



U.S. Department of Energy
Office of Inspector General
Office of Audit Services

Audit Report

Report on Management Controls
Over Contractor Tuition
Reimbursements for Courses
Leading to Degrees at
Non-Accredited Educational
Institutions

OAS-M-04-07

September 2004



Department of Energy

Washington, DC 20585

September 22, 2004

MEMORANDUM FOR THE ASSOCIATE ADMINISTRATOR FOR MANAGEMENT
AND ADMINISTRATION, NNSA
CHIEF OPERATING OFFICER FOR ENVIRONMENTAL
MANAGEMENT
DEPUTY DIRECTOR FOR OPERATIONS, OFFICE OF
SCIENCE

FROM:


Rickey R. Hass

Assistant Inspector General for Audit Operations
Office of Inspector General

SUBJECT:

INFORMATION: Audit Report on "Management Controls
over Contractor Tuition Reimbursements for Courses Leading
to Degrees at Non-Accredited Educational Institutions"

BACKGROUND

Many educational institutions offer on-line courses, provide credit for life and work experience, and permit individuals to obtain undergraduate or graduate level degrees without classroom attendance. While a number of these institutions provide legitimate "distance learning" opportunities, some essentially grant degrees for a flat fee with little or no actual academic work. Such organizations lack national accreditation and many have become known as "diploma mills." Recent U.S. Senate hearings disclosed that a number of agencies, including the Department of Energy, had paid for Federal employees' course work at unaccredited schools.

While agencies are prohibited by statute from funding courses leading to degrees for Federal employees at non-accredited institutions, such is not the case for Government contractor employees. Most of the Department's prime contractors, using taxpayer-provided contract funds, reimburse their employees for tuition expenses associated with degree-related courses with minimal restriction. Because of the potential impact on contractor operations, we initiated this audit to determine whether the Department's contractors were reimbursing employees for questionable degrees awarded by diploma mills or other unaccredited institutions.

RESULTS OF AUDIT

We observed that certain contractors at the Department's Oak Ridge and Richland complexes reimbursed employees for courses and degree programs without ensuring that the institutions offering the courses provided legitimate academic training that would



benefit the Department. Specifically, contractors reimbursed employees for tuition payments to unaccredited schools that offered degrees for a flat fee and/or promoted the award of academic credentials based primarily upon life experiences. Contractors were permitted to reimburse employees for such payments because the Department did not always require them to ensure that assistance was limited to institutions that were nationally accredited or otherwise provided meaningful training. Where they existed, contract restrictions and local procedures limiting course work to accredited institutions were not always effective in preventing payments to potential diploma mills. As a consequence, the Department is at risk of making educational reimbursements that provide minimal mission benefit and may result in individuals being placed in sensitive positions for which they are not qualified.

While most of the contractors we reviewed had developed general policies and procedures to govern their tuition reimbursement programs, additional protections are needed. We made a recommendation designed to correct the problems identified in this report and improve controls over contractor educational reimbursement programs.

The Office of Inspector General, in a separate review, is evaluating education and tuition reimbursement practices for Federal employees at some Department locations.

MANAGEMENT REACTION

The Associate Administrator for Management and Administration, National Nuclear Security Administration, the Acting Assistant Secretary for Environmental Management, and the Chief Operating Officer, Office of Science concurred with the report's findings and recommendation. Environmental Management and Science indicated that they would take immediate action. NNSA indicated that additional analysis was needed to develop appropriate policy and contract modifications.

Attachment

cc: Administrator, National Nuclear Security Administration, NA-1
Assistant Secretary for Environmental Management, EM-1
Director, Office of Science, SC-1
Director, Policy and Internal Control Management, NA-66

REPORT ON MANAGEMENT CONTROLS OVER CONTRACTOR TUITION REIMBURSEMENTS FOR COURSES LEADING TO DEGREES AT NON-ACCREDITED EDUCATIONAL INSTITUTIONS

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EDUCATIONAL REIMBURSEMENT PROGRAMS

Reimbursement Practices

The Department of Energy's (Department) facilities management contractors reimbursed their employees for the cost of degrees and course work at unaccredited institutions that provide questionable degrees in areas such as environmental safety and health, safety engineering, environmental engineering, and business administration. For example, during Fiscal Years (FY) 2002 and 2003, we noted that 4 prime contractors, 2 at Oak Ridge and 2 at Richland, had reimbursed 10 employees for expenses totaling about \$34,000 for course work from unaccredited institutions.

At Oak Ridge, we identified five employees that had been reimbursed for courses at an unaccredited institution that offered professional degrees for a fixed fee. For example, one Oak Ridge prime contractor paid about \$4,600 for course work related to a doctoral degree in safety engineering while another reimbursed an employee who was engaged in homeland security technologies approximately \$4,400 for courses needed for a doctoral degree in engineering management. These reimbursements were made for course work at Kennedy-Western University (Kennedy-Western), an organization that -- according to Congressional sources -- provides nontraditional, unaccredited, postsecondary degrees for a relatively low flat fee. Furthermore, the Government Accountability Office (GAO) concluded in recent Congressional testimony that Kennedy-Western promotes the award of academic credentials based on life experience and does not require any classroom instruction.

Additionally, our review at the Richland complex identified five other employees that had been reimbursed for courses at two unaccredited institutions. In particular, we observed that one prime contractor paid approximately \$2,400 for course work leading to bachelor and master of science degrees in environmental safety and health from Western States University for Professional Studies (Western States). Similar to Kennedy-Western, Western States is an unaccredited institution that offers degrees for a relatively low flat fee and awards degrees based upon an evaluation of the applicants' experience.

Guidance and Implementation

The Department did not require its facilities contractors to ensure that educational reimbursements were made only for training at nationally accredited educational institutions. While one of the nine contracts we reviewed required that courses be from an accredited institution, the restriction was not sufficient because institutions may be able to obtain accreditation from organizations

with minimal or non-existent standards. Only national accreditation provides the assurance that institutions offering degrees for flat fees with little or no academic work will be excluded. Thus, none of the contracts required a determination that training was meaningful, required a substantive effort on the part of the participant, or otherwise provided a direct benefit through classroom or other learning experiences.

While virtually all of the contractors we reviewed had developed local procedures to govern their tuition reimbursement programs, most did not include controls designed to ensure that payments were made for substantive or meaningful courses. For example, when limitations were applied, they related primarily to ensuring that course work was related to the employees' responsibility or the operation of the contract, or preparing the individual for greater responsibility, but did not address the issue of national accreditation. Even when more stringent procedures were in place, they were not effective in preventing reimbursement for courses taken at questionable institutions such as Kennedy-Western and Western States.

While the contractors we reviewed -- with a single exception at Oak Ridge -- told us that they had discontinued reimbursements for courses at Kennedy-Western University, the reimbursement of tuition costs for unaccredited schools may not be limited to the sites included in our review. Specifically, the GAO, in its work for the Senate Committee on Governmental Affairs, recently identified other employees of Departmental contractors at Los Alamos National Laboratory and Rocky Flats who received degrees from unaccredited institutions, including Kennedy-Western. Information regarding reimbursements to non-accredited institutions disclosed during the course of this audit, as well as those identified by GAO, has been provided to Federal program officials under separate cover for resolution.

Costs and Risks

By not ensuring that tuition reimbursements were made for course work at institutions that provide meaningful training, the Department expended funds that may not have provided any benefit to its mission, and it risked placing and compensating individuals in potentially sensitive positions for which they were not qualified. Accordingly, the \$34,000 that was paid to reimburse

the 10 employees for tuition payments at unaccredited institutions may not have benefited the Department. Degrees obtained from unaccredited institutions may also be used by recipients to bolster their reputation; and, could indirectly affect decisions related to promotions, bonuses, or increases in responsibility.

RECOMMENDATION

We recommend that the Associate Administrator for Management and Administration, National Nuclear Security Administration, the Chief Operating Officer for Environmental Management, and the Deputy Director for Operations, Office of Science require prime contractors to verify that educational institutions are nationally accredited or otherwise provide meaningful training prior to approving tuition reimbursements.

**MANAGEMENT
REACTION**

The Associate Administrator for Management and Administration, National Nuclear Security Administration; the Acting Assistant Secretary for Environmental Management; and the Chief Operating Officer, Office of Science concurred with the report's findings and recommendation. Environmental Management and Science indicated that they would take immediate action to ensure that prime contractors verify that educational institutions are nationally accredited or otherwise provide meaningful training. NNSA stated that they will perform an analysis with contracting officers to develop the appropriate policy and contract modifications. The Oak Ridge Operations Office stated that it would direct Oak Ridge National Laboratory (Laboratory) to approve educational assistance only for institutions that are nationally accredited.

The Laboratory stated that its educational assistance program policy requires that institutions be nationally accredited and listed in the Higher Education Directory. It also stated that other institutions may be approved on a "per case" basis if they are approved and licensed in its state of operation. The Laboratory stated that it removed Kennedy-Western from its list of approved colleges and universities when it became aware of concerns over the quality of education offered by the school. The Laboratory also indicated that the completion of educational courses or degrees would not directly lead to salary increases or promotions, and that they consider many other factors in making decisions for job selections and promotions.

BWXT Y-12 disagreed with our conclusion that certain contractors at Oak Ridge reimbursed employees for courses and degree programs without ensuring that the institutions offered legitimate training that would benefit the Department. Specifically, BWXT Y-12 stated that its Educational Assistance Office reviews every program, and that it evaluated the curriculum and the course work of the Kennedy-Western program. BWXT-Y12 approved the Kennedy-Western program based on this evaluation and did not believe that the institution was a diploma mill. However, BWXT Y-12 also indicated that they would not permit new students to use the Kennedy-Western program until it receives accreditation from the Distance Education and Learning Program. BWXT Y-12 also stated it was already following the report's recommendation, but added that in the future it will not honor educational programs that are not listed in the Higher Education Directory and do not meet its educational and training needs.

AUDITOR COMMENTS

Management comments, which are included in their entirety as Appendix 3, are responsive to our recommendations.

In response to Laboratory and BWXT Y-12 comments describing their educational assistance program controls, we recognized that local procedures over tuition reimbursements exist. However, even when more stringent controls were in place they were not completely effective in ensuring that quality education was provided because they did not always require that courses be from organizations accredited by a recognized body such as the Council on Higher Education Accreditation.

We did not identify instances of BWXT Y-12 providing educational assistance to employees for course work at Kennedy-Western. However, the BWXT Y-12 current decision to not support future students in educational assistance for course work with Kennedy-Western until it receives accreditation from the Distance Education and Learning Program is responsive to our conclusions and recommendation.

Finally, we also understand that an advanced degree, by itself, would not automatically qualify an individual for promotion. However, as stated in the report, such degrees may be used to bolster an individual's reputation and might therefore indirectly affect consideration for promotion.

Appendix 1

OBJECTIVE

To determine whether the Department's contractors were reimbursing employees for questionable degrees awarded by diploma mills and other unaccredited institutions.

SCOPE

The audit was performed between October 2003 and April 2004 at two locations: Richland, WA, and Oak Ridge, TN. At Richland, samples of employee educational credentials and educational/tuition reimbursements for each of the six prime contractors (Bechtel Hanford Incorporated, Bechtel National Incorporated, CH2M Hill Hanford Group Incorporated, Fluor Hanford Incorporated, Hanford Environmental Health Foundation, and Pacific Northwest National Laboratory) were reviewed. Also, at Oak Ridge, samples of educational/tuition reimbursements for each of the three prime contractors (Bechtel Jacobs, BWXT Y-12, L.L.C., and UT-Battelle) were reviewed. The universe of our audit samples consisted of all active employees, hired between October 1, 1998, and October 15, 2003, for educational credentials and all employees who received educational/tuition reimbursements from October 1, 2001, to September 30, 2003.

METHODOLOGY

To accomplish the audit objective, we:

- Evaluated the Department's implementation of the Government Performance and Results Act of 1993 related to the establishment of performance measures for educational credentials;
- Requested lists of active employees hired between October 1, 1998, and October 15, 2003, and separate lists of individuals who had received educational/tuition reimbursements between October 1, 2001, and September 30, 2003, from each prime contractor at the sites visited;
- Randomly selected samples of 318 employee educational credentials and 332 employee educational/tuition reimbursements (totaling \$952,472) at Richland plus a randomly selected sample of 221 employees educational/tuition reimbursements (totaling \$645,414) at Oak Ridge. Employee educational/tuition reimbursements also included some professional certification courses and state licensing exams;

Appendix 1

- Reviewed supporting documentation for our samples of employee educational credentials and employees educational/tuition reimbursements;
- Interviewed officials from selected site human resource departments to gain an understanding of roles, responsibilities, and procedures for verifying employee educational credentials and reimbursing educational/tuition expenses; and,
- Reviewed the Council on Higher Education Accreditation (CHEA) website to determine if schools in our sample were nationally accredited. Professional certification courses and state licensing exams were excluded from our CHEA review.

Because the sites had multiple prime contractors with varying degrees of contract requirements and policies and procedures, we selected separate samples from each of the prime contractors to ensure our analysis was complete. Accordingly, we obtained universe information for educational credentials and educational/tuition reimbursements from each prime contractor's human resources department for both sites reviewed. We then used the U.S. Army Audit Agency Statistical Sampling Software to determine our separate sample sizes. We also used the Audit Command Language software to perform a count on the universes and generate random samples for each prime contractor.

The audit was conducted in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit 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 audit. We relied on computer-processed data to accomplish our audit objective. We performed limited test work of data reliability during our audit and determined that we could rely on the computer-processed data.

Management waived an exit conference to discuss our response to their comments.

Appendix 2

RELATED REPORTS

- *"Purchases of Degrees from Diploma Mills"* (GAO-03-269R, November 2002). Initiated at the request of Senator Collins to investigate issues concerning the proliferation of diploma mills. The purpose of this investigation was to demonstrate how easy it is to purchase a degree from a diploma mill. During this investigation, a GAO investigator purchased a Bachelor's and a Master's degree from the diploma mill Degrees-R-Us. In addition to the degrees, the investigator purchased the "premium package" (two diplomas, honors distinctions, and a telephone degree verification service) and a 1-year degree verification service.
- *Diploma Mills, "Federal Employees have Obtained Degrees from Diploma Mills and Other Unaccredited Schools, Some at Government Expense"* (GAO-04-771T, May 2004). GAO found that eight agencies, including the Department, had reimbursed Federal employees for degrees from unaccredited institutions. GAO also found that at least three Department management level employees had degrees from diploma mills and other unaccredited schools. In addition, 35 federal employees within the Department were enrolled in one of three unaccredited schools that GAO was able to obtain information from. Also, the Department has made tuition payments to Kennedy-Western University (one of the unaccredited schools) for at least six employees totaling \$28,037. However, GAO believes that the records provided by three unaccredited schools and the eight Federal agencies underestimate the extent of Federal employees who have degrees from, or have provided a Federal payment to, a diploma mill or unaccredited school.




Department of Energy
National Nuclear Security Administration
Washington, DC 20585



AUG 31 2004

MEMORANDUM FOR Rickey R. Hass
Assistant Inspector General
for Audit Operations

FROM: Michael C. Kane 
Associate Administrator
for Management and Administration

SUBJECT: Comments to IG's Draft Report on Contractor
Tuition Reimbursements, A04NE008 / 2004-31681

The National Nuclear Security Administration (NNSA) appreciates the opportunity to have reviewed the Inspector General's (IG) draft report, Management Controls Over Contractor Tuition Reimbursements for Courses Leading to Degrees at Non-Accredited Educational Institutions." We understand that the IG initiated this audit to determine whether our contractors are reimbursing employees for questionable degrees awarded by diploma mills or other unaccredited institutions.

The only NNSA contractor involved in this review was BWXT-Y12. Therefore, the following comments are related to corrections or clarifications of that part of the report addressing BWXT.

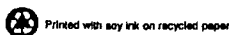
Reference Page 2--Management Reaction of the Draft Audit Report:

1. BWXT Y-12 Procedure Y11-312 Educational Assistance and University Study Program outlines the process for application and approval for Tuition Reimbursement. The operating guidelines for approval of Schools and Institutions outline the process for review and approval. The guidelines state the following: Schools and Institutions are approved for programs meeting the needs of the organization in accomplishing current and future missions in the following manner:

*Recognized four year, graduate, and two year colleges, as accredited by the Nationally Recognized Accrediting institutions)

*Correspondence schools listed in the current Distance Education and Council Directory

*Adult Education Programs recognized by the Y-12 Educational Assistance Office as providing proper instruction in the courses offered.



Other institutions may be approved on a "per case" basis if they meet approval by the licensing State and the programs are judged to be of high quality and value by the Educational Assistance Office.

The statement in the report that "certain contractors at Oak Ridge....reimbursed employees for courses and degree programs without ensuring that the institutions offering the courses provided legitimate training that would benefit the department" is not true at BWXT Y-12. Every program is reviewed by the Educational Assistance Office.

Employees must receive approval from their division manager to apply for Educational Assistance and an additional approval must be received from the Educational Assistance Office before an employee may participate in any program.

BWXT Y-12 has encouraged all employees to participate in Educational Assistance to further knowledge in their current job and field of study as well as to gain new knowledge which would enable employees to change jobs to assist in the accomplishment of current and future missions.

Page 3 Management Reaction--Educational Reimbursement Programs

While it is true that Kennedy-Western is not currently accredited, BWXT Y-12 has evaluated the curriculum and the coursework for this program. We met with the employees who wished to participate and reviewed text books, coursework, and communications with faculty. This is a non-traditional method for offering programs and coursework in areas where these courses were not available locally. We have also spoken with personnel at Kennedy-Western. As a result of reviewing the program and knowing the employees who participated in these programs, we made a decision to approve this program.

Also, Kennedy-Western is "reviewed annually by a team of three educators from regionally accredited schools who have no association with the program" for curriculum review, faculty qualifications, and degree requirements.

As a result of this investigation, we do not believe that Kennedy-Western is a diploma mill school. However, until such time as Kennedy-Western receives accreditation from the Distance Education and Learning Program, BWXT Y-12 will permit no new students to enter the program. Our employees have offered to submit their course work and examinations for review to anyone who wishes to look at them.

The recommendation that contractors "verify that educational institutions are nationally accredited or otherwise provide meaningful training prior to approving tuition reimbursements" is already being done at BWXT Y-12 as referenced in the process above. The exception that was implemented was made after a review of the program. For future purposes, we will honor no program that is not listed in the Higher Education Directory and does not meet the education and training needs of the BWXT Y-12 organization for mission accomplishment.

Page 4 - Under Scope section - erroneous reference to Y-12, report says BWX Technologies Incorporated - it should be BWXT Y-12, L.L.C.

Appendix 3

3

NNSA agrees with the recommendation and will query the Contracting Officers of our prime contractors to determine the nature and extent of the contract clauses related to tuition reimbursements, vis-e-vis accredited institutions, as well as the Contractor's procedures for approving educational tuition reimbursement. Based on that analysis, NNSA will develop appropriate policy, and modify contracts as appropriate.

Should you have any questions related to this response, please contact Richard Speidel, Director, Policy and Internal Controls Management at 202-586-5009.

cc: Robert Braden, Senior Procurement Executive
Karen Boardman, Director, Service Center



Department of Energy
Washington, DC 20585

September 3, 2004

MEMORANDUM FOR RICKEY R. HASS
INSPECTOR GENERAL

FROM: PAUL M. GOLAN *mgolan*
ACTING ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

SUBJECT: Response to Inspector General Report
Re: Tuition Reimbursements

The purpose of this correspondence is to provide the Office of Environmental Management (EM) response to the subject report.

EM concurs with the report recommendation that EM contractors be required to verify that educational institutions are nationally accredited or otherwise provide meaningful training prior to approving tuition reimbursements. This requirement will be issued to all prime contractors through the cognizant EM site manager's office within the next 30 days. Prime contractors will be requested to implement this requirement, as appropriate, and confirm that it is fully implemented in writing no later than November 1, 2004.

If you have any questions, or if additional information is necessary, please contact Mr. Norm Sandlin, Field Procurement Advisor of my staff at (202) 586-3960.



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Department of Energy

Washington, DC 20585

August 25, 2004

MEMORANDUM FOR RICKEY R. HASS
ASSISTANT INSPECTOR GENERAL
FOR AUDIT OPERATIONS
OFFICE OF INSPECTOR GENERAL

FROM: MILTON D. JOHNSON *MDJ*
CHIEF OPERATING OFFICER
OFFICE OF SCIENCE

SUBJECT: Office of Science Comments on IG Draft Report,
"Management Controls Over Contractor Tuition
Reimbursements for Courses Leading to Degrees at Non-
Accredited Educational Institutions"

In response to your August 4, 2004, the Office of Science (SC) has reviewed the subject report and concurs in the recommendation contained in the report. SC has taken corrective action in response to this recommendation. My office has prepared a memo to SC field sites informing them of the importance of ensuring that institutions that offer courses for which contractor employees are either reimbursed or receive degrees provide legitimate academic training that would benefit the Department. In addition, the memo instructed those sites to take the necessary action to require prime contractors with SC programmatic cognizance to verify that educational institutions are nationally accredited or otherwise provide meaningful training prior to approving tuition reimbursement. SC agrees with the monetary impact identified in the report.

Detailed comments from Oak Ridge are attached.

Thank you for the opportunity to provide comments on this draft report.

Please contact John Alleva at 301-903-3064 if you have any questions regarding these comments.

Attachment

cc:
G. Boyd, Manager, Oak Ridge
J. Miller, Audit Liaison, Oak Ridge



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Attachment

**OAK RIDGE OPERATIONS OFFICE
RESPONSE TO IG DRAFT REPORT
“MANAGEMENT CONTROLS OVER CONTRACTOR TUITION
REQUIREMENTS FOR COURSES LEADING TO DEGREES AT NON-
ACCREDITED EDUCATIONAL INSTITUTIONS”**

RECOMMENDATION:

That the Associate Administrator for Management and Administration, National Nuclear Security Administration, the Chief Operating Officer for Environmental Management, and the Deputy Director for Operations, Office of Science require prime contractors to verify that educational institutions are nationally accredited or otherwise provide meaningful training prior to approving tuition requirements.

RESPONSE: Concur. UT-Battelle, LLC, Oak Ridge National Laboratory, will immediately be formally directed to require that only institutions that are nationally accredited be approved for utilization in the education assistance program. Oak Ridge Operations Office agrees with the monetary impact identified by the Inspector General.

Following are the UT-Battelle, LLC comments to the draft report:

“The Oak Ridge National Laboratory’s Educational Assistance Program reimburses employees for degree programs at “Resident four-year, graduate, and two-year colleges, as accredited by Nationally Recognized Accrediting Agencies and Associations and listed in the current edition of the Higher Education Directory.” However, other institutions may be approved on a “per case” basis if approved and licensed in its State of operation, if the costs are in line with other institutions with comparable degree programs and if the curriculum is judged to be of value to the Lab. In accordance with this policy provision, members of the predecessor contractor’s management approved Kennedy-Western University for educational assistance reimbursements prior to the current UT-Battelle contract.”

“Although it was known that Kennedy-Western was not an accredited university, until the recent Congressional testimony by the Government Accountability Office (GAO), the ORNL Educational Assistance Office was unaware that Kennedy-Western was considered to be a “diploma mill” or that it didn’t provide quality education. After becoming aware of the GAO testimony earlier this year, ORNL removed Kennedy-Western from our list of approved colleges and universities.”

“The ORNL Educational Assistance Office has also compared our list of approved colleges and universities with the Council on Higher Education Accreditation (CHEA)

Appendix 3

and the Non-Accredited Colleges/Universities websites. The later website is a listing of colleges and universities which are not currently accredited by an accrediting body of the Council on Higher Education Accreditation. Degrees from these institutions are not accepted by the Department of Civil Service as satisfying any educational requirements indicated on job specifications. These reviews confirmed that Kennedy-Western University had been the only non-accredited college or university on ORNL's approved list (and, as previously stated, it has since been removed)."

"Two of the five Oak Ridge employees identified in the subject draft audit report who have been reimbursed for Kennedy-Western coursework are ORNL employees. Only one of these employees was reimbursed for completion of degree programs and those reimbursements were completed in March of this year. The employee mentioned in the draft audit report "who was engaged in homeland security technologies" is an ORNL employee who had intended to pursue a Doctoral degree in Engineering Management, but was reimbursed for only three courses in March 2003. No further reimbursements for Kennedy-Western University have been approved for this employee. Although not cited in the draft audit report, there was a third ORNL employee who received educational assistance reimbursement during the period covered by the audit. This employee was reimbursed for only one course in "Ethics and Engineering Management" taken for continuing education purposes."

"When reviewing reimbursements subsequent to the period covered by the IG's audit, the ORNL Educational Assistance Office identified one additional ORNL employee who was approved and reimbursed for coursework toward a Ph.D. program in Safety Engineering at Kennedy-Western. These reimbursements did not appear in the audit report since they occurred during Fiscal Year 2004. Since the employee had already begun coursework and his Application for Educational Assistance had already been approved prior to Kennedy-Western's removal from the approved list, the employee was reimbursed for completion of his final coursework. ORNL will process no further reimbursements to Kennedy-Western University."

"Continuing education and employee development is encouraged and supported at ORNL, but there is no policy or practice that directly "rewards" the completion of continuing education courses, certificate programs, or even degrees, via salary increases and/or promotions. Although continuing education is a consideration for job selections and promotions, there are many other factors (i.e., work experience, training, academic standing, caliber of college/university, etc.) considered by management in making these decisions. In other words, a Ph.D. from a non-accredited university would, by itself, not qualify someone for hire or promotional opportunities at ORNL."

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