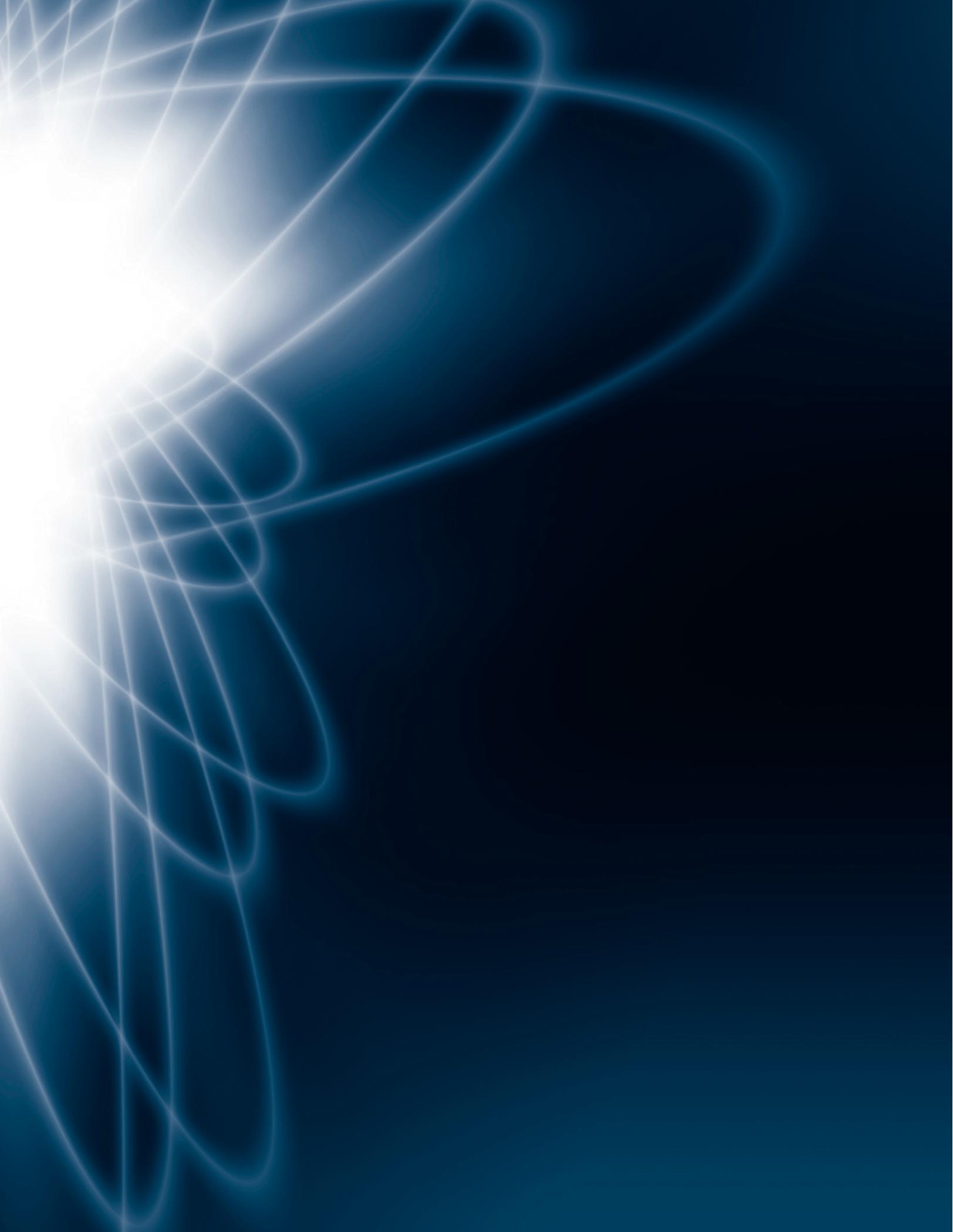




U.S. DEPARTMENT OF ENERGY

**Office of Inspector General  
Strategic Plan  
Fiscal Years 2009 through 2013**





# Message from the Inspector General

I am pleased to present the Office of Inspector General's Strategic Plan covering Fiscal Years 2009-2013. The Strategic Plan offers a glance at our long term effort to work with the Department of Energy's leadership to improve the management and performance of the Department's programs and operations.

As we implement this Strategic Plan, our objective is to continue to play a critical role in protecting and preserving the Department's assets and resources. We will focus on mitigating those management challenges facing the Department through continued collaboration and cooperation with the Secretary and Department senior management. An equally important goal is aggressively exercising our statutory law enforcement authority to prevent and detect those attempting to defraud the Department. Unfortunately, given the complexity of the Department's operations and the associated spending levels, the risk of fraud is a constant challenge, one which receives our utmost attention.

Finally, execution of this Plan is not possible without the efforts of each member of my staff. They consistently demonstrate a commitment to public service and, specifically, to protecting taxpayer interests. Together with our stakeholders, we will continue our efforts to facilitate positive change within the Department.

A handwritten signature in black ink, reading "Greg Friedman". The signature is written in a cursive style with a large initial "G".

Gregory H. Friedman  
Inspector General

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# I. Introduction

The Department of Energy (Department) Organization Act created the Department in October 1977. That law brought together for the first time, not only most of the government's energy programs, but also science and technology programs and defense responsibilities that included the design, construction, and testing of nuclear weapons. Over its history, the Department has shifted its emphasis and focus as the energy and security needs of the Nation have changed. Today, the Department stands at the forefront of helping the Nation meet our energy, scientific, environmental, and national security goals.

The responsibility of the Office of Inspector General (OIG) is to ensure that the Department is:

- Fulfilling its program and operational goals effectively;
- Using its resources efficiently in this pursuit;
- Operating within the scope of its legislative mandates;
- Meeting the President's Management Agenda; and,
- Addressing Departmental priorities established by the Secretary.

The OIG accomplishes this by performing audits, investigations, and inspections of the Department's programs and operations seeking to uncover existing or potential weaknesses that could result in fraud, waste, and abuse.

This strategic plan reflects the vision for how the organization will move forward in the 21st century to ensure the Department continues to serve the American public safely, effectively, and efficiently. Through its strategic planning efforts, the OIG will continue to play a critical role in assisting the Department's leadership and the Congress by identifying opportunities for improving management, program performance, and accountability. The OIG's strategic goal is to perform a robust review program that provides timely, relevant performance information and recommendations to improve the performance of the Department's programs and operations, facilitate positive change, and combat unlawful activities within the Department.

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## II. Vision

*To be a highly effective organization that promotes positive change by identifying opportunities for improvements in the performance and efficiency of the Department's programs and operations.*

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## III. Mission

*To promote the effective, efficient, and economical operation of the Department through audits, investigations, inspections, and other reviews to detect and prevent waste, fraud, abuse, and violations of law.*

## IV. Authority and Responsibilities

The *Inspector General Act of 1978*, as amended, requires the OIG to:

- Conduct independent and objective audits and investigations;
- Promote economy, efficiency, and effectiveness;
- Prevent and detect waste, fraud, and abuse;
- Review pending legislation and regulations; and,
- Keep the Secretary and Congress fully and currently informed.

- **Government Management Reform Act (GMRA) of 1994.** Annual audit of Department-wide and designated component financial statements. This effort currently requires approximately 24 percent of the OIG's resources, including contractual assistance from an external audit firm.

- **National Defense Authorization Act of 2000.** Annual review of Department policies and procedures with respect to the export of sensitive U.S. military technologies and information to countries and entities of concern.

- **Reports Consolidation Act of 2000.** Annual audit to identify the most significant management and performance challenges facing the Department.

- **Federal Information Systems Management Act (FISMA) of 2002.** Annual review of Department information security systems.

- **Section 522 of the Consolidated Appropriations Act of 2005.** Biennial review of the actions of the Department's Chief Privacy Officer.

- **Department of Energy Orders.** Audits of statements of costs incurred and claimed by the Department's integrated contractors.

## V. Other Mandates

- **Government Performance and Results Act (GPRA) of 1993.** Continuous review of the Department's implementation.

- **Executive Order 12863, "President's Foreign Intelligence Advisory Board," 1993.** Reports to the Intelligence Oversight Board as required quarterly and "as necessary or appropriate." This includes reviews to ensure the Department's intelligence activities are conducted in accordance with existing requirements of Executive Order 12333, "United States Intelligence Activities."

## VI. Our Organization

As mandated by the Inspector General Act of 1978, as amended, the OIG is an independent and objective office that promotes the effective operation of the Department, including the National Nuclear Security Administration (NNSA) and the Federal Energy Regulatory Commission (FERC).

Specifically, as part of its independent status, the OIG:

- Provides the Secretary with an impartial set of "eyes and ears" to evaluate management practices;
- Acts as fact-finders in high profile, controversial matters;
- Apprehends those attempting to defraud the Government and the people of the United States; and,
- Ensures the taxpayers have a "seat at the table" when decisions are made as to how their money is spent.

The OIG consists of the Immediate Office of the Inspector General and the following components:

**Office of Audit Services (OAS)** concentrates its efforts on economy, efficiency and program reviews, while maintaining sound oversight of the financial statement audit. OAS strives to provide reliable, credible financial and performance information to senior management, the Congress, and the taxpayers. OAS is organizationally aligned with the Department's programmatic lines in national security and energy; as well as in environment, science, financial, technology, and corporate operations.

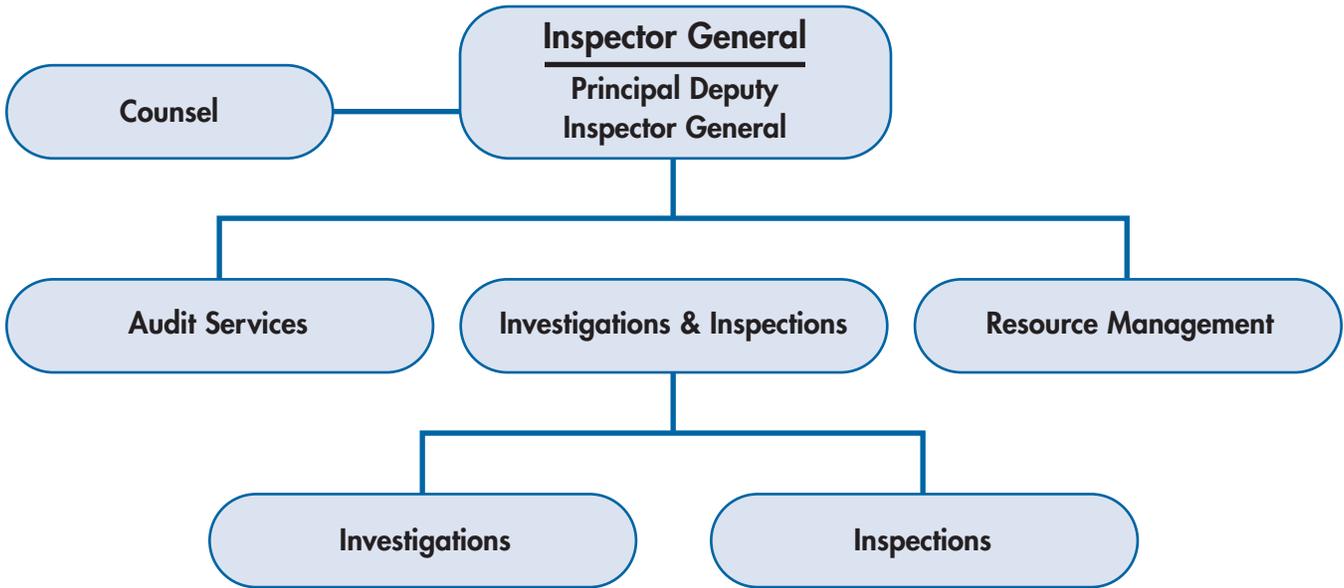
**Office of Investigations (OI)** conducts investigations into alleged violations of law that impact Department programs, operations, facilities, and personnel. Priority is given to investigations of suspected violations of criminal and civil statutes, as well as serious administrative misconduct. Criminal investigators within the OI work closely with Department of Justice prosecutors and other Federal, State and local law enforcement organizations utilizing a full range of law enforcement authorities, such as carrying firearms, applying for and executing search warrants, and making arrests. The work of OI, however, extends beyond the conduct of investigations – namely, OI identifies opportunities for improving the economy and efficiency of Department programs and operations by issuing reports that recommend positive change.

**Office of Inspections (INS)** conducts performance and allegation-based inspections, as well as special inquiries in response to concerns raised by Congress, senior managers of the Department, and others. INS also manages the OIG Hotline and Management Referral Systems. INS facilitates management reform in the Department by evaluating and providing recommendations to improve program performance.

**Office of Counsel** provides legal advice and assistance to the Inspector General on a wide range of issues.

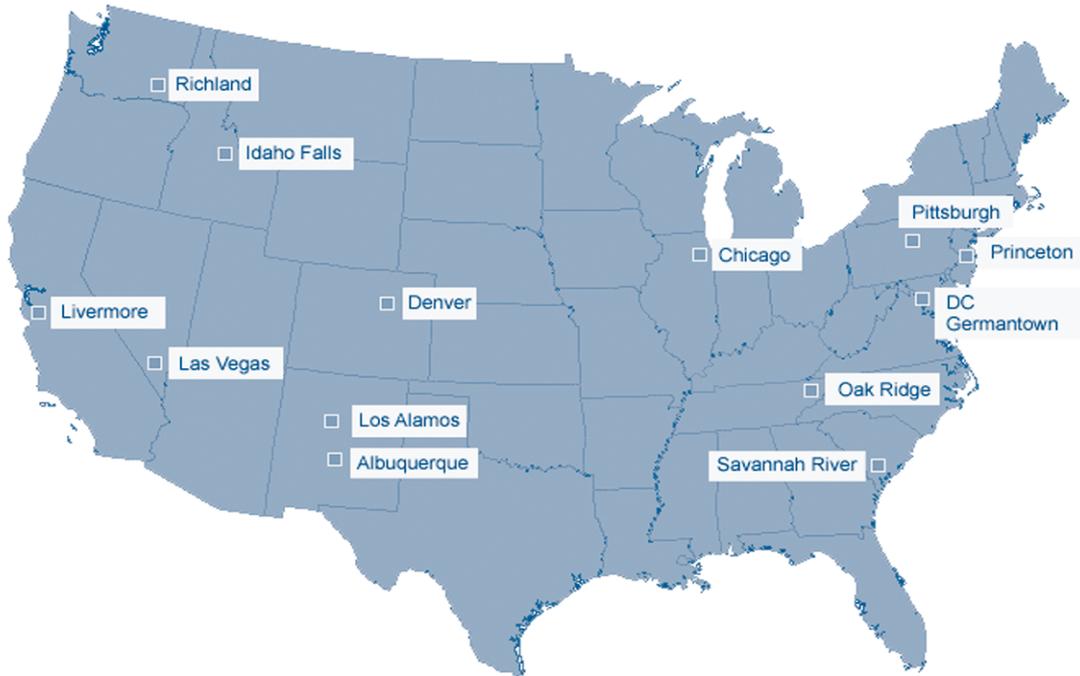
**Office of Resource Management** provides administrative and management support to the OIG. It also formulates and executes the budget and is responsible for all human resource support activities, information technology, strategic planning, performance reporting, and property management.

## Office of Inspector General Organizational Chart



In addition to the Headquarter offices, OIG offices are located at key Department sites around the nation.

## Location of OIG Field Offices



## VII. Relationship Between the Department and OIG

Since 1997, the OIG has provided the Secretary and Congress with an annual assessment of the most serious management challenges confronting the Department. These challenges parallel a number of key Department priorities and Presidential initiatives around which the OIG plans much of its work. The following are the OIG-identified Management Challenges for FY 2009:

- Contract and Project Management
- Safeguards and Security
- Environmental Cleanup
- Stockpile Stewardship
- Cyber Security
- Energy Supply

In addition to responding to requests for special reviews or investigations from the Secretary and Congress, the OIG continuously performs reviews at the Department through various planned audits and inspections utilizing a risk-based methodology to focus our efforts on the most important issues and concerns critical to the administration, the Congress, and the U.S. Taxpayer.

must ensure that its resources and activities cover the issues and concerns most critical to the Department.

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### Goal 1:

**Promote the President's Management Agenda and the Mission Priorities of the Secretary and Congress.**

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#### Objective 1:

Conduct reviews seeking positive change in the Department relating to the implementation of the initiatives in the President's Management Agenda, the Secretary's Priorities, and the OIG-identified Management Challenges.

#### Performance Measures:

- Complete reviews that address each Presidential, Secretarial, and OIG initiative, priority, and/or challenge.
- At least 50 percent of inspection reports will address security-related topics.

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### Goal 2:

**Improve economy and efficiency and reduce waste, fraud, and abuse within the Department.**

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#### Objective 2:

Concentrate OIG efforts on issues that have the greatest impact and usefulness to the Department.

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## VIII. OIG Strategic Plan

Our work is important to the Department's success in fulfilling its Strategic Plan to address the energy, science, environmental, and nuclear security challenges and mission-related goals. The OIG

**Performance Measures:**

- Ensure that every performance review includes an analysis of program accomplishments and the use of metrics to measure results.
- Ensure that 57 percent of all performance audits include recommendations leading to demonstrable cost savings, program efficiencies, and/or funds put to better use.
- Complete five follow-up reviews annually to determine the status and efficacy of corrective actions.
- Complete an annual risk-based programmatic assessment that considers OIG institutional knowledge; past program performance; funding levels; Presidential, Secretarial, and congressional concerns; and, input from Department program managers.
- Ensure that 80 percent of all planned performance audits address high-risk areas as identified in the OIG annual risk-based programmatic assessments.
- Strive for the Department to accept at least 79 percent of OIG report recommendations.

**Objective 3:**

Provide timely information to the Department so that prompt action can be taken to improve program performance.

**Performance Measures:**

- Issue 80 percent of audit reports no later than 60 days following receipt of management comments.

- Ensure that the average time to issue Investigative Reports to Management is 55 days or less following final resolution of criminal and civil investigations.
- Complete the field work for 70 percent of inspections within 60 work days.

**Objective 4:**

Strengthen financial management and cyber security through completion of mandatory reviews in accordance with Office of Management and Budget and other applicable requirements.

**Performance Measures:**

- Complete annually the Department’s consolidated financial statement audits to determine whether the financial statements are free from material misstatement.
- Review the Department’s classified and unclassified information security system programs in accordance with the Federal Information Security Management Act of 2002.
- Initiate 10 “Statement of Costs Incurred and Claimed” audits annually to assess internal controls over costs claimed by the Department’s major contractors.

**Objective 5:**

Concentrate investigative efforts on allegations of criminal and civil violations of law that adversely impact major Department programs and operations, with emphasis on maximizing the recovery of public resources and deterring future wrongdoing.

**Performance Measures:**

- Achieve an annual acceptance rate of 72 percent for cases presented for prosecutorial consideration.
- Ensure 75 percent of all cases opened focus on key areas of Department vulnerability, specifically procurement and grant fraud, environmental violations, *Qui Tams*, or computer crimes.

**Objective 6:**

Coordinate with other law enforcement agencies to establish effective networks in order to identify areas that are most vulnerable to waste, fraud, and abuse.

**Performance Measure:**

- Ensure 25 percent of all cases opened are joint agency/task force investigations with external law enforcement agencies, such as the Federal Bureau of Investigation and other OIGs.

**Objective 7:**

Heighten awareness of potential fraud among internal and external customers.

**Performance Measure:**

- Provide 28 fraud awareness briefings annually to Department and contractor employees and managers.

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**Goal 3:**

**Support the Taxpayer.**

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**Objective 8:**

Provide the Department and the public with an effective and efficient mechanism to report waste, fraud, and abuse.

**Performance Measures:**

- Operate the OIG Hotline in a manner that ensures 90 percent of Hotline complaints warranting further action begin processing within 7 days of receipt.
- Forward 90 percent of the complaints identified for referral to Department or other agency management within 14 days of initiation of the case.

**Objective 9:**

Make the public aware of OIG reports.

**Performance Measure:**

- Ensure that all OIG public reports that were identified for inclusion on the Internet are posted within three working days of submission to the Secretary, unless otherwise specified by the Inspector General.

**Objective 10:**

Provide a structure for ensuring a skilled and efficient workforce.

**Performance Measures:**

- Ensure that all auditors meet the training requirements as specified by generally accepted Government Auditing Standards.
- Ensure that all investigators meet the training requirements as specified by Federal law enforcement and other related investigative standards.
- Ensure that all inspectors meet the training requirements as specified by the President's Council on Integrity and Efficiency "Quality Standards for Inspections."

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## IX. Linkage of OIG Strategic Plan to Annual Plan

This strategic plan is the blueprint for the annual planning process. The OIG Annual Plan sets specific targets for each of our performance measures for the coming fiscal year, planned audits and inspections priorities, and presents projects that will be performed, incremental target level increases, and expected target dates. Additionally, OIG accomplishments will be reported in our Semiannual Report to Congress bi-annually – April and September.

## X. Critical External Influences

Each year, the OIG is requested to conduct quick turnaround, unplanned, and resource intensive reviews. These requests directly impact the OIG's workload, formulating budgets, evaluating procedures, and establishing priorities. Examples include:

- ***Secretarial/Congressional Priorities.***

Emerging mission-related priorities require the Secretary to request the OIG to conduct related reviews. Also, the OIG regularly receives requests from various members of Congress and their staffs to conduct reviews and provide information and to participate in briefings and hearings. These requests are usually unanticipated and require immediate attention. Satisfying these requests often affects the OIG's progress in achieving its strategic planning goals.

- ***New Statutory Requirements.***

New legislative mandates and unfunded audit, investigative, inspection, or special inquiry requirements divert resources away from other critical areas, including evaluating the performance of the Department's programs and operations as they relate to the President's Management Agenda, the Secretary's mission priorities, and the most serious management challenges facing the Department.



**U.S. Department of Energy**  
**Office of Inspector General**

**HOTLINE**

Call the HOTLINE if you suspect  
**Fraud, Waste, Abuse, or Mismanagement**  
by a DOE Employee,  
Contractor, or Grant Recipient

Call  
**1-800-541-1625** or **(202) 586-4073**

Additional information on the OIG and reports can be found at  
[www.ig.energy.gov](http://www.ig.energy.gov)

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