

Fact Sheet

Preliminary Notice of Violation: Classified Information Security Event at Y-12

On January 28, 2016, the National Nuclear Security Administration (NNSA) issued a Preliminary Notice of Violation (PNOV) to Babcock and Wilcox Technical Services Y-12, LLC (B&W Y-12) for violations of Department of Energy (DOE) classified information security program requirements. B&W Y-12 was the management and operating contractor for NNSA's Y-12 National Security Complex (Y-12), located in Oak Ridge, Tennessee at the time of discovery of the security event.

The PNOV cites three violations of Departmental classified information security requirements related to a security event regarding B&W Y-12's unauthorized handling and disposition of classified information. Violations are related to classification and marking, protection and control of classified information, and internal self-assessments.

NNSA cited one Severity Level I violation and two Severity Level II violations with a total proposed civil penalty of \$240,000. NNSA examined the potential application of mitigating factors and considered information from the fiscal year 2014 B&W Y-12 performance evaluation report. NNSA reduced the contract fee that was awarded to B&W Y-12 in this fiscal year as a result of numerous safeguards and security issues, including deficiencies in B&W Y-12's information security program. In consideration of these adverse contract actions taken by NNSA against B&W Y-12, NNSA proposes no civil penalty for violations cited in this PNOV.

The Atomic Energy Act of 1954 section 234B authorizes the Energy Department to take regulatory actions under 10 C.F.R. Part 824, *Procedural Rules for the Assessment of Civil Penalties for Classified Information Security Violations*, against DOE contractors for violations of classified information security requirements. DOE's enforcement program encourages Departmental contractors to identify and correct classified information security deficiencies at an early stage, before they contribute to, or result in more serious events.

Additional details on this and other enforcement actions are available on the DOE website at <http://www.energy.gov/ea/services/enforcement/notices-violation>.