



Summary

Inspection Report on "Alleged Conflict of Interest at Sandia National Laboratories, New Mexico" INS-L-13-01

This is a summary of Inspection Letter Report INS-L-13-01, "Alleged Conflict of Interest at Sandia National Laboratories, New Mexico," issued on November 5, 2012. The complete report is not available for public disclosure. Public release is controlled pursuant to the Freedom of Information Act.

The Office of Inspector General (OIG) received a congressional request on behalf of a constituent alleging that another Federal agency's use of support provided by the Department of Energy (Department) facilitated an organizational conflict of interest (OCI). Specifically, it was alleged that support provided by Sandia National Laboratories (SNL) was inappropriate in that it amounted to direct competition with the private sector, an activity prohibited by Federal Regulation. The competition allegedly occurred when SNL provided products similar to those that had been successfully developed and demonstrated by the constituent. It was further alleged that SNL began its prohibited competitive activity after serving in a position where it provided technical oversight of the constituent's work.

Our inspection did not substantiate the allegation that SNL acted improperly and specifically engaged in OCI regarding work performed for the other Federal agency. We generally found no evidence that SNL obtained an unfair competitive advantage through its support to the other Federal agency or that SNL leveraged such an advantage to compete for work that the constituent could have performed. Therefore, the OCI allegation was not supported. In addition, we did not identify any material issues with the Department's acceptance and SNL's performance of work requested by the other Federal agency.

Further, one of the constituent's allegations was that another Federal agency's sourcing decisions were inappropriate—a matter of considerable controversy between the parties. At the outset of our Inspection, the Inspector General for the other Federal agency asserted audit cognizance over all matters relating to the performance of that agency. For that reason, we referred allegations related to the other Federal agency to its OIG.

The details of this report are Official Use Only.