U.S. DEPARTMENT OF ENERGY

Office of Inspector General

DOE-OIG-26-47 September 15, 2026

Actions Needed to Strengthen the Department of Energy's Accountability of Explosives

AUDIT REPORT

Department of Energy
Washington, DC 20585

September 15, 2026

MEMORANDUM FOR THE DIRECTOR, OFFICE OF ACQUISITION MANAGEMENT

SUBJECT: Audit Report: *Actions Needed to Strengthen the Department of Energy's Accountability of Explosives*

The attached report discusses our audit of the Department of Energy's accountability of explosives. This report contains two recommendations and one suggested action that, if fully implemented, should help ensure that the Department has accountability of explosives and other sensitive property. Management concurred with our recommendations.

We conducted this audit from July 2025 through May 2026 in accordance with generally accepted government auditing standards. We appreciated the cooperation and assistance received during this audit.

Sarah Nelson
Senior Official
Performing the Duties of the Inspector General
Office of Inspector General

cc: Deputy Secretary
Chief of Staff

DOE-OIG-26-47

DOE OIG HIGHLIGHTS

Actions Needed to Strengthen the Department of Energy's Accountability of Explosives

Why We Performed This Audit

The Department of Energy's mission is to ensure the security and prosperity of the United States by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions. As part of this mission, the Department maintains an extensive inventory of explosive materials, ranging from ammunition for guarding assets to high explosives for various experiments.

To ensure sensitive property such as explosives are properly accounted for, the Department is required to follow multiple regulations, including Title 41 Code of Federal Regulations, Chapter 109, *Department of Energy Property Management Regulations*; and DOE STD-1212-2025*, Explosives Safety*.

We initiated this audit to determine if the Department had accountability of explosives.

What We Found

We found that actions are needed to strengthen the Department's accountability of explosives. Specifically, we determined that the Department did not have a comprehensive inventory of explosives. We found that its property management system was incomplete, did not track required information, and was not accurate. In addition, we found that the Department did not have clear requirements for accountability of non-Department-owned explosives stored at its sites.

We attributed these issues to a lack of a procedure for implementing Federal requirements found in 41 Code of Federal Regulations 109 and a lack of oversight related to the personal property management system. Due to these weaknesses, there is a potential danger to public safety and security if explosives are stolen, lost, or misplaced.

What We Recommend

To address the issues identified in this report, we have made two recommendations and one suggested action that, if fully implemented, should help ensure that the Department follows Federal laws and has accountability of sensitive property.

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Background and Objective

The Department of Energy's mission is to ensure the security and prosperity of the United States by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions. As part of this mission, the Department maintains an extensive inventory of explosive materials, ranging from ammunition for guarding assets to high explosives for various experiments.

Title 41 Code of Federal Regulations (CFR), Chapter 109, *Department of Energy Property Management Regulations*, requires that site inventory reports be provided to the Office of Management. This regulation applies to the management of personal property, which includes sensitive property.[1] Title 41 CFR 109 also requires all Department and contractor locations (i.e., Department sites) to maintain accurate inventories of their sensitive property and review those inventories at least annually with an inventory accuracy expectation of 100 percent. The Office of Management uses the Property Information Database System (PIDS)[2] to record the annual inventories uploaded by the Department's sites.

The Department has also implemented DOE STD-1212-2025*, Explosives Safety* (STD 1212), which establishes safety controls and standards for explosives. STD 1212 applies to all Department sites engaged in developing, manufacturing, handling, storing, transporting, processing, and testing of explosives, pyrotechnics, or propellants, as well as assemblies containing these materials. Further, STD 1212 categorizes explosives into eight hazard divisions ranging from insensitive explosive articles to mass-detonating explosives. Examples of explosives include small arms ammunition, grenades, rockets, and trinitrotoluene, commonly referred to as TNT.

We initiated this audit to determine if the Department had accountability of explosives.

Results of Review

THE DEPARTMENT LACKED A COMPREHENSIVE INVENTORY OF EXPLOSIVES

We determined that actions are needed to strengthen the Department's accountability of explosives. Specifically, the Department did not have a comprehensive inventory of explosives. We determined that its property management system was incomplete, did not track required information necessary to account for sensitive property, including explosives, and was not accurate. Further, we found that the Department did not have clear requirements for accountability of non-Department-owned explosives stored at its sites.

[1] Sensitive property includes items that could be potentially dangerous to public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples of sensitive property include the following: weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, and precious metals.
[2] PIDS is managed by one of the Department's contractors.

PIDS Was Incomplete and Did Not Include Information for All Sites With Explosives

The Department's sites did not always submit their annual personal property inventories in PIDS, including sensitive property such as explosives. Title 41 CFR § 109-1.5148, "Personal property management reports," requires that these sites submit annual personal property reports to the Office of Management. Each site is responsible for entering its inventory results into PIDS. For the period under audit, fiscal years 2019 through 2025, more than 60 Department sites reported personal property inventory within PIDS. However, we identified five sites that had explosives but had not reported any personal property, including sensitive property, in PIDS in 2024. In fiscal year 2025, one site had over 12,000 pounds of explosives, but it did not report any inventory into PIDS from 2019 through 2025. When we presented this issue to the Office of Asset Management (MA-50), the office responsible for oversight of sensitive property within the Office of Management, MA-50 agreed with our assessment and stated that it was also concerned that not all Department sites were reporting their personal property in PIDS. MA-50 told us that it could not rely on PIDS to provide a detailed inventory of sensitive property, even though PIDS was the system of record.

Due to the missing information within PIDS, we could not rely on its information for inventory testing. Therefore, we sought alternative methods to identify the Department's inventory of explosives. As part of our alternative methods, we interviewed the explosives, safety, and property subject matter experts (SME); requested a list of sites with explosives from all Department offices;[3] and reviewed the Department's safety information. Our review of the safety information identified eight sites with explosives that the SMEs and the lists had not identified. The combined effort identified 25 sites with explosives, as shown in Table 1.

Table 1
Department Sites With Explosives Identified Through Alternative Methods

Identified by Department SMEs	Identified by the Office of Inspector General's Requested Department-Wide Data Call	Identified by the Office of Inspector General's Reviews of Department Safety Information	Total Sites
11	6	8	25[a]

[a] This total includes sites in PIDS that informed the Office of Inspector General that they did not have explosives as well as sites that were not included in PIDS.

PIDS Did Not Contain Required Detailed Information

Even when sites reported information, as required, PIDS did not contain sufficient detail to account for sensitive property, including explosives. According to 41 CFR § 109-1.5108, "Personal property records requirements," a contractor's personal property control records are required to include specific data, such as asset type, quantity received, location, and risk

[3] Department offices include program offices that report to the Under Secretaries and staff offices that report directly to the Secretary of Energy. Both staff and program offices may be comprised of multiple sites. The National Nuclear Security Administration was not included in this audit.

designation, among others. PIDS is intended to serve as a centralized database for all Government-owned accountable sensitive property and to contain information for interested parties, decisionmakers, and stakeholders about Department-owned property, including potentially dangerous items such as explosives. However, PIDS currently aggregates explosives into the broader category of "Sensitive Property" and reports only summary totals by site. For example, although a site might report to the Department's Office of Management that it has an inventory containing thousands of pounds of explosives (net explosive weight), those thousands of pounds will be combined with other sensitive property, such as IT equipment and precious metals. Although MA-50 has visibility into the total number and original acquisition cost of sensitive property items, PIDS does not furnish detailed inventory data. As a result, MA-50 cannot ascertain the specific nature or composition of sensitive property items based on the information in PIDS.

PIDS Was Not Accurate

For sites that reported information to PIDS, the data included discrepancies when compared to site inventories we obtained through other methods. We conducted a detailed review of four sites' inventories and identified significant discrepancies between dollar values in the site-level inventories and the aggregate PIDS inventory for three sites. (See Table 2.) MA-50 was unaware of the discrepancies between PIDS, the system of record, and the actual site-level inventories. After presenting these concerns to MA-50, it reached out to the three sites to identify reasons for these discrepancies. However, as of May 2026, the sites had not provided MA-50 with a response. Significant discrepancies between PIDS inventory records and the sites' inventory records further compromise MA-50's visibility into the Department's sensitive property, some of which could be potentially dangerous to the public safety and security if stolen, lost, or misplaced.

Table 2
Discrepancies in PIDS Data at Select Sites in 2024

	Summary Inventory From PIDS	Detailed Inventory From Sites	Percentage of Discrepancy
Site 1	$5,639,071	$12,236,892	53.90%
Site 2	$39,375,402	$93,916,952	58.10%
Site 3	$8,433,524	$8,430,373	0.03%
Site 4	$32,802,675	$62,192,599	47.30%

Accountability Requirements for Non-Department-Owned Explosives Were Unclear

We identified one site where explosives were present on Department property, but the explosives were excluded from the site's reported inventory because the Department did not own them. This occurred because the Department did not have clear requirements for accountability of explosives not owned by the Department but present at its sites. PIDS is designed to account for all Government-owned personal property throughout the Department complex. Title 41 CFR 109 does not detail how sites should account for personal property that the Department does not own but is located at one of its sites. This lack of guidance created confusion and inconsistent reporting. Specifically, one site did not report its non-Department-owned explosives, whereas Department officials elsewhere stated that when non-Department-owned explosives were at the Department's sites, the explosives were included in the inventory to help ensure and account for all explosives at the site.

ACCOUNTABILITY OF EXPLOSIVES ISSUES CAUSED BY LACK OF A PROCEDURE AND OVERSIGHT CONCERNS

Due to a lack of procedure for implementing Federal requirements in 41 CFR 109, the Department did not have a comprehensive inventory of explosives. Additionally, more oversight of PIDS is needed to address the concerns that it was incomplete, did not track required information, and was not accurate.

Lack of a Procedure to Ensure Compliance With Federal Law

In January 2017, the Department cancelled Department Order 580.1A, *Department of Energy Personal Property Management Program*,[4] leaving the Department with no order to implement the Federal requirements in 41 CFR 109. According to the author of Department Order 580.1A, it was cancelled because it duplicated other Department regulations managing Government property, such as 41 CFR 101, *Federal Property Management Regulations*; 41 CFR 109, *Department of Energy Property Management Regulations*; and the Federal Acquisition Regulation § 52.245-1, "Government property." However, as of January 2026, our review of Department orders revealed that 41 CFR 109 was not clearly implemented through any active orders. Department orders establish roles, responsibilities, accountability, and clarify specific actions to implement Federal laws. Orders also identify which offices or sites are exempt from an order's requirements. According to a Department SME, the cancellation of Department Order 580.1A and the subsequent rewriting of 41 CFR 109 resulted in less prescriptive language and a variety of interpretations. Our review of 41 CFR 109 confirmed the SME's concern and identified, for example, that although 41 CFR 109 states that annual personal property reports must be submitted to the Office of Management, it does not detail what those reports should contain. Similarly, Department Order 580.1A identified at least one site as being exempt from reporting personal property into PIDS, but neither an active Department Order nor 41 CFR 109 exempt any sites from the required reporting. Despite Department Order 580.1A's cancellation, the site continued not to report its inventory, citing exemptions to Federal property management regulations. However, the exemptions granted through Department Order 580.1A expired in January 2017 when it was cancelled.

Lack of Department Oversight of PIDS

While the Department has attempted to address its concerns with PIDS, additional oversight is needed. PIDS is administered by one of the Department's contractors and, according to an SME who serves as the primary oversight official for PIDS, the Department requested from the PIDS' administrator that the inventory system contain the specific details needed for visibility into its sensitive property inventory. The contractor resisted the requested changes because sites had

[4] Prior to January 2017, Department Order 580.1A implemented and supplemented the public laws pertaining to the Department's Personal Property Management Program. The order also specified which sites were exempt from its requirements.

concerns about including detailed sensitive item data in PIDS and potential unauthorized access to that information. It is common within the Department to have contractors maintain and operate Government systems; however, the Government is responsible for oversight of those systems. Federal regulation coupled with Department guidance place responsibility on MA-50 to receive and maintain detailed personal property reports of the Department's sensitive property. In January 2026, MA-50 prioritized an initiative to replace PIDS with a Department-wide property management system that would include inventory management and be managed by MA-50. This initiative would also require all sites to input their inventory records. MA-50 is expected to select a vendor responsible for developing a new system by December 2026. Finally, MA-50 expects that the new system would address the issues identified with PIDS.

CONCLUSION

The Department lacks a reliable and comprehensive inventory of explosives due to weaknesses in its property management system and oversight. As a result, the Department does not have visibility into which sites have explosives or the type and dollar value of its explosives inventory. Further, the PIDS' inventory totals did not always reconcile to site data, resulting in inaccurate information about its holdings. The absence of complete, detailed, and accurate data of explosives in PIDS poses risks to both compliance and safety. The Department's explosive property is potentially dangerous to public safety and security if stolen, lost, or misplaced. Without standardized reporting and an official procedure, the Department lacks the clear direction necessary to enforce requirements under 41 CFR 109 and STD 1212. Furthermore, while 41 CFR 109 requires that annual personal property reports be submitted to the Department's Office of Management, these reporting requirements alone are insufficient as they do not detail data requirements or oversight responsibilities to ensure that the Department has accurate information on its sites' personal property, including sensitive items such as explosives.

Recommendations

We recommend that the Director, Office of Acquisition Management, direct the Office of Asset Management to:

1. Develop and issue a procedure to establish the Office of Asset Management's roles and responsibilities to clearly define its oversight for sensitive property; and

2. Enhance PIDS or implement a new property management system that ensures proper oversight, accountability, and management of personal property.

Suggested Action

We suggest that the Director, Office of Acquisition Management, direct the Office of Asset Management to:

1. Determine how sensitive property should be accounted for at a Department site when the Department does not own the property.

Management Comments and OIG Response

Management provided comments, concurred with our recommendations, and identified responsive corrective actions to address the reported issues. We reviewed management comments and updated the report, as appropriate. For Recommendation 1, management stated it will develop and issue a procedure to establish roles and responsibilities and clearly define its oversight for sensitive property. For Recommendation 2, management stated it will enhance PIDS through implementation of consistent definitions for sensitive property, which will result in proper oversight, accountability, and management of personal property. All corrective actions are estimated to be completed by October 1, 2027.

Management's comments are included in Appendix 3.

Objective, Scope, and Methodology

Objective

We conducted this audit to determine if the Department of Energy had accountability of explosives.

Scope

The audit was performed from July 2025 through May 2026 in Albuquerque, New Mexico. Our scope ranged from fiscal years 2019 through 2025. We conducted the audit under Office of Inspector General project number A25AL010.

Methodology

To accomplish our audit objective, we:

- Reviewed applicable laws, regulations, policies, procedures, and guidance;
- Requested a list of Department sites with an inventory of explosives, excluding the National Nuclear Security Administration;
- Analyzed the Property Information Database System data;
- Interviewed key Federal personnel responsible for the Department's accountability of explosives;
- Analyzed Occurrence Reporting and Processing System reports to identify incidents related to explosives; and
- Reviewed prior reports relevant to our audit objective.

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

We assessed the reliability of the data elements needed to answer the audit objective by: (1) reviewing the results of our data request for positive confirmation on which sites had explosives; (2) reviewing the inventory reports provided by the Office of Asset Management to find what sites had explosives; and (3) comparing the inventory reports provided by the Office of Asset Management to the detailed reports from individual sites. We determined that the data was not sufficiently reliable for the purposes of this report. Because the data reviewed was integral to the audit objective, this report contains recommendations to improve management's reliance on the data.

Management officials waived an exit conference on August 26, 2026.

Prior Reports

Office of Inspector General

- Inspection Report: *Sensitive and High-Risk Property Management at the Brookhaven National Laboratory* (DOE-OIG-23-35, September 2023). The inspection team found that Brookhaven National Laboratory (BNL) did not classify its property as sensitive, although approximately 65 percent of the total inventory for fiscal year 2021 met definition of sensitive property in Title 41, Code of Federal Regulations (CFR), Chapter 109. BNL did not properly account for its sensitive and high-risk property, which resulted in not all applicable sensitive and high-risk property being included in BNL's physical inventory verification process and violated 41 CFR 109's requirement to have a 100 percent annual physical inventory verification of sensitive and high-risk property. Two recommendations were made to the Brookhaven Site Office: (1) to direct BNL to ensure its property management policies and procedures are consistent with 41 Title CFR 109 requirements; and (2) to review and assess the adequacy and effectiveness of BNL's property management program. A third recommendation was directed to the Acting Director of the Office of Asset Management to (3) review and update the Guide to ensure it is consistent with the provisions of 41 CFR 109.

- Inspection Report: *The Department of Energy's Management of Explosive Materials at Lawrence Livermore National Laboratory* (DOE-OIG-20-53, September 2020). The inspection found that Lawrence Livermore National Laboratory did not adhere to 41 CFR 109, *Department of Energy Property Management Regulations*, since it did not have detailed procedures for conducting physical inventories of explosive materials and did not have personnel other than the custodians of the explosive materials conduct the required annual inventory. The inspectors also found that Lawrence Livermore National Laboratory operated multiple inventory systems, and the use of differently formatted systems may not demonstrate efficient operations. The inspectors identified the need for the development of procedures for conducting physical inventories of explosive materials and for ensuring that the inventories are performed by personnel other than the custodians of the explosives. The Office of Inspector General also suggested that Lawrence Livermore National Laboratory consider standardizing the inventory systems across the different operational programs to track high explosives inventories, take proactive steps to maintain the physical condition of storage facilities, and actively manage the amount of explosives stored in magazines to address potential physical storage challenges.

Management Comments

Department of Energy
Washington, DC 20585

August 18, 2026

MEMORANDUM FOR	SARAH NELSON ASSISTANT INSPECTOR GENERAL FOR MANAGEMENT
FROM:	JASON PASSARO DIRECTOR OFFICE OF ACQUISITION MANAGEMENT
SUBJECT:	Management response to Draft Audit Report: Actions Needed to Strengthen the Department of Energy's Accountability of Explosives (A25AL010)

JASON PASSARO
Digitally signed by JASON PASSARO
Date: 2026.08.18 13:43:33 -04'00'

Thank you for the opportunity to review and comment on the subject draft report. The Office of Management appreciates the auditors' audit work and provides the following comments below:

The attachment to this memorandum details actions planned to be taken by the Office of Acquisition Management.

If you have any questions regarding this response, please contact Juliana Heynes at juliana.heynes@hq.doe.gov or via phone at (412)-925-7671.

Enclosure

Enclosure

Management Response
OIG Draft Report:
***Actions Needed to Strengthen the Department of Energy's Accountability of Explosives* (A25AL010)**

Recommendation 1: The Deputy Director, Office of Management, directs the Office of Asset Management to develop and issue a procedure to establish the Office of Asset Management's roles and responsibilities to clearly define its oversight for sensitive property.

DOE Response: The Office of Asset Management concurs with Recommendation 1 and will develop and issue a procedure to establish its roles and responsibilities to clearly define its oversight for sensitive property.

Estimated Completion Date: October 1, 2027

Recommendation 2: The Deputy Director, Office of Management, directs the Office of Asset Management to enhance PIDS or implement a new property management system that ensures proper oversight, accountability, and management of personal property.

DOE Response: The Office of Asset Management concurs with Recommendation 2 and will enhance PIDS through implementation of consistent definitions for sensitive property, which will result in proper oversight, accountability, and management of personal property.

Estimated Completion Date: December 29, 2026

FEEDBACK

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