



U.S. Department of Energy
Office of Inspector General
Office of Audits and Inspections

SUMMARY INSPECTION REPORT

Alleged Fraud, Waste, Abuse and
Mismanagement at a Department of Energy
Site Office

DOE/IG-0921*

September 2014

*An OUO Version of this report was issued under the same number



Department of Energy
Washington, DC 20585

September 30, 2014

MEMORANDUM FOR THE SECRETARY

Greg Friedman

FROM: Gregory H. Friedman
Inspector General

SUBJECT: INFORMATION: Summary of Inspection Report on "Alleged Fraud, Waste, Abuse and Mismanagement at a Department of Energy Site Office"

BACKGROUND

This inspection was initiated in response to a complaint received by the Office of the Inspector General alleging fraud, waste, abuse and mismanagement at a Department of Energy Site Office. Specifically, the complaint alleged that the Site Office Manager used Government employees and other resources to perform personal tasks. It was also alleged that the manager committed various other ethics violations, to include: (1) accessing and sharing an employee's email records; (2) creation of a negative work environment; (3) disclosure of an employees' personal health information; (4) the use of inappropriate influence; and, (5) improprieties related to the consumption of alcohol during an offsite event. Lastly, it was alleged that the manager retaliated against an employee by facilitating a transfer to another Department site. We initiated this inspection to determine the facts and circumstances surrounding these allegations.

RESULTS OF INSPECTION

Key aspects of the allegations were substantiated. We found that the manager inappropriately used both Federal and contractor employees and other official resources to perform personal tasks on the manager's behalf. Specifically:

- The manager used employees to perform personal tasks such as reconciling monthly statements of a bank account for the family trust of the manager's relative, and the sorting and organizing of the manager's personal, family trust-related records;
- The manager also used contractor employees to perform personal tasks such as cleaning the manager's office, taking the manager's personal mail to the post office and picking up food, coffee, and groceries;
- Site Office equipment and supplies were used to perform the various personal tasks related to the manager's personal and family trust-related affairs; and

- The manager, since 2009, used Federal office space to house an extensive collection of personal financial records.

We also substantiated the allegations that the manager accessed employees' emails and created a negative work environment. In addition, we found that the manager attempted to intimidate employees after obtaining a copy of an investigative report regarding prior allegations against the manager and stating to staff that the manager knew who the negative comments had come from. The remaining aspects of the alleged ethics violations were not substantiated.

The misuse of Federal and Government contractor employees and other resources occurred because the manager failed to adhere to well-established and widely promulgated ethical standards regarding the conduct of Federal employees. We concluded that the manager's actions in this matter violated the *Standards of Ethical Conduct for Employees of the Executive Branch*. In this environment, it is doubtful that the Site Office was able to function effectively in carrying out its vital mission.

To address the issues identified in this report, we recommended that Department management:

1. Determine whether disciplinary and/or administrative action is necessary to address the significant ethical violations chronicled in this report;
2. Increase the level of supervision of the manager to ensure that: (i) employees immediately and permanently cease the performance of personal tasks for the manager, regardless of whether or not the performance of such tasks is voluntary, uses Government property, or is accomplished on the employees' own time; (ii) the manager immediately ceases the performance of personal tasks using Government resources; and (iii) the manager immediately and permanently removes all personal financial records and documents from the Site Office workplace;
3. Ensure that services provided by contractor staff are within the scope of the support services contract;
4. Develop and implement policies and procedures that ensure any site manager's request for access to an employee's email and computer records be subject to senior-level and legal review and approval; and
5. Through changes to current procedures and training, ensure that employees are free to exercise their protected rights.

Management generally concurred with the report's findings and recommendations. Because of a change in the manager's employment status, the Department concluded that it could not take further action with regard to determining appropriate disciplinary and administrative action to address the issues identified in our report.

As noted, this is a summary of the inspection report. The report itself, which has been provided to Department management, has not been made publically available due to *Privacy Act of 1974* concerns.