contractual incentive paid by the Department because the fee was included as a cost in the G&A pool. The DCAA reconciled the proposed fee amount to the general ledger, and the Department determined that the contractor was entitled to the earned fee. The DCAA also questioned labor costs due to claimed triple-time pay for employees working on holidays, which exceeded allowable pay of double-time. In addition to the questioned costs, the DCAA reported two scope limitations because real-time testing was not performed, which resulted in unresolved risk that could materially affect labor costs and direct materials and supplies costs. (DOE-OIG-26-20, March 2026)

***Jefferson Science
Associates, LLC's Costs
Incurred and Claimed for
Fiscal Years 2022 and
2023 Under Contract No.
DE-AC05-06OR23177***

This audit was performed by the DCAA on behalf of the OIG and examined Jefferson Science Associates, LLC's costs incurred and claimed for FY 2022 and FY 2023 at the Thomas Jefferson National Accelerator Facility, under M&O contract No. DE-AC05-06OR23177.

The DCAA identified one audit finding and questioned approximately \$6.3 million in performance award fees included in the G&A pool. The performance fees represented a contractual incentive paid by the Department and were questioned by the DCAA because Jefferson Science Associates included the fee as a cost in the G&A pool. The DCAA reconciled the proposed fee amount to performance evaluation reports, and the Department determined that the contractor was entitled to the earned fee. (DOE-OIG-26-21, March 2026)

Weaknesses Identified With the Department of Energy's Unclassified Cybersecurity Program in Fiscal Year 2025

During FY 2025, the OIG conducted cybersecurity reviews to determine whether the Department's unclassified cybersecurity program was implemented in accordance with Federal and Department requirements. The OIG also performed the audit, *The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements*, which included test work over controls related to IT.

The OIG issued 33 cybersecurity findings (including 13 repeat prior year findings) to Department sites and programs related to IT controls. However, three of those prior year findings, along with the associated recommendations, are being tracked in other OIG issued reports. Additionally, the audit, *The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements*, identified a significant deficiency related to access controls over various Department financial systems. The findings that led to the significant deficiency were included within this report.

The weaknesses occurred for a variety of reasons. For instance, deficiencies related to access controls occurred, in part, due to management not responding to changes in risks or identifying risks associated with inappropriate or unnecessary access to systems. (DOE-OIG-26-22, March 2026)

Consolidated Nuclear Security, LLC's Statement of Cost Incurred and Claimed for Fiscal Years 2016 Through 2018 Under Contract No. DE- NA0001942

The OIG initiated this audit to review the costs claimed by Consolidated Nuclear Security, LLC to manage and operate the Pantex Plant and the Y-12 National Security Complex for FY 2016 through FY 2018, under M&O contract No. DE-NA0001942.

The OIG identified one noncompliance and one control deficiency. The OIG questioned approximately \$324,000 of costs claimed by Consolidated Nuclear Security in its Statement of Cost Incurred and Claimed in FY 2016 and FY 2017 for unworked overtime due to an administrative error. The OIG also found that Consolidated Nuclear Security improperly classified subcontracts as firm-fixed-price due to control deficiencies in subcontract administration. (DOE-OIG-26-23, March 2026)

Additional Actions Would Help the National Nuclear Security Administration Realize Guaranteed Savings Through Its Energy Savings Performance Contract With Siemens Government Technologies Inc. at the Pantex Plant

The OIG found that NNSA did not realize its planned guaranteed savings from the Energy Savings Performance Contract with Siemens. Specifically, NNSA's original estimated savings were based on escalating wholesale rates for exported power; however, the rates decreased substantially shortly after the Pantex Renewable Energy Project became operational. Additionally, NNSA could not fully use the power generated by Pantex Renewable Energy Project throughout the Pantex Plant and instead sold power back to the local utility provider, sometimes at a loss.

Finally, NNSA permitted the maintenance contracts for the wind turbines to expire and made payments to Siemens that exceeded reported savings. As a result, the Federal Government paid a total of \$21,187,829 for a 10-year period of guaranteed savings that it could not verify it received. (DOE-OIG-26-24, March 2026)

Opportunities Exist to Improve the Department's Oversight of Demonstration and Deployment Projects

The OIG found that the Office of Nuclear Energy did not effectively manage the Carbon Free Power Project, a project intended to demonstrate the construction and operation of a Small Modular Reactor. Specifically, the OIG found that the Office of Nuclear Energy did not effectively evaluate critical risks prior to the award, structure the award to monitor risks, perform sufficient oversight of the project, and ensure all costs were allowable. These issues were attributed to not following existing requirements and guidance regarding merit reviews, project performance risk, risk management and evaluation, among other issues. The Office of Nuclear Energy also agreed to front-load the cost-share, placing the Government at risk of losing almost \$143.5 million since the Project was terminated.

The weaknesses in addressing risks throughout the project's life cycle placed the Office of Nuclear Energy and the taxpayer at a higher-than-necessary risk of project failure and approximately \$183 million Government funds were spent without key results. (DOE-OIG-26-25, March 2026)

Fluor Federal Petroleum Operations, LLC's Costs Incurred and Claimed for Fiscal Years 2017 Through 2020 Under Contract No. DE-FE0011020

This audit was performed by CohnReznick on behalf of the OIG and examined Fluor Federal Petroleum Operations, LLC's costs incurred and claimed for FY 2017 through FY 2020, under M&O contract No. DE-FE0011020.

CohnReznick questioned approximately \$122,000 of FY 2020-claimed operating expenses. The questioned amounts were identified as subcontract costs and represented potential monthly home office expense allocations from Fluor Government Group Headquarters. (DOE-OIG-26-26, March 2026)

Jefferson Science Associates, LLC's Costs Incurred and Claimed for Fiscal Years 2019 and 2020 Under Contract No. DE-AC05-06OR23177

This audit was performed by CohnReznick on behalf of the OIG and examined Jefferson Science Associates, LLC's costs incurred and claimed for FY 2019 and FY 2020, under M&O No. DE-AC05-06OR23177

CohnReznick questioned approximately \$650,000 in costs for purchases identified as direct material and for costs included in the Material and Handling, G&A, and Facilities/Infrastructure pools. CohnReznick also identified two deficiencies in internal controls related to inadequate subcontract monitoring and the failure to remove unallowable costs and maintain an adequate purchasing system. CohnReznick also reported approximately \$8.9 million in unresolved costs related to pending investigations at the time of the audit. (DOE-OIG-26-27, March 2026)

The Department of Energy Took Actions Necessary to Implement the Cybersecurity Information Sharing Act of 2015

Our evaluation determined that the Department had taken the actions necessary to implement the requirements of the Cybersecurity Act. Specifically, we found that policies and procedures related to the sharing of cyber threat indicators were sufficient and included requirements for the removal of personally identifiable information. Officials also indicated that they were unaware of any violations by the Department regarding the failure to remove personally identifiable information related to a cybersecurity threat. In addition, Department officials informed us that security clearances were authorized for the purpose of sharing classified cyber threat indicators and defensive measures with the private sector. The Department also continued to share and receive cyber threat indicators using Automated Indicator Sharing capabilities during the period under review. (DOE-26-28, March 2026)

Federal Financial Management Improvement Act-Related Reporting

Reporting on *Federal Financial Management Improvement Act* requirements is addressed annually via the audit of the Department's consolidated financial statements. The most recent audit was conducted by KPMG on the OIG's behalf. In the audit report, *The Department of Energy's Fiscal Year 2025 Consolidated Financial Statements*, KPMG did not express an opinion on compliance with the *Federal Financial Management Improvement Act*. However, KPMG's test results disclosed no instances in which the Department's financial management system did not substantially comply with: (1) Federal financial management systems requirements; (2) applicable Federal accounting standards; and (3) the U.S. Government Standard General Ledger at the transactions level.



Source: U.S. Department of Energy

Semiannual Reporting Requirements Index

This table identifies the report sections that meet each reporting requirement prescribed by the *Inspector General Act of 1978* and the *Inspector General Empowerment Act of 2016*.

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Total Number of Issued Investigative Reports	5 U.S.C. § 405(b)(17)(A)	3
Referrals to the DOJ for Criminal Prosecution	5 U.S.C. § 405 (b)(17)(B)	3
Total Number of Persons Referred to the State/Local Prosecuting Authorities for Criminal Prosecution	5 U.S.C. § 405 (b)(17)(C)	3
Total Number of Indictments and Criminal Informations During the Reporting Period That Resulted From Any Prior Referral to Prosecuting Authorities	5 U.S.C. § 405 (b)(17)(D)	3
Description of the Metrics Used for Developing the Data for the 405(b)(17) Statistical Tables	5 U.S.C. § 405 (b)(18)	3
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Reviews Closed and Not Disclosed to the Public	5 U.S.C. § 405 (b)(22)	24
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Management Decision Status	5 U.S.C. § 405 (b)(10-12)	18
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About the Department and the Office of Inspector General

The Department is headquartered in Washington, DC, and is also responsible for the Energy Information Administration, the National Nuclear Security Administration, 21 pre-eminent research laboratories and facilities, 4 Power Marketing Administrations, 10 field offices, and 17 program offices, all of which help manage the Department’s mission with over 15,000 Federal employees and more than 124,000 contract employees. The Department is the Nation’s top sponsor of research and development and has won more Nobel Prizes and research and development awards than any private sector organization, and twice as many as all other Federal agencies combined. 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.

The OIG’s mission is to strengthen the integrity, economy, and efficiency of the Department’s programs and operations. The OIG has the authority to inquire into all Department programs and activities, as well as the related activities of persons or parties associated with Department grants, contracts, or other agreements. As part of its independent status, the OIG provides the Secretary with an impartial set of “eyes and ears” to evaluate management practices.

The Office of Inspector General Hotline Contact Information

<i>Contact the OIG Hotline if you suspect fraud, waste, or abuse involving Department programs, a Department employee, contractor, or grant recipient.</i>	
Complaint Form	https://www.energy.gov/ig/complaint-form
Toll-Free Telephone Number	1-800-541-1625
Washington DC Metro Telephone Number	1-202-586-4073
Fax	1-202-586-4902
Email Address	IGHotline@hq.doe.gov
Mailing Address	U.S. Department of Energy Office of Inspector General ATTN: IG Hotline 1000 Independence Ave, SW Washington, DC 20585

Feedback

The contents of this Semiannual Report to Congress comply with the requirements of the *Inspector General Act of 1978*, as amended. If you have any suggestions for making the report more responsive, please email your comments to: OIGPublicAffairs@hq.doe.gov.