



**Department of Energy**  
Washington, DC 20585

October 22, 2020

Dr. James S. Peery  
Laboratories Director  
National Technology and Engineering Solutions of Sandia, LLC  
Sandia National Laboratories  
P.O. Box 5800, MS-0101  
Albuquerque, New Mexico 87185-0101

Dear Dr. Peery:

This letter serves as notification of the Office of Enterprise Assessments' Office of Enforcement's decision to conduct an investigation into the facts and circumstances associated with the introduction of unauthorized electronic equipment (Panasonic pan-tilt-zoom cameras) into security areas for over two years and the potential unauthorized disclosure of classified information at the National Nuclear Security Administration's Sandia National Laboratories, in Albuquerque, NM. National Technology and Engineering Solutions of Sandia, LLC (NTESS) discovered this security incident in February 2020, and reported the incident closure in the Department of Energy's Safeguards and Security Information Management System on May 12, 2020.

The Office of Enforcement will conduct this investigation pursuant to the authority set forth in 10 C.F.R. § 824.5, *Investigations*. The investigation will include an onsite visit and interviews with contractor personnel, at a date to be determined. The Office of Enforcement will provide a document request to support this investigation separately via e-mail. We appreciate your cooperation to ensure timely submission of all documents to our office by the requested date.

Under the Major Fraud Act (MFA), as amended, 41 U.S.C. § 4310, this investigation may be a proceeding commenced by the United States that relates to a violation of, or the failure to comply with, a Federal regulation. Costs incurred in connection with such a proceeding are subject to the reimbursement restrictions of the MFA implemented at 48 C.F.R. § 31.205-47. As a result, NTESS should track any costs incurred that are directly attributable to supporting the Office of Enforcement's investigation, subsequent to receipt of this letter, and segregate them from other potentially allowable costs.

If you have any questions concerning this letter, please contact me at (301) 903-7707, or your staff may contact Ms. Carrienne Zimmerman, Director, Office of Security Enforcement, at (301) 903-8996.

Sincerely,

A handwritten signature in black ink that reads "Kevin L. Dressman". The signature is fluid and cursive.

Kevin L. Dressman  
Director  
Office of Enforcement  
Office of Enterprise Assessments

cc: Jeffrey Harrell, NNSA/SFO  
Randy Castillo, NTESS