



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

INSPECTION REPORT

DOE-OIG-18-39

July 2018

**REVIEW OF ALLEGATIONS AGAINST A
DEPARTMENT OF ENERGY'S OFFICE
OF INTELLIGENCE AND
COUNTERINTELLIGENCE SENIOR
OFFICIAL**



Department of Energy
Washington, DC 20585

July 16, 2018

MEMORANDUM FOR THE DEPUTY SECRETARY

Michelle Anderson

FROM: Michelle Anderson
Deputy Inspector General
for Audits and Inspections
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on “Review of Allegations
Against a Department of Energy’s Office Of Intelligence and
Counterintelligence Senior Official”

BACKGROUND

The Department of Energy’s Office of Intelligence and Counterintelligence (Intelligence) is responsible for intelligence activities throughout the Department. Intelligence, a part of the United States Intelligence Community, performs critical functions that directly support the Department and the mission of the United States. Information collected, provided, and protected by Intelligence may be classified.

In July 2016, the Office of Inspector General received a complaint alleging unethical acts by an Intelligence senior official. The complainant alleged that the senior official had inappropriately: (1) transmitted classified information on an unclassified system; (2) awarded Government contracts to friends; and (3) directed or influenced a contractor to hire a relative. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

RESULTS OF INSPECTION

We did not substantiate the allegations. Specifically, we did not identify any evidence that the senior official transmitted classified information on an unclassified system, as alleged in the July 2016 complaint. Further, we did not substantiate the allegation that the senior official had awarded Government contracts to friends. We did not identify any evidence that the senior official was involved with the awarding of contracts. In addition, procurement officials stated that this was a competitive procurement, and the contract was awarded to the company that would provide the best value to the Government. Further, the official stated that the procurement office followed its routine process of having the package reviewed by the Office of the General Counsel (General Counsel).

Finally, we did not substantiate the allegation that the senior official directed or influenced a contractor to hire his¹ relative. According to the senior official, his relative applied for the position and was subsequently offered the position. The senior official consulted with a General Counsel official prior to the contractor hiring the relative, and the General Counsel official advised that he (the senior official) should not be involved in the hiring process. Neither the General Counsel official nor the senior official was able to provide documentation of the conversation; however, the General Counsel official stated that although documentation of the conversation was not available, the General Counsel's office would have provided guidance to the senior official to not be involved in the hiring process in this type of situation. Further, the General Counsel official stated that based on the facts presented, there was not an appearance of improper influence, nor did the senior official need to recuse himself from his normal duties associated with contractor activities. Additionally, during our interviews with the contractor, the selecting official informed us that the relative was qualified, and stated that the senior official was not involved in the hiring process and did not influence the decision on the selection.

The allegations were not substantiated. As such, we have no recommendations or suggested actions. However, during the course of this review, we identified potential concerns regarding Intelligence's reporting and documenting of security incidents. We will be reviewing these concerns under a separate report.

Attachments

cc: Chief of Staff
Director, Office of Intelligence and Counterintelligence

¹ When referring to the senior official, we used the terms he/him/his in a generic, gender neutral form.

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

In July 2016, the Office of Inspector General received allegations that an Office of Intelligence and Counterintelligence (Intelligence) senior official had inappropriately: (1) transmitted classified information on an unclassified system; (2) awarded Government contracts to friends; and (3) directed or influenced a contractor to hire a relative. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

SCOPE

The inspection was conducted at the Headquarters Forrestal Building, located in Washington, DC. The inspection was performed from August 2016 to July 2018 and focused on the circumstances surrounding the allegations against an Intelligence senior official. This inspection was conducted under Office of Inspector General project number S16IS015.

METHODOLOGY

To accomplish our objective, we:

- Analyzed applicable Federal laws, regulations, and local procedures related to the allegation.
- Obtained and reviewed the Intelligence senior official's personnel files.
- Interviewed relevant Department of Energy officials from the following Offices — Office of Environment, Health, Safety & Security; Intelligence; Office of Enterprise Assessment; and the Office of the General Counsel.
- Requested and reviewed the Safeguards and Security Incident Management System reports.
- Conducted a judgmental sampling of the Intelligence senior official's electronic mail on their unclassified system.
- Requested and reviewed Intelligence security incident records.
- Interviewed the Intelligence senior official.

We conducted this allegation-based inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*, dated January 2012. Those standards require that we plan and perform the inspection to obtain sufficient and appropriate evidence to provide a reasonable basis for our conclusions and observations based on our inspection objective. We believe that the evidence obtained provided a reasonable basis for our conclusions and observations based on our inspection objective.

Accordingly, the inspection included tests of controls and compliance with laws and regulations to the extent necessary to satisfy the inspection objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our inspection. Finally, we relied on computer-based data, to some extent, to satisfy our objective. We confirmed the validity of such data, when appropriate, by conducting interviews and analyzing source documents.

An exit conference was waived by a Department official on June 18, 2018.

FEEDBACK

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Washington, DC 20585

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