



# Inspector General Semiannual Report to Congress



April 1, 2007 – September 30, 2007

30<sup>th</sup>  
Anniversary  
1977-2007

U.S. DEPARTMENT OF ENERGY  
OFFICE OF INSPECTOR GENERAL

## Front Cover Photographs

*(Clockwise)*

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Heliostats and Solar Two's tower collect and store enough thermal energy to produce electricity to power 10,000 homes.

Construction of turbine/generator for hydroelectric plant.

Drilling rig used in Department's Geothermal Geopressured Extraction Project to extract heated pressurized water and natural gas trapped below ground.

The Mighty Mouse Robot at Sandia National Laboratory capable of withstanding intense radiation, maneuvering around obstacles, reaching into awkward places, and drilling into the ground.

Biochip slide research conducted at Argonne National Laboratory to identify human and veterinary infectious diseases.

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## Department of Energy

Washington, DC 20585

October 30, 2007

The Honorable Samuel W. Bodman  
Secretary  
U.S. Department of Energy  
Washington, DC 20585

Dear Secretary Bodman:

I am pleased to submit the Office of Inspector General's (OIG's) *Semiannual Report to Congress*. This report summarizes significant OIG activities and accomplishments during the six month period ending September 30, 2007.

This report reflects our continuing commitment to focus OIG efforts on the issues and concerns most critical to you, the Administration, the Congress, and the taxpayer. In particular, the report details OIG accomplishments in identifying the Department's most significant management challenges.

We look forward to working with you on matters of mutual interest.

Sincerely,

A handwritten signature in black ink that reads "Gregory H. Friedman".

Gregory H. Friedman  
Inspector General

Enclosure





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# Inspector General's Message

I am pleased to provide the Office of Inspector General's (OIG's) *Semiannual Report to Congress* for the six-month reporting period ending September 30, 2007. This year, the Department of Energy and the OIG celebrated their 30th anniversary. Since 1977, the OIG has remained committed to helping the Department achieve its missions by performing audits, investigations, and inspections of Department programs and operations. The outstanding leadership and guidance set forth by the former Inspectors General—J. Kenneth Mansfield (1978-1981), James R. Richards (1981-1985), and John C. Layton (1986-1998)—and the continuing hard work and diligence of our employees past and present have contributed greatly to the many successes of our organization.



During this reporting period, the OIG continued to assist the Department's management in addressing its mission-related priorities and identifying opportunities for programmatic cost savings, enhanced program performance, and operational efficiencies. We issued 54 audit and inspection reports that identified over \$13.5 million in potential savings. In addition,

we referred 13 investigations for prosecution and obtained 18 criminal convictions. Our work led to the recovery of over \$6.1 million in fines, settlements, and restitutions.



Annually, the OIG identifies what it considers to be the Department's most significant management challenges. Our work has highlighted contract management as one of the most pressing programmatic challenges facing the Department. In July 2007, I testified before the

Subcommittee on Government Management, Organization and Procurement, House Committee on Oversight and Government Reform, on issues pertaining to contract management at the Department. Although the Department has taken positive steps in

recent years in this area, our work has documented deficiencies in the way the Department administers its contracts. These deficiencies have led to wasteful spending practices and significant security lapses.

During this six-month reporting period, the OIG conducted reviews of contractor travel expenses, controls over sensitive information, voluntary separation programs, and contractor transition issues designed to assist the Department in identifying contract management weaknesses and opportunities for cost savings. For example, our office identified contract activities that were not conducted in an economic and efficient manner in *Voluntary Separation Program at the Idaho Cleanup Project* (DOE/IG-0765) and security issues that were not given sufficient attention in *Security Over Personally Identifiable Information* (DOE/IG-0771). Most importantly, contractors were not always held accountable for their actions. These deficiencies in contract management are significant because the operations performed by the Department's over 100,000 contractor employees, plus a significant number of subcontractor employees, consume at least three-quarters of the Department's budget. As contract management has been a continuing challenge for the Department, the OIG will continue to focus attention on and devote resources to this critical area.

We look forward to continuing to serve the American public by identifying ways that the Department can more effectively and efficiently achieve its goals.



Gregory H. Friedman  
Inspector General



# Accomplishments Addressing Management Challenges

Each year, the OIG identifies what it considers to be the most significant management challenges facing the Department. This effort highlights those programs and operations that are, in our judgment, the most difficult to manage as well as those with the most significant demonstrated performance problems. This year, the OIG determined that the most serious challenges facing the Department are in the areas of:

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

Highlights of our work during the current reporting period, which are set forth in the following sections of this report, are organized by management challenge area.

## Safeguards and Security

*The Department plays a fundamental role in the Nation's security by ensuring the safety of the country's nuclear weapons, advancing nuclear non-proliferation, and providing safe and efficient nuclear power plants for the United States Navy. In order to accomplish this mission, the Department maintains a substantial security regime, which includes over 4,000 protective force personnel and various physical safeguards for classified material and other sensitive property. Our reviews over the past six months identified ways that the Department could improve security across the complex.*

### Protective Force MK-19 Grenade Launcher Use at Pantex

The OIG received allegations that the MK-19 40 millimeter Grenade Launcher (MK-19) was being utilized by Pantex Plant protective force officers who (1) lacked adequate training

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on the weapon and (2) had limited access to a training simulation system due to manufacturing issues. Our inspection substantiated the allegations and identified concerns with equipment, training, and qualification regarding the MK-19 at Pantex. Specifically, we found that:

- The MK-19 had been deployed without a night vision device or thermal imaging device compatible with the weapon's sighting system.
- Protective force officers had not received formal training to engage targets at operational distances, under both daylight and reduced visibility conditions.
- The Pantex qualification course did not cover site-specific deployment of the MK-19.

We made several recommendations to management designed to enhance MK-19 training and use at Pantex. **(IG-0770)**

## **Material Control and Accountability at Los Alamos National Laboratory**

We initiated an inspection at Los Alamos National Laboratory to determine if the Laboratory's Material Control and Accountability (MC&A) Program was providing timely and accurate information regarding the inventory, transfers, characteristics and location of accountable nuclear materials at the Laboratory. We concluded that, in many respects, the MC&A Program provided timely and accurate information. However, we identified certain opportunities for improving controls over accountable nuclear material. As a result, we made several recommendations designed to enhance the security of Los Alamos' management of accountable nuclear materials. **(IG-0774)**

## **Follow-up Audit of NNSA's Implementation of the 2003 Design Basis Threat Policy**

The OIG initiated an audit to follow up on the National Nuclear Security Administration's (NNSA's) implementation of the 2003 Design Basis Threat (DBT). Our review revealed that all seven of NNSA's sites possessing Category I special nuclear material certified that they met the 2003 DBT policy by the end of FY 2006, as required by the Department. As part of policy implementation, NNSA Headquarters validated site by site security programs. Our review also showed that sites used widely varying strategies to meet the goal. Additionally, NNSA's Office of Defense Nuclear Security made significant progress toward implementing recommendations we made in 2005 to improve its use of NNSA's planning, programming, budgeting, and evaluation process. **(OAS-M-07-04)**

## Controls Over Military-Type Equipment Within the Office of Secure Transportation

A review of property controls over military-type equipment within the Department's Office of Secure Transportation (OST) disclosed that OST had neither adequately identified export controlled equipment as high risk equipment nor provided effective control and property management. As a result, we made recommendations to the Assistant Deputy Administrator for Secure Transportation to ensure adequate controls are in place for military-type equipment in OST. (INS-L-07-10)

### Did you know?

The Office of Secure Transportation provides safe and secure transportation of nuclear weapons and components and special nuclear materials and conducts other missions supporting the national security of the United States.

## Environmental Cleanup

*Department efforts to clean up and dispose of large volumes of solid and liquid radioactive, non-radioactive, and mixed waste have become essential as a result of more than 50 years of nuclear defense work and energy research.*

## Quality Assurance Standards for the Integrated Control Network at Hanford's Waste Treatment Plant



*Pulse Jet Mixers used at the Waste Treatment Plant.*

An audit was initiated to determine if the computerized integrated control network at Hanford's Waste Treatment Plant met appropriate quality assurance standards. Our audit revealed that the control system did not meet applicable quality assurance standards—specifically, those required for “an activity affecting the immobilization of radioactive high-level waste.” Further, we concluded that Department officials had not taken necessary steps to ensure that the contractor's actions regarding the control system were consistent with Agency quality assurance standards. As a result, we recommended that senior Environmental Management officials conduct necessary tests to ensure that the control system for the integrated control network at the Plant meets appropriate quality assurance standards. (IG-0764)

## Management Controls Over the Hanford Environmental Information System

The Hanford Environmental Information System (HEIS) contains data collected in support of cleanup requirements, groundwater monitoring, environmental impact statements, waste site remediation and characterization, and biological/ecological monitoring. Our review disclosed that HEIS did not contain complete environmental sampling data. We made recommendations to the Richland Operations Office Manager for improvement. **(OAS-M-07-06)**

## Stockpile Stewardship

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*The Department is responsible for the maintenance, certification and reliability of the Nation's nuclear weapons stockpile. In order to ensure that the United States' nuclear weapons continue to serve their essential deterrence role, the Department maintains stockpile surveillance and engineering capability, refurbishes selected nuclear systems, and sustains the ability to restore the manufacturing infrastructure for the production of replacement weapons.*

## Management of Classified Weapons Parts

We initiated an audit to determine whether selected NNSA sites had adequate accountability controls over classified weapons parts used for nuclear and non-nuclear applications. The parts included in our review did not contain special nuclear materials. Our Official Use Only audit report revealed that two of the three sites we reviewed had not implemented adequate lifecycle controls. Accordingly, we made recommendations to improve lifecycle accountability of all classified weapons parts. **(IG-0772)**

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## Contract Management

*To accomplish its mission, most of the Department's operations are carried out through contracts that consume about three-fourths of its budget. As a result, effective contract administration is essential to ensuring Department programs and operations are meeting the established missions and goals.*

### Voluntary Separation Program at the Idaho Cleanup Project



*Idaho Cleanup of Radiological Soil and Debris.*

We initiated an audit to determine whether the cost and benefits associated with the Idaho Cleanup Project's voluntary separation program were consistent with recent similar efforts at other Department facilities and whether the separation was structured to ensure that the Idaho Project retained the skill mix necessary to meet mission objectives. Our audit revealed that the managing and operating contractor at the Idaho Project reduced the size of its workforce by 291 employees under the voluntary separation program at a cost to the Department of \$14 million. In our estimation, however, the separation program proved to be exceptionally costly and, in certain respects, inefficient. To ensure the reasonable and equitable treatment for separated employees and their affected communities, the Department needs a consistent approach to workforce restructuring. As a result, our report made specific recommendations towards improving management of future workforce separations. (IG-0765)

### Protective Force Overtime Pay at Lawrence Livermore National Laboratory

The OIG received multiple allegations regarding operations and payroll compensation within Lawrence Livermore National Laboratory's Protective Force Division (PFD). Our review did not substantiate most of the allegations. However, we found that, as alleged, PFD supervisors were not properly managing payroll input for physical fitness training. Specifically, PFD supervisors were not verifying the accuracy of physical fitness training overtime charges prior to approving timecards. This may have resulted in payment of an estimated \$104,000 in questionable costs over a three-month period. We recommended that the Livermore Site Office Manager take corrective actions to ensure that physical fitness overtime documentation and verification policy is clearly understood by PFD employees and that management officials review the allowability of payments for undocumented physical fitness training overtime. Management concurred with our recommendations and is taking steps to determine allowability. (INS-O-07-03)

## Management Controls Over Facility Contractor Travel Expenses

We initiated an audit to determine whether selected Department contractors were effectively managing domestic and foreign travel and related expenses, as prior reviews had disclosed problems with contractors' travel costs. Our work at the Oak Ridge National Laboratory, Y-12 National Security Complex, and Sandia National Laboratories disclosed that, at these sites, internal controls over contractor travel were generally adequate and travel expenses were reasonable. Overall, we noted that travel management procedures were generally efficient and consistent with applicable guidance. However, we identified various problems and opportunities to strengthen certain internal controls. We made several suggestions to the managers of the respective site offices, which were referred to the appropriate contractor for resolution. **(OAS-M-07-03)**

## Proprietary Use of Department Facilities

The Department of Energy's *Accounting Handbook* requires that proprietary users of national laboratories and universities provide advance payments prior to beginning experiments using Energy facilities. These advances are applied to offset the Department's operating costs. An audit was conducted to determine whether cash advances had been paid to the Department for proprietary experiments performed at user facilities. Our review revealed that the Department had not always received advance payments for the proprietary use of its facilities. Specifically, four of five user facilities did not obtain adequate advances for 46 percent (190 of the 409) of the proprietary experiments included in our review. We recommended that the Department require its site offices to implement controls to ensure that facilities are collecting advances from proprietary users. **(OAS-M-07-07)**

## Protective Force Equipment Purchases at Pantex

We initiated an inspection based upon allegations that certain purchases of protective force equipment at the Pantex Plant were unnecessary. During the inspection, Pantex provided what appeared to be a valid basis for the questioned acquisitions. However, we determined that Pantex's deployment of approximately 500 Bushmaster M-4 carbine rifles, valued at \$390,963, was significantly delayed due to flaws in planning by responsible Pantex contractor and Federal officials. We also identified that an Aircraft Detection System (ADS) purchased by Pantex has had problems with its false alarm rate. Given the sensitivity of operations at Pantex and the significant commitment of resources to provide appropriate security at the site, we made recommendations to the Pantex Site Office Manager to ensure necessary protective force equipment is deployed on a timely basis and that the false alarm rate for the ADS is addressed. **(INS-L-07-07)**

## Contract Transition Activities at Los Alamos National Laboratory

In December 2005, the Department awarded a contract to Los Alamos National Security, LLC, to manage the Los Alamos National Laboratory. We reviewed transition costs and activities to determine if costs incurred were allowable. Our review identified \$22,335 in questioned travel costs incurred during the transition. We referred these costs to the Los Alamos Site Office Manager to determine allowability. (OAS-L-07-16)

### Did you know?

**The Los Alamos National Laboratory is the largest institution in Northern New Mexico, with more than 9,000 contractor employees.**

## Project Management

*The Department undertakes numerous unique and complex high cost projects in order to support its mission. In recent years, the Department has implemented stronger policies and controls to ensure that ongoing projects are reevaluated frequently. Recent OIG reviews identified additional necessary improvements to ensure that the Department's project management principles are effective and accomplishing their goals.*

## Construction of a Radiological/Nuclear Complex for Homeland Security

In 2005, the Department of Homeland Security entered into an interagency agreement with NNSA's Nevada Site Office to construct the Radiological/Nuclear Countermeasures Test and Evaluation Complex. The fast-tracked project was scheduled for completion in February 2007. However, in August 2006, with only 68 percent of the construction completed, the Nevada Site Office suspended work on the project. At that time, the project had incurred \$29.7 million of the total budgeted cost of \$33 million. Based on information received regarding potential cost overruns and delays, we initiated an audit to determine if the Nevada Site Office had effectively managed this project. Our review revealed that the fast-track strategy employed increased risk, yet the Nevada Site Office had not aggressively managed this project. For example, the Site Office had not: (1) ensured the cost and schedule baselines were prepared, coordinated, and used for project management; (2) allocated adequate contingency funds for the project; (3) effectively monitored project status; and (4) effectively communicated project status to senior Department of Energy and Homeland Security officials. To assist the Department in managing future Homeland Security projects, we made a number of recommendations. (IG-0775)

## Cyber Security

*The Department spends approximately \$2.5 billion a year on information technology. Recently, however, threats to the Department's information systems have increased. The vast array of sensitive data that Department laboratories and facilities generate increases the potential for compromise of sensitive information. While the Department has taken a number of positive actions designed to improve the overall management of its cyber security program, additional improvements in this critical area are still needed. During this reporting period, the OIG conducted various reviews in this area that highlighted the need for improvement.*

### The Department's Unclassified Cyber Security Program - 2007

As required by the Federal Information Security Management Act (FISMA), the OIG conducted its annual independent evaluation to determine whether the Department's unclassified cyber security program adequately protected data and information systems. Our review found that the Department had taken steps to improve cyber security practices and continued to maintain strong network perimeter defenses against malicious intruders and other external threats. However, certain problems persisted, and additional action was required to reduce the risk of compromise to information systems and data. To aid the Department in its ongoing efforts, we made several recommendations designed to enhance overall controls over the cyber security program. **(IG-0776)**

### Security Over Personally Identifiable Information

In response to a request from the Office of Management and Budget (OMB), the OIG, in coordination with the President's Council on Integrity and Efficiency, performed a review of the Department's controls over the protection of Personally Identifiable Information (PII). Our review revealed that the Department had not fully implemented all protective measures recommended by OMB and required by the National Institute of Standards and Technology. In particular, we observed that:

- Seven of 11 field sites reviewed had not identified information systems containing PII or fully evaluated the risks of exposing PII stored in such systems;
- Controls for securing remote access to site-level systems containing personal information had not been fully implemented; and
- Five sites had not identified mobile computing devices containing PII nor ensured that this information was encrypted as required by OMB.

As a result, we made several recommendations designed to improve security over PII maintained by the Department. **(IG-0771)**

## Energy Supply

*Over the last several years, energy consumption in the United States and throughout the rest of the world has grown substantially. As a result of this growth, as well as other world events, the United States' energy supply has come under stress, and obstacles have arisen that create challenges for achieving a stable and reliable energy supply system. The Department is in a unique position to help ensure that the Nation's energy needs are met through sound energy policy, research and development, and overall leadership.*

### Expansion of the Strategic Petroleum Reserve



*Holding tanks at the Strategic Petroleum Reserve.*

The Energy Policy Act of 2005 required the Department to expand the Strategic Petroleum Reserve's (Reserve) maximum storage capacity to one billion barrels of crude oil. After evaluating various alternatives, the Department decided to develop a new 160 million barrel storage facility at Richton, Mississippi, and to expand the storage capacity at two existing Reserve facilities.

Subsequent to the selection of the Richton site as the preferred expansion alternative, concerns were raised about the procedures used for eliminating a Bruinsburg, Mississippi, site from consideration as a storage facility. Specifically, the OIG reviewed concerns over well data, seismic data, and salt dome sizing at the Bruinsburg site, as well as environmental concerns over the potential for brine leaks from the Richton pipeline. We found that the Department and its contractor had analyzed extensive information regarding the well data, seismic data, and salt dome sizing at the Bruinsburg site. In reference to the brine leaks, we found that the Department had improved its pipeline protection measures and planned to employ these measures at the Richton site. **(IG-0767)**



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# Other Significant Accomplishments

## Investigative Outcomes

### Government Grantee Improperly Managed Cooperative Agreements

A joint OIG investigation determined that a Government grantee improperly managed cooperative agreements with the Department. During the course of the investigation, accounting irregularities were identified. Subsequently, the grantee disbanded the company and filed for Chapter 7 Bankruptcy. As a result of the investigation, Department procurement officials returned \$2.9 million to the U.S. Treasury – monies the company would have received had its 2006 cooperative agreement with the Department continued. **(I06HQ016)**

### Department Disallows and Reduces Managing and Operating Contractor's Fees

An OIG investigation determined that a managing and operating (M&O) contractor failed to comply with Department approved procedures regarding general liability insurance requirements. Specifically, the contractor failed to require a subcontractor to produce an insurance certificate that named the M&O contractor and the Government as insured parties. As a result of a report to management, the Department disallowed \$341,000 of legal and settlement costs resulting from a civil liability lawsuit and also reduced the M&O contractor's award fee by \$408,000. The Department also advised the contractor to require its procurement officials to receive training on insurance coverage requirements and to provide accurate and complete insurance certificates, which afford indemnification for the Department. **(I06SR005)**

### Individuals Prosecuted in Conspiracy to Damage/Destroy Energy Facilities

An OIG investigation determined that a group of eight individuals committed several burglaries and thefts of recyclable metals, tools, and personal property at the Bonneville Power Administration and Portland Gas & Electric Energy facilities' substations in Oregon, resulting in approximately \$50,000 in losses and damages. In fact, the damage sustained to one substation nearly shut down the facility, which routes thousands of mega watts of electricity to Southern California. During this reporting period, three of the eight

individuals pled guilty to one felony count of conspiracy to damage/destroy energy facilities. Additionally, one individual who previously pled guilty to conspiracy was sentenced to 27 months incarceration, 3 years probation, and ordered to pay restitution in the amount of \$43,806. **(I06RL001)**

## Department Subcontractors Sentenced for Conspiracy Scheme

As previously reported, a joint OIG investigation with other law enforcement agencies determined that a Department subcontractor, company President, and Chief Operating Officer were involved in a scheme to launder money obtained from Department contracts. During this reporting period, the company's President was sentenced to 21 months incarceration, 3 years supervised release, and ordered to pay restitution and fines of \$62,218. The company's Chief Operating Officer was sentenced to five months imprisonment, five months home confinement/electronic monitoring, two years supervised release, and ordered to pay restitution and fines of \$12,078. A business associate was also sentenced to 3 years probation, to include 60 hours community service, and ordered to pay restitution and fines of \$23,638.50. **(I00OR008)**

## Former Department Employee Pleads Guilty to Misuse of Government Travel Card

An OIG investigation determined that a former employee at the National Energy Technology Laboratory failed to surrender an assigned Government credit card upon resignation. The employee subsequently used the card to make 85 personal transactions valued at approximately \$6,493. The subject pled guilty to one count of making False Statements and was sentenced to five years supervised probation and ordered to make restitution. **(I06PT001)**

## Department Manager Sentenced and Debarred for Conflict of Interest

As previously reported, an OIG investigation determined that a GS-15 manager at the Bonneville Power Administration used her official position to help her spouse obtain a job with a Bonneville contractor. During this reporting period, the manager was sentenced to four months at a community corrections center, five years probation, and fined a \$300 special assessment fee. Further, in response to a report to management, the Department issued Notices of Debarment to the former Bonneville Power Administration manager and her husband. **(I03RL017)**

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## Los Alamos Employee Sentenced for Embezzlement

As previously reported, an OIG investigation determined that a Los Alamos National Laboratory employee falsely requested three checks totaling \$55,000 payable to a fictitious entity. The employee, who was also a purchase buyer, personally picked up the checks and deposited them into a personal credit union account. The individual pled guilty in the U.S. District Court for the District of New Mexico to violations of False Statements, False Claims, and Theft. During this reporting period, the former employee was sentenced to four months incarceration, four months home confinement, three years supervised release, and assessed \$35,489 in restitution. **(I05AL013)**

## Employee Sentenced for Providing False Statements

An OIG investigation determined that a Department employee provided false statements regarding place and date of birth on security documents and on an application for early retirement. After being found guilty in a jury trial, the employee was sentenced on 2 counts of false statements to 366 days of incarceration, 3 years of supervised release, and \$20,437 in restitution fees. The Office of Personnel Management (OPM) suspended the former employee's retirement annuity until 2014. Also, OPM removed the former employee from the Government funded health benefits and life insurance programs, which allowed OPM to recover \$6,477. The former employee was also debarred from Government contracting for three years. **(I04SR002)**

## Multiple Individuals Prosecuted in Company-Wide Fraud Scheme

In our last Semiannual Report, we discussed a joint investigation relating to fraudulent conduct at a metal distributor company. During this reporting period, another involved employee was sentenced to 48 months in prison, 4 years of supervised release, assessed \$269,789 in restitution and fines, and required to undergo 500 hours in a drug treatment program. **(I04AL002)**

## Information Technology Contractor Pled Guilty to Conspiracy

A joint OIG investigation determined that two individuals from an information technology sales company misrepresented and sold "gray" market and counterfeit networking and computer equipment to the Department of Energy and the Department of Defense. The owner and an employee of the company pled guilty to one count of conspiracy to defraud the Government. Sentencing is pending. **(I04RL005)**

## Department Grantee Employee Sentenced in Purchase Card Scheme

A joint investigation determined that a Department grantee employee used a purchase card to make fraudulent purchases, which were charged to grant programs funded by the Department and the National Science Foundation. The individual was sentenced to 16 months incarceration, 3 years supervised release, and ordered to pay restitution of \$18,000. **(I05DN001)**

## Contractor Employee Terminated for Submitting Fraudulent Timecards

A joint investigation determined that a contractor employee at the Pacific Northwest National Laboratory submitted multiple fraudulent timecards for work not actually performed. As a result of the investigation, the contractor employee was terminated and subsequently debarred for three years from Government contracting. In addition, the employee was ordered to pay restitution and fines amounting to \$46,000 for violations of the False Claims Act. **(I05RL010)**

## Laboratory Employee Sentenced for Unauthorized Access to a Government Computer

An OIG investigation determined that a Sandia National Laboratory employee operated a personal business while working at the Laboratory and accessed Sandia's network without authorization upon termination of employment. Specifically, the employee downloaded numerous web page templates that included user names and passwords. The employee was sentenced to one count of unauthorized access to a Government-owned computer and was sentenced to six months home detention with electronic monitoring, two years probation, and over \$26,000 in fines and restitution. **(I05TC001)**

## Contractor Employee Pleads Guilty to Solicitation of a Minor

A joint investigation determined that a Department contractor employee used a Government computer to solicit sex from a minor. The individual's employment was terminated as a result of his illegal activities. The individual pled guilty to State charges of using a communications system to solicit a minor for sexual activity and attempted indecent liberties. The individual was sentenced to five years incarceration, five years probation, and was required to register as a sex offender. **(I07TC003)**

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## Former Subcontractor Employee Pleads Guilty and Is Debarred for Computer Theft

An OIG investigation determined that a terminated subcontractor employee used his site access badge and work keys to gain access to his former employer's trailer at the Oak Ridge National Laboratory. The former employee then stole a computer that contained the Personally Identifiable Information of subcontractor employees at the Laboratory. The individual pled guilty to one count of burglary and one count of theft and was sentenced to two years incarceration, two years probation, and fines amounting to \$2,606. Further, as a result of an OIG report to management, policy regarding security procedures at the Laboratory was improved, and the former employee was debarred from future Government contracting for three years. **(I06OR012)**

## Management Initiates Measures to Protect Metals From Theft

A joint investigation determined that a Thomas Jefferson National Laboratory contractor technician stole industrial metals, including copper, aluminum, and stainless steel, over a four-year period and sold them to a local metal recycle dealer. The estimated value of the stolen metals was \$5,000. The technician was found guilty and sentenced in State court. As a result of a report to management, the Department has initiated a number of corrective measures designed to improve the accountability, control, disposal, and storage of industrial scrap and salvage metals at the Laboratory. The technician's employment was also terminated. **(I07HQ004)**

## Contractor Employee Pleads Guilty to Computer Hacking

A joint investigation with the U.S. Secret Service and the Defense Criminal Investigative Service determined that a Sandia National Laboratory contractor employee misused her Government computer to hack into a private citizen's account and steal data belonging to that individual. The employee pled guilty to three counts relating to this offense. **(I07TC002)**

## Other Significant Work

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### **Alleged False Certifications Relating to the Testing of Contingency Protective Force at Pantex**

The OIG received allegations regarding the administration of written tests for training of the contingency protective force at NNSA's Pantex Plant. Specifically, it was alleged that BWX Technologies, Inc. (BWXT) officials knowingly passed individuals who failed a written exam or failed to change their incorrect answers. Additionally, during the course of the investigation, we received information that BWXT instructors tolerated student cheating during written exams. During our review, we noted questionable practices, such as allowing test-takers and students who were reviewing course materials to be in the same room during self-paced courses. We suggested that the Department ensure that testing and certification procedures are executed in an environment where the highest security performance standards are in effect and one which precludes even the appearance of irregularity or wrongdoing. (I07AL011)

### **Acquisition and Management of Information Technology Hardware**

We initiated an audit to determine whether the Department had effectively managed its acquisition and control of information technology (IT) hardware. Our review established that certain Department facility contractors had not adequately managed the acquisition and control of IT hardware. A number of contractors had not consistently taken advantage of opportunities to reduce acquisition and support costs, addressed security concerns related to certain aging systems, or ensured that accountability was maintained over sensitive computers and devices. These problems occurred because the Department had not developed a coordinated approach to IT hardware acquisition, management, and control. As such, we made several recommendations designed to increase the efficiency and effectiveness of the Department's hardware acquisition and management process. (IG-0768)

### **Workers' Compensation Program at Department of Energy Headquarters**

An OIG inspection concluded that the Department's Office of Human Resource Services' Employee WorkLife Center (EWLC) did not effectively manage the Headquarters workers' compensation program and that several aspects of the program needed improvement. Specifically, our inspection found that EWLC did not: (1) maintain adequate records for many of the cases we reviewed; (2) adequately monitor its long term cases; (3) have written policies or procedures for managing open cases under the Headquarters workers'

compensation program; and (4) have performance measures to assess its management of the Headquarters workers' compensation program. As a result, we recommended that the Office of Human Capital Management ensure that EWLC develop and implement written policies for the workers' compensation program and develop performance measures and employee standards to encourage effective management of the program. (IG-0769)

### Did you know?

**The Federal Employees' Compensation Act (FECA) provides medical and salary benefits to Federal civilian employees who suffer work-related injuries or illnesses that prevent them from working. The FECA program pays for medical expenses related to employees' injuries or diseases, provides wage compensation until they can return to work, and covers vocational rehabilitation.**

## The Department's Audit Resolution and Follow-up Process

We initiated an audit to evaluate the Department's progress in correcting prior audit follow-up issues and to determine whether issues identified through recent OIG audits had been resolved. We found that the Department had made significant improvements to many aspects of its follow-up system. In particular, it had ensured that target closure dates were established for all agreed-upon recommendations and that, in most cases, audit recommendations were closed in a timely manner. However, we found that, in some cases, agreed-upon recommendations had been closed, but corrective actions either had not been completed or were ineffective. Our report provided several recommendations designed to make the audit resolution and follow-up process more effective. (IG-0766)

## Confirmatory Bioassay Testing at Selected Sites

Bioassay testing of workers helps to determine whether and to what extent they may have absorbed radioactive material. We initiated an audit to determine whether contractor-developed bioassay programs were effectively administered. Our audit found that, at selected sites, Department site contractors had not ensured that all personnel who had regular access to radiological areas were being monitored in accordance with established site-level requirements. We also concluded that site-level safeguards for the bioassay component of the contractor-developed monitoring program were inadequate and that Federal reviews by the Department were not always sufficient. As a result, we made several recommendations designed to ensure that monitoring and testing for radiological workers is appropriate. (IG-0773)



## Loan Guarantees for Innovative Energy Technologies

Title XVII of the Energy Policy Act of 2005 authorized the Department of Energy to provide loan guarantees for projects that avoid, reduce, or sequester air pollutants or emissions of greenhouse gases and employ new or improved energy production technologies as compared to the commercial technologies in use. Currently, the Department has \$4 billion in loan guarantee authority and has requested \$9 billion in Fiscal Year 2008. Under the Act, the Department may guarantee up to 80 percent of total project costs. The OIG conducted a special review to identify lessons learned from prior Departmental and Federal agency loan guarantee and related programs. In reviewing audits of past governmental loan guarantee programs, we found that the agencies involved had not always exercised due diligence during critical phases of the loan guarantee process. Thus, the establishment of a comprehensive set of administrative safeguards is essential if the loan guarantee program at the Department of Energy is to be successful in its overall objective of meeting United States' energy requirements. **(IG-0777)**

## Review of Status of Export Control Recommendations

As mandated by the National Defense Authorization Act of 2000, the OIG conducted a review of the status of all 17 prior export control recommendations made to the Department (including NNSA) by the OIG. Our review revealed that the actions taken by the Department regarding 16 of the 17 recommendations appeared responsive and should be closed. To fully implement the remaining recommendation, we recommended that NNSA management expedite action to issue a directive or modify the Department of Energy Acquisition Regulation. We also recommended that Energy Order 142.3, "Unclassified Foreign Visits and Assignments," be revised to reflect the current Energy process for reviewing foreign national visitors and assignees from certain designated nations. **(INS-O-07-01)**

## Sandia National Laboratory's Safety Practices

The OIG conducted a review of Sandia National Laboratory-New Mexico's (Sandia's) safety practices, including lockout/tagout (LOTO) procedures. Our review concluded that improvements could be made in safety practices at Sandia. Specifically, we found that Sandia's LOTO program requirements were not always effectively implemented; that some employees were not familiar with LOTO procedures; that LOTO checklists were not retained as required; and that some employees were not using safety glasses as required. We made several recommendations to the Sandia Site Office manager to improve the LOTO program. **(INS-L-07-11)**

## Results

### Highlights of Positive Results Based on Office of Inspector General Work

During this reporting period, the Department took positive actions as a result of OIG work conducted during the current or previous periods. Consistent with our findings and recommendations:

- The Department took action to improve its cyber security posture by issuing revised policy that provided direction on management, operating, and technical controls and addressed incorporation of Federal cyber security requirements into operating contracts. In addition, a formal working group was established to ensure that Department-developed cyber security guidance complies with National Institute of Standards and Technology guidelines.
- The Department initiated a number of actions to correct deficiencies identified related to certification and accreditation of unclassified information systems. For example, the Argonne National Laboratory took action to correct longstanding weaknesses in system certification and accreditation at its site. Subsequently, the OIG was able to close an information technology finding originally issued in Fiscal Year 2002.
- The Department included provisions related to unexpected overtime in the new protective force contracts at Oak Ridge. These provisions will allow the Department to better control the profit paid to the contractor in times of heightened security.
- Los Alamos National Laboratory and NNSA initiated various corrective actions to close vulnerable computer data ports. In addition, the Office of Health, Safety and Security is reviewing the Department's process for granting and maintaining personnel security clearances.
- The Department launched an evaluation of its own and its contractor's quality assurance programs affecting the construction of the Hanford Site's Waste Treatment Plant.
- The Department initiated a complex-wide policy for the training, use, health, welfare, and performance testing of working security dogs. Further, the Office of Health, Safety and Security developed and incorporated specific canine-related lines of inquiry into the conduct of all security inspections. These actions are aimed at ensuring the Canine Program provides an adequate level of protection for the Department's personnel and facilities.

**Public reports are available in full text on our website at [www.ig.energy.gov](http://www.ig.energy.gov)**

## Congressional Responses

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During this reporting period, the OIG provided information at the request of Congress in 15 instances and briefed Committee staff on 7 occasions. In addition, the OIG testified at two congressional hearings: (1) on April 20, 2007, before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, entitled “Department of Energy’s Response to Ongoing Mismanagement at the Los Alamos National Laboratory”; and (2) on July 18, 2007, before the Subcommittee on Government Management, Organization, and Procurement, entitled “Federal Contracting: Do Poor Performers Keep Winning?”

## Hotline System

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The OIG operates a Hotline System to facilitate the reporting of allegations involving the programs and activities under the auspices of the Department. During this reporting period, 627 complaints were processed. The OIG Hotline System can be reached by calling 1-800-541-1625 or 1-202-586-4073.

## Management Referral System

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The OIG operates an extensive Management Referral System. Under this system, selected matters received through the OIG Hotline or other sources are referred to the appropriate Department manager or other Government agency for review and appropriate actions.

The OIG referred 105 complaints to Department management and other Government agencies during this reporting period and specifically requested Department management to respond concerning the actions taken on 47 of these complaints. Otherwise, Department management is asked to respond if it develops information or takes action that it believes should be reported.

## Qui Tams

The OIG continues to be instrumental in working with the Department of Justice in *Qui Tam* cases. The OIG is currently working on 20 *Qui Tam* lawsuits involving a potential recovery for the Government in the amount of approximately \$137 million. These cases are highly resource intensive, requiring the active participation of OIG investigative and audit assets. However, they have proven to be targets of opportunity within the Department of Energy with a high return on our investments.

During this reporting period, a joint *Qui Tam* OIG investigation determined that multiple contractors received or provided benefits such as rebates, influence fees, referral fees, finder's fees, discounts, and development funds as a result of alliance agreements. This resulted in false claims, false statements, and kickbacks on Federal Government contracts. Civil settlements were reached with two contractor companies, one of which amounted to \$2,316,662. (I05AL005)

### Did you know?

**The False Claims Act prohibits any person from “knowingly” presenting a “false or fraudulent claim for payment or approval” to the Federal Government. The Act authorizes individual citizens to bring private suits, referred to as *Qui Tam* actions, to enforce the Act on behalf of the Government.**

## Intelligence Activities

The OIG issued two quarterly reports pursuant to Executive Order 12863, “President’s Foreign Intelligence Advisory Board.” The Order requires the Inspectors General of the Intelligence Community to report to the Intelligence Oversight Board concerning intelligence activities the Inspectors General have reason to believe may be unlawful or contrary to Executive order or Presidential directive. No intelligence activities were reported during this period that were contrary to Executive order or Presidential directive.

Public reports are available in full text on our website at [www.ig.energy.gov](http://www.ig.energy.gov)

## Legislative and Regulatory Review

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The Inspector General Act of 1978, as amended, requires the OIG to review and comment upon legislation and regulations relating to Department programs and to make recommendations concerning the impact of such legislation or regulations on Departmental economy and efficiency. The OIG coordinated and reviewed 23 legislative and regulatory items during the reporting period.



# Reports Issued

Audit Reports Issued – April 1, 2007 to September 30, 2007

Report Number	Title	Date of Issue	Savings	Questioned Costs
IG-0764	<i>Quality Assurance Standards for the Integrated Control Network at the Hanford Site's Waste Treatment Plant</i>	05-04-07		\$13,000,000
IG-0765	<i>Voluntary Separation Program at the Idaho Cleanup Project</i>	05-18-07	\$10,000,000	\$2,000,000
IG-0766	<i>The Department's Audit Resolution and Follow-Up Process</i>	05-24-07		
IG-0767	<i>Expansion of the Strategic Petroleum Reserve</i>	06-19-07		
IG-0768	<i>Facility Contractor Acquisition and Management of Information Technology Hardware</i>	06-22-07	\$3,314,718	
IG-0771	<i>Security Over Personally Identifiable Information</i>	07-30-07		
IG-0772	<i>The National Nuclear Security Administration's Management of Classified Weapons Parts*</i>	07-31-07		
IG-0773	<i>Confirmatory Bioassay Testing at Selected Sites</i>	08-17-07		
IG-0775	<i>National Nuclear Security Administration's Construction of a Radiological/Nuclear Complex for the Department of Homeland Security</i>	09-12-07		
IG-0776	<i>The Department's Unclassified Cyber Security Program – 2007</i>	09-18-07		
IG-0777	<i>Loan Guarantees for Innovative Energy Technologies</i>	09-19-07		

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-M-07-03	<i>Management Controls over Selected Facility Contractor Travel Expenses</i>	04-26-07		
OAS-M-07-04	<i>Follow-Up Audit of the National Nuclear Security Administration's Implementation of the 2003 Design Basis Threat Policy</i>	06-04-07		
OAS-M-07-05	<i>National Security Technologies, LLC Internal Audit Implementation Design*</i>	08-17-07		
OAS-M-07-06	<i>Management Controls over the Hanford Environmental Information System</i>	09-17-07		
OAS-M-07-07	<i>Management Controls over Cash Advances for Proprietary Use of Office of Science User Facilities</i>	09-25-07		
OAS-L-07-10	<i>The Department of Energy's Community and Regulatory Support Funding at the Carlsbad Field Office</i>	04-11-07		
OAS-L-07-11	<i>The Department of Energy's Community and Regulatory Support Funding at the Richland Operations Office</i>	04-11-07		\$300,000
OAS-L-07-12	<i>Continuity of Operations at the Western Area Power Administration</i>	05-24-07		
OAS-L-07-13	<i>Safety Allegations Related to the Waste Treatment Plant at the Hanford Site</i>	05-31-07		
OAS-L-07-14	<i>Agreed-Upon Procedures for Federal Payroll</i>	07-09-07		
OAS-L-07-15	<i>Idaho National Laboratory Facility Footprint Reduction</i>	07-12-07	\$160,000	
OAS-L-07-16	<i>Contract Transition Activities at Los Alamos National Laboratory</i>	08-07-07		\$22,335

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-L-07-17	<i>Executive Compensation at Argonne National Laboratory</i>	08-13-07		\$414,867
OAS-L-07-18	<i>Executive Compensation at Brookhaven National Laboratory</i>	08-13-07		\$31,472
OAS-L-07-19	<i>Executive Compensation at Selected Office of Science Sites</i>	08-13-07		
OAS-L-07-20	<i>Executive Compensation at Selected Office of Environmental Management Sites</i>	08-13-07		\$17,189
OAS-L-07-21	<i>Executive Compensation at Selected National Nuclear Security Administration Sites</i>	08-13-07		
OAS-L-07-22	<i>Hazardous Chemicals Inventory Management at the Savannah River Site</i>	08-15-07		
OAS-L-07-23	<i>The Federal Energy Regulatory Commission's Cyber Security Program – 2007</i>	09-18-07		
OAS-L-07-24	<i>Use of External Independent Reviews at Environmental Management Sites</i>	09-12-07		
OAS-L-07-25	<i>Remote Access to the Department's Unclassified Information Systems</i>	09-28-07		
OAS-L-07-26	<i>Department's Implementation of the Strategic Integrated Procurement Enterprise System – Transition Planning, Interfaces, and Testing</i>	09-28-07		
OAS-V-07-08	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Washington Savannah River Company, LLC under Department of Energy Contract No. DE-AC09-96SR18500</i>	04-10-07		



<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>	<b>Savings</b>	<b>Questioned Costs</b>
OAS-V-07-09	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by Lawrence Livermore National Laboratory during Fiscal Year 2005 under Contract No. W-7405-ENG-48</i>	08-10-07		\$104,543
OAS-V-07-10	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by Ames Laboratory During Fiscal Years 2003 Through 2006</i>	09-11-07		
OAS-V-07-11	<i>Assessment of Changes to the Internal Control Structure and their Impact on the Allowability of Costs Claimed by Argonne National Laboratory during Fiscal Year 2006</i>	09-26-07	\$106,757	\$89,840
OAS-V-07-12	<i>Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by Bechtel BWXT Idaho, LLC during Fiscal Years 2005 and 2006</i>	09-27-07		
L-07-01	<i>Congressional Earmarks within Department of Energy Programs</i>	04-24-07		

\*Report contains Official Use Only information.

## Inspection Reports Issued – April 1, 2007 to September 30, 2007\*

<b>Report Number</b>	<b>Title</b>	<b>Date of Issue</b>
INS-O-07-01	<i>Review of Status of Prior Export Control Recommendations at the Department of Energy</i>	05-22-07
IG-0769	<i>Management of the Workers' Compensation Program at Department of Energy Headquarters</i>	06-29-07
INS-L-07-07	<i>Alleged Unnecessary Protective Force Equipment Purchases at Pantex</i>	07-11-07
INS-O-07-02	<i>Controls Over Ammunition Within the Office of Secure Transportation</i>	07-13-07
IG-0770	<i>Protective Force MK-19 Grenade Launcher Use at the National Nuclear Security Administration's Pantex Facility</i>	07-20-07
INS-O-07-03	<i>Protective Force Overtime Pay at Lawrence Livermore National Laboratory</i>	07-23-07
INS-L-07-08	<i>Y-12 National Security Complex Safety Program</i>	08-13-07
INS-L-07-09	<i>Safety and Health Concerns at the Environmental Management Waste Management Facility</i>	08-21-07
INS-L-07-10	<i>Controls Over Military-Type Equipment Within the Office of Secure Transportation</i>	08-27-07
IG-0774	<i>Material Control and Accountability at Los Alamos National Laboratory</i>	09-07-07
INS-L-07-11	<i>Sandia National Laboratory's Safety Practices</i>	09-28-07

\*Does not include non-public reports



# Statistical Information

## Audit Report Statistics – April 1, 2007 to September 30, 2007

*The following table shows the total number of audit reports and the total dollar value of the recommendations that funds be put to better use by management:*

	<b>Total Number</b>	<b>One Time Savings</b>	<b>Recurring Savings</b>	<b>Total Savings</b>
Those issued before the reporting period for which no management decision has been made:*	5	\$980,951,173	\$6,000,000	\$986,951,173
Those issued during the reporting period:	32	\$15,671,315	\$0	\$15,671,315
Those for which a management decision was made during the reporting period:*	11	\$107,603,201	\$0	\$107,603,201
Agreed to by management:		\$92,091,886	\$0	\$92,091,886
Not agreed by management:		\$0	\$0	\$0
Those for which a management decision is not required:	19	\$160,000	\$0	\$160,000
Those for which no management decision has been made at the end of the reporting period:*	7	\$904,530,602	\$6,000,000	\$910,530,602

*\*The figures for dollar items include sums for which management decisions on the savings were deferred.*

## Audit Report Statistics – April 1, 2007 to September 30, 2007

*The following table shows the total number of audit reports and the total dollar value of questioned and unsupported costs.*

	Total Number	Questioned Costs	Unsupported Costs
Those issued before the reporting period for which no management decision has been made:*	0	\$7,518,899	\$0
Those issued during the reporting period:	7	\$13,890,406	\$0
Those for which a management decision was made during the reporting period:*	5	\$13,890,406	\$0
Value of disallowed costs:		\$130,667	\$0
Value of costs not disallowed:		\$291,065	\$0
Those for which a management decision is not required:	2	\$317,189	\$0
Those for which no management decision has been made at the end of the reporting period:*	0	\$20,987,573	\$0

*\*The figures for dollar items include sums for which management decisions on the savings were deferred.*

## Reports Lacking Management Decision

The Department of Energy has a system in place to track audit reports and management decisions. Its purpose is to ensure that recommendations and corrective actions indicated by audit agencies and agreed to by management are addressed as efficiently and expeditiously as possible. Listed below are the audit reports over six months old, which were issued before the beginning of the reporting period and for which no management decision has been made by the end of the reporting period. The reason the management decision had not been made and the estimated date for achieving a management decision are described below.

### ■ Management Audit

**IG-0669:** Use and Management of Mobile Communications Services, December 14, 2004 - *The management decision in response to this report requires additional action. Work continues with the affected entities to insure that the Inspector General's recommendations are implemented and corrective actions are undertaken in a manner that is consistent with Department and organizational missions and objectives, as redefined by the implementation of new policies and procedures applicable to the corporate-*

*wide delivery of information technology support services. These recommendations and corrective actions should be implemented by December 31, 2007.*

**IG-0752:** Certification and Accreditation of Unclassified Information Systems, January 3, 2007 - *The finalization of the management decision on this report is awaiting review and concurrence by the necessary Department Elements. This should occur by December 31, 2007.*

**IG-0753:** Recovery Costs for the Proprietary Use of the Advanced Photon Source, January 11, 2007 - *The finalization of the management decision on this report is awaiting review and concurrence by the necessary Department Elements. This should occur by December 31, 2007.*

**IG-0762:** Office of Intelligence and Counterintelligence Internal Controls over Computer Property at the Department's Counterintelligence Directorate, March 28, 2007 - *The finalization of the management decision on this report is awaiting review and concurrence by the necessary Department Elements. This should occur by December 31, 2007.*

## Prior Significant Recommendations Not Implemented

As of September 2007, closure actions on recommendations in 48 OIG reports had not been fully implemented within 12 months from the date of report issuance. The OIG is committed to working with management to expeditiously address the management decision and corrective action process, recognizing that certain initiatives will require long-term, sustained, and concerted efforts. The Department has closed 147 recommendations in the last 6 months. Management updates the Departmental Audit Report Tracking System on a quarterly basis, most recently in September 2007. Information on the status of any report recommendation can be obtained through the OIG's Office of Audit Services and Office of Inspections and Special Inquiries.

## Inspection Statistics – April 1, 2007 to September, 2007

Inspections/Special Inquiries open at the start of this reporting period	104
Inspections/Special Inquiries opened during this reporting period	16
Inspections/Special Inquiries closed during this reporting period	11
Inspections open at the end of this reporting period	109
Reports issued (includes non-public reports)	15
Report Recommendations*	
<i>Issued this reporting period</i>	31
<i>Accepted by management this reporting period</i>	27
<i>Implemented by management this reporting period</i>	36
Complaints referred to Department management/others	105
<i>Referrals to Department management requesting a response for OIG evaluation</i>	47

\*Includes non-public report recommendations

## Hotline Statistics – April 1, 2007 to September 30, 2007

Hotline calls, emails, letters, and other complaints	627*
Hotline calls, emails, letters, and other complaints predicated	194
Unresolved Hotline predications from previous reporting period	15
<b><i>Total Hotline predications</i></b>	<b>209</b>
Hotline predications transferred to the Management Referral System	113
Hotline predications closed based upon preliminary OIG activity	93
Hotline predications pending disposition	3
<b><i>Total predications processed</i></b>	<b>209</b>

\*The figure includes complaints outside the purview of the Office of Inspector General. The complainants were referred to the appropriate Federal, State, local, or private organization for assistance, if applicable.

## Investigative Statistics – April 1, 2007 to September 30, 2007

Investigations open at the start of this reporting period	262
Investigations opened during this reporting period	45
Investigations closed during this reporting period	68
Investigations open at the end of this reporting period	239
<i>Qui Tam</i> investigations opened	3
<i>Total open Qui Tam investigations as of 09/30/07</i>	20
Multi-agency task force investigations opened	19
<i>Total open multi-agency task force investigations as of 09/30/07</i>	121
Investigative reports to prosecutors and Department management	22
Recommendations to management for positive change and other actions	28
Administrative discipline and other management actions	52
Suspensions/Debarments	38
Investigations referred for prosecution	13
<i>Accepted*</i>	13
<i>Indictments</i>	12
<i>Criminal convictions</i>	18
<i>Pretrial diversions</i>	2
<i>Civil actions</i>	10
Fines, settlements, recoveries**	\$6,183,168.03

\*Some of the investigations accepted during the 6-month period were referred for prosecution during a previous reporting period.

\*\*Some of the money collected was the result of task force investigations.

# Feedback Sheet

The contents of the October 2007 Semiannual Report to Congress comply with the requirements of the Inspector General Act of 1978, as amended. If you have any suggestions for making the report more responsive, please complete this feedback sheet and return it to:

**United States Department of Energy  
Office of Inspector General (IG-1)  
1000 Independence Ave, SW  
Washington, D.C. 20585**

**ATTN: Garland Dovers**

Name: \_\_\_\_\_

Daytime Telephone Number: \_\_\_\_\_

Comments/Suggestions/Feedback:  
*(Please attach additional sheets if needed)*







30<sup>th</sup>  
Anniversary  
1977-2007

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OFFICE OF INSPECTOR GENERAL