SEMIANNUAL
REPORT TO CONGRESS

April 1999

October 1, 1998, to March 31, 1999

U.S. Department of Energy
Office of Inspector General

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April 30, 1999

The Honorable Bill Richardson
Secretary
U.S. Department of Energy
Washington, D.C. 20585

Dear Secretary Richardson:

I am pleased to submit the Office of Inspector General's (OIG) Semiannual Report to Congress. The report summarizes significant OIG activities and accomplishments during the 6-month period ending March 31, 1999. The Inspector General Act, as amended, requires you to forward the report to the appropriate congressional oversight committees within 30 days of your receipt of this report.

During this reporting period, the OIG issued over 40 reports designed to advise Headquarters and field managers of opportunities to improve the efficiency and effectiveness of Department programs and operations. To cite several of our most important products issued during this period, in February 1999, we issued a report on implementation of the Government Performance and Results Act of 1993. In short, we concluded that implementation is progressing, but that it is incomplete. This issue was the subject of a congressional oversight hearing in March 1999. Additionally, we issued our report on the Department's Consolidated Financial Statements for Fiscal Year 1998. The report, which included a qualified audit opinion on the 1998 financial statements, addresses needed improvements to the environmental liabilities estimating process and the reporting of performance measure information. We also issued two reports that identified the need for the Department to improve the cost-effectiveness of the Department's aircraft operations. Further, we issued two reports on OIG reviews of the Department's conference activities.

We plan to continue to focus our reviews on the key management challenges and program risks facing the Department. Our primary objective in this regard, identifying strategies for making Department operations more efficient, is consistent with the goal for the Department that you have emphasized. We will review Department programs relating to environmental compliance, safety and health, contract and project management, counterintelligence, and security and we will also examine the Department's further implementation of the Government Performance and Results Act. We plan on conducting a number of performance reviews at several major Department facilities. Lastly, we will emphasize the successful pursuit of significant criminal and civil investigations.

We will continue working with you, other Department and Administration officials, and the Congress in pursuing our mutual objectives.

Sincerely,

/s/

Gregory H. Friedman
Inspector General

Enclosure

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INTRODUCTION

This Semiannual Report to Congress covers the period October 1, 1998, to March 31, 1999. The report summarizes significant Office of Inspector General (OIG) audit, inspection, and investigative accomplishments which facilitated Department of Energy (Department) efforts to improve the overall management of its programs. The OIG has developed a Strategic Plan which sets out its overall goals and objectives. The Office's significant accomplishments are grouped by the strategic goals against which the OIG measures its performance.

The following statistical data summarizes the OIG's accomplishments for this reporting period:

- Audit and Inspection reports issued: **58**
- Dollar value of recommendations that funds be put to better use: **$123,688,532**
- Dollar value of management commitments to taking corrective actions: **$17,121,000**
- Questioned costs: **$825,391**
- Investigative cases opened: **32**
- Investigative cases closed: **61**
- Open *Qui Tam* investigations: **20**
- Open multi-agency task force and joint agency investigations: **64**
- Cases referred for prosecution: **18**
- Cases accepted for prosecution: **14**
- Criminal and civil actions: **17**
- Fines, settlements, and recoveries: **$8,955,099**
- Debarments/suspensions: **11**
- Administrative discipline and other management actions: **19**
- Investigative reports to prosecutors and Department management: **12**
- Total Hotline calls, letters, and other complaints: **548**

In the report summaries that follow where it is indicated that management has not concurred with OIG recommendations, appropriate followup action will be pursued. When audit and management inspection reports contain recommendations with which management has agreed, corrective actions are tracked by the Department until completed. When there is disagreement between Department management and the OIG, the Department must prepare a Management Decision describing its position and any alternative actions. Management Decisions are reviewed by the Chief Financial Officer (CFO). If disagreements persist, the CFO may convene a meeting of the Department Internal Control and Audit Resolution Council (DICARC), which consists of the CFO, the Inspector General, and other management representatives. The DICARC works to achieve mutually agreeable audit resolution.

HIGHLIGHTS

Following are summaries of significant reports issued or outcomes reported during the reporting period:

Implementation of Government Performance and Results Act Progressing, But Incomplete. To improve the Federal Government's program effectiveness and public accountability, Congress enacted the Government Performance and Results Act of 1993 (Results Act). The OIG found that the Department was making good progress in some areas but that further actions were required. The audit focused on five of the Department's program office budget requests. The budget requests for the two largest program offices, Defense Programs and Environmental Management, generally demonstrated proper integration between the long-term strategic goals and the day-to-day activity-level performance data. In addition, these budget requests showed progress in creating measurable and results-oriented performance information. However, the budget requests for the Offices of Energy Research, Energy Efficiency and Renewable Energy, and Nuclear Energy Science and Technology needed improvement. They did not clearly integrate the activity-level performance data with the strategic planning data and did not include measurable and results-oriented performance standards to which the programs and their contractors could be held accountable. Furthermore, none of the program offices had defined processes in place to ensure that all performance data collected from their contractors were reliable.

The OIG made recommendations focused on strengthening the existing policies and guidance to ensure clear integration between the Department's strategic documents and the information on specific activities listed in the budget requests. Department management agreed with the findings and recommendations and believed that the audit would be useful as the Department continued to improve its guidance and implementation of the Results Act. (IG-0439)

Overcharging by Basin Electric. In June 1997, the OIG found that an electric power cooperative overcharged the Western Area Power Administration (Western) approximately $23.8 million. These overcharges occurred because the cooperative did not perform several actions properly. For example, the cooperative made faulty calculations of amortization rates for deferred costs and overcharged for the cost of coal. In addition to the $23.8 million in overcharges, the audit estimated interest accrued on the overcharges through December 31, 1996, to be approximately $22.1 million, resulting in a total of $45.9 million due Western. The audit was performed at the request of Western in response to a Q*ui Tam* suit filed by a former employee of the cooperative on behalf of the Federal Government. The U.S. Department of Justice (DOJ) intervened in the lawsuit on September 3, 1997. The OIG provided investigative support to DOJ. A trial was held in U.S. District Court on March 1-12, 1999. On March 29, 1999, the court ruled that the electric cooperative twice breached its contract with Western and once deliberately overcharged the Federal agency, constituting fraud, and ordered the cooperative to pay the Federal Government $47.4 million. (IG-0409)

Efforts to Increase Contractor Financial Responsibility Result in Greater Costs. In 1994, the Department's contract reform team recommended that the Department's major for-profit operating contractors assume greater financial responsibility. In response, the Department developed model contract provisions to increase contractor financial responsibility and accountability.

The OIG determined that the Department has not been successful in protecting the Government against contractor created liabilities in 16 of its 20 major for-profit operating contracts. The Department had not incorporated contract reform liability provisions into many of its major operating contracts. Also, Department officials had not recognized the implications of adding contract reform liability provisions without obtaining a performance guarantee with indemnification provisions from parent companies of the Department's major operating contractors. As a result, the Department may be liable for monetary awards resulting from liabilities such as fines, penalties, third-party claims, and damages to or loss of Government property.

The OIG recommended that the Director, Procurement and Assistance Management (1) negotiate changes in major for-profit operating contracts to include contract reform liability provisions and ensure that performance guarantees with indemnification provisions are executed with subsidiary contractors' parent or corporate business, and (2) issue a regulatory rulemaking that requires indemnification provisions be included in performance guarantees signed by the parent or corporate business entity of subsidiary contracts. Department management generally concurred with the finding and recommendations. Department management indicated in its response that the mechanisms necessary to effect the new requirements were in place; however, the implementation is not complete.
(IG-0432)

The Cost of Department Aircraft Activities Can be Reduced. The OIG issued two reports that identified a need to improve the cost effectiveness and management of the Department's aircraft activities. As of November 1998, the Department owned 30 operating aircraft, including 12 fixed wing planes and 18 helicopters. In prior reporting periods, the OIG issued four audit reports on various aspects of the Department's aircraft activities. Each of the prior reports addressed needed improvements in the management or cost-effective utilization of Department aircraft.

One of the current reviews identified a need for increased Department management of aviation activities. For example, the OIG found that an independent review of the continuing need for aircraft has been performed only on a limited basis, and no Headquarters organization had the responsibility to monitor aviation costs. In addition, Headquarters does not validate mission need when approving aircraft acquisition. Finally, the OIG found that information reported to the General Services Administration (GSA) significantly understated the Department's use of aircraft rentals and charters. To resolve these issues and ensure that they are coordinated on an agency-wide basis, the

OIG suggested that the Department assign overall management responsibility and authority for aircraft activities to a Headquarters entity.

In its review of the Albuquerque Operations Office's aircraft activities, the OIG concluded that costs to operate the Department's aircraft at Albuquerque were excessive because of the number of personnel employed by the air service contractor. Projected costs to operate Albuquerque's aircraft over the next 2 years will be as much as $5.7 million more than necessary. In addition, the OIG concluded that Albuquerque's retention of the same aircraft was not justified based on unique or necessary services. This aircraft, a BE-200 King Air, was used as a shuttle to transport passengers between Albuquerque and Amarillo, Texas, at a cost of $1,474 per person per round trip. This compared to readily available commercial fares of $185 per person per round trip.

Management concurred with the OIG recommendation to take aggressive and immediate action to significantly reduce the cost of the air services and agreed to terminate the Amarillo shuttle service. Management did not concur with the OIG recommendation to sell the BE-200 King Air aircraft used for the Amarillo shuttle. (IG-0435 and IG-0437)

The Department Needs To Develop Consistent Policy on Conference Activities. The OIG conducted two reviews that identified weaknesses in the Department's management of its conference activities. In one review, the OIG found that the Department had not developed adequate policies and procedures for conducting its conference activities and the conference activities of its contractors, which resulted in weaknesses in some conference practices of the Department's contractors. For example, (1) some non-Department conference facilities are being selected by National Laboratories without evaluating or documenting the cost of alternative conference sites, (2) some conferences were attended by many Department-funded participants; however, the OIG could not identify any Department policy which ensures that the number of conference participants is kept to a minimum, and (3) some conferencing practices of Department contractors may not be consistent with Government policy regarding the use of Federal funds. The OIG made seven recommendations to improve conferencing activities throughout the Department. Department management concurred with the finding and five of the seven report recommendations, while partially concurring with the other two.

The OIG also audited costs associated with a conference cosponsored by the Department and Florida International University (FIU). The conference, "X-Change 1997: The Global D&D Marketplace," included speeches and workshops on decontamination and decommissioning topics, exhibits of technologies presented by industry, and special events such as receptions and dinners. The OIG concluded that although FIU implemented accounting and budget mechanisms to identify and control the sources and uses of funds, the absence of a Department policy on funding conferences resulted in questionable fiscal practices associated with the conference. For example, the Department's plan to retain registration and exhibit fees was not consistent with Government budgetary and accounting requirements. Further, the Department did not have a specific statutory authority to retain these fees, which constitute miscellaneous receipts that must be returned to the Department of Treasury. The OIG found that sponsorship funds were used to pay for the conference's social events without reimbursing the Department for the cost of benefits provided to the sponsors. The Department also incurred additional conference costs because it paid the costs of the conference as well as registration and exhibit fees for its employees and contractors.

In response to the recommendations in the reports, the Department issued a Department Notice that addressed the OIG concerns. (IG-0429 and IG-0433)

$31 Million in Delinquent Accounts Receivable Returned to the Department. The Albuquerque Operations Office (Albuquerque) collected $31 million of delinquent accounts receivable from other Federal agencies as a result of the audit of the Department's Fiscal Year 1997 financial statements. The money collected was returned to the Department accounts that originally funded the work.

In the July 10, 1998, audit report, *Matters Identified at the Albuquerque Operations Office During the Audit of the Department's Consolidated Fiscal Year 1997 Financial Statements*, the OIG reported that Albuquerque was not following up on accounts receivable that were over 90 days delinquent. When, as part of the financial statement audit procedures, the auditors sent confirmation letters to 17 of the debtors, 2 responded that they would be sending in $2.4 million owed to Albuquerque. The audit report recommended that Albuquerque implement the debt collection strategy outlined in the *DOE Accounting Handbook*. Albuquerque did so and collected an additional $29 million.

A Department Weatherization Subgrantee Submits Unsupported Claims. The OIG received information from the Federal Bureau of Investigation that a U.S. Department of Energy Weatherization Assistance Program subgrantee may have defrauded the Government. During this reporting period, one of the subjects of this case entered into a Pretrial Diversion Agreement with the U.S. Attorney's Office for the Western District of Arkansas. The subject participated in a scheme to falsely report the number of residences being weatherized, causing a $75,280 overpayment of Federal funds to the subgrantee. These funds were subsequently recovered. In the Pretrial Diversion Agreement, the subject accepted responsibility for a 1-count violation of Title 18, Section 1001 (False Statements). (I95AL035)

Company Supervisor Directs Employees to Mischarge. A Department contractor notified the OIG that it had identified some mischarging on its Department of Energy and other Government agency contracts. An OIG investigation and a Defense Contract Audit Agency (DCAA) audit substantiated the mischarging, which was higher than originally reported by the company. The investigation and audit determined that a company supervisor directed employees to mischarge their time among several Government contracts. The mischarging was done, in part, to prevent cost overruns on various tasks managed by the supervisor.

During this reporting period, the company supervisor entered into a pretrial diversion agreement in the U.S. District Court for the District of Columbia. As part of the agreement, the supervisor was placed on probation for 6 months and ordered to perform 30 hours of community service. As previously reported, the OIG investigation and DCAA audit resulted in a $425,000 civil settlement between the Department of Justice and the contractor. (I94HQ005)

OIG ACCOMPLISHMENTS IN MEETING ITS STRATEGIC GOALS

The planning of OIG work supports the goals, objectives, and strategies outlined in the OIG's 5-year Strategic Plan. The OIG organizes and prioritizes its workload to ensure that audits, inspections, and investigations help the Department in enhancing the overall performance of its core business lines (Energy Resources, National Security, Environmental Quality, and Science and Technology). During this semiannual reporting period, the OIG worked diligently toward achieving its strategic goals and objectives. OIG significant accomplishments are organized in this section according to the four goals outlined in the OIG Strategic Plan.

Goal: *Conduct statutorily required audits of the Department of Energy to enhance the public's ability to rely on the Department's financial and management systems*.

Consolidated Financial Statements Audit. In fulfilling the requirements of the Government Management Reform Act, the OIG completed its audit of the Department's Fiscal Year 1998 Consolidated Financial Statements. Despite new accounting standards and OMB guidance, the OIG completed the audit by the statutory reporting date. The report included the OIG's opinion that:

> *except for the environmental liabilities line items in Fiscal Year 1998, these financial statements presented fairly, in all material respects, the financial position of the Department as of September 30, 1998 and 1997, and its consolidated net cost, changes in net position, budgetary resources, financing activities, and custodial activities for the years then ended in conformity with Federal accounting standards.*

The OIG also reported on the Department's system of internal controls and on its compliance with laws and regulations applicable to financial statement audits. The Department's financial statements reported net assets of $98 billion, total liabilities of $230 billion, and net cost of operations of $21 billion.

The report on the system of internal controls identified needed improvements to the Department's environmental liabilities estimating process and the reporting of performance measure information. The Department's effort to address the environmental consequences of its nuclear weapons mission has been recognized as the largest remediation program of its kind ever undertaken. While the Office of Environmental Management has restructured the focus of estimating costs and planning work to enhance accuracy, further improvements are needed. Weaknesses in controls over the Department's estimating process precluded the OIG from forming an opinion on the reasonableness of environmental liabilities account balances reported on the Fiscal Year 1998 financial statements. The report also indicated in the Overview to the financial statements that controls over performance measure information needed to be strengthened. In addition to the Departmentwide report, the OIG issued a series of separate local reports to lower levels of Department management. These reports contained other conditions relating to the Department's system of internal controls. The recommendations made in these reports were intended to strengthen internal controls or improve operating efficiencies. (IG-FS-99-01)

<u>Goal</u>: ***Conduct performance reviews which promote the efficient and effective operation of the Department of Energy's business lines.***

The Department Needs to Develop a Coordinated Program to Preserve Nuclear Weapons Complex Knowledge Base. The OIG assessed the Department's efforts to preserve the data, information, and knowledge pertaining to the nuclear stockpile. The OIG found that the Department had not developed an integrated program to preserve the knowledge base of the downsized nuclear weapons complex. Although each of the weapons complex sites included in the audit was conducting archiving and knowledge capture activities, there was little overall consistency among the sites in terms of planning, approach, and progress made.

Without a coordinated program for knowledge preservation, the Department risks not identifying and using all information that would provide continued high confidence in the nuclear stockpile. Specifically, the Department cannot ensure that all relevant information will be included in a comprehensive, well organized, and easily accessible knowledge base, and that priorities for the capture of data, information and knowledge are appropriate and consistent throughout the nuclear weapons complex.

The OIG recommended that the Assistant Secretary for Defense Programs assign programmatic responsibility for developing and implementing a performance plan for knowledge preservation activities and for integrating site activities throughout the Department for the nuclear weapons complex. The Assistant Secretary for Defense Programs concurred with the report's findings, conclusions, and recommendation. (IG-0428)

Performance-Based Contract Economic Goals Not Being Met. To offset the negative impact of downsizing its facilities, the Department established a commitment to economic stability. In its Fiscal Year 1997 Strategic Plan, the Department set a goal to help industry sustain long-term economic growth. That goal was to create 10,000 to 15,000 new jobs in the private sector comparable to or better in skill than the jobs being lost at Department facilities.

The Richland Operations Office (Richland) awarded Fluor Daniel Hanford Inc. (Fluor Daniel) a 5-year performance-based Project Hanford Management Contract (Management Contract) to support cleanup of the Department's Hanford Site. Under the contract, Fluor Daniel and its major subcontractors would help create 3,000 new, non-Hanford, private sector jobs over a 5-year period that would help stabilize and diversify the State of Washington's Tri-Cities' economy. The Management Contract specifically required that 200 jobs be created by the end of the first year.

In examining the progress made in the first year of the Management Contract, the OIG found that most of the new jobs Fluor Daniel claimed it created during Fiscal Year 1997 were not comparable to Hanford jobs and did not help Richland meet its commitment for long-term economic stability. The new jobs did not have one or more of the following characteristics: high skill, high pay, long-term employment, and non-Hanford related. Therefore, Flour Daniel had not met its expectations in the first year and was not making adequate progress toward meeting the Management Contract's overall economic goals.

The OIG recommended that Richland establish management contract performance expectations that define the quality of jobs promised by Fluor Daniel and desired by the Department. Department management did not concur with the overall OIG finding and recommendation. (IG-0430)

Procurement and Assistance Data System Not Meeting User Needs. The Procurement and Assistance Data System (PADS) is the Department's official computerized system maintained to collect, track, and report procurement and financial assistance actions. The OIG determined that, although PADS did not contain material inaccuracies or omissions of data, the system did not meet user needs or comply with current generally accepted system practices. Due to an outdated system design, PADS was not easy to use, particularly with regard to data entry and retrieval. Furthermore, the system did not provide users with the information they believed was needed to manage procurements. As a result, the field and program offices relied on systems that they had independently developed to meet their information needs. In recent years, the Department undertook an initiative to redesign PADS. According to Department officials, that effort was unsuccessful because the contractor responsible for the initiative did not meet performance expectations. Further, the OIG concluded that the effort was flawed because it did not sufficiently involve users and it was not part of an overall Department information architecture systems development approach.

The OIG recommended that the Department develop a plan to provide procurement and financial assistance information. In developing this plan, the Department should ensure that users of procurement and financial information are included in the process, and that steps taken in the plan are consistent with the Department's Information Technology Architecture. Department management concurred with the recommendation and agreed with the need to develop a plan. (IG-0436)

Deferring the Processing of Transuranic Contaminated Waste Could Save $66 Million. The Idaho National Engineering and Environmental Laboratory (Laboratory) stores nearly 65,000 cubic meters of waste generated on site or brought to the State of Idaho from Department sites across the country. The Department, the Navy, and Idaho signed a settlement agreement (Agreement) on October 17, 1995. The Agreement imposed specific milestones on the Department for removing the waste from Idaho. To meet the first milestone, the Department awarded, nearly 6 months ahead of schedule, a fixed-price contract to construct and operate the Advanced Mixed Waste Treatment Facility (Treatment Facility). Other milestones included shipping the first load of waste from Idaho by April 30, 1999, and shipping at least 3,100 cubic meters of waste out of

Idaho by December 31, 2002. The Agreement also required the Treatment Facility to begin operation by March 31, 2003.

The OIG review disclosed that waiting until the Treatment Facility could process the 3,100 cubic meters of waste would be more economical and reduce environmental risks to Laboratory employees. By deferring processing until the new Treatment Facility is operational, the Department could save $66 million. Therefore, a compromise between Department and Idaho officials allowing such a deferral would be in the best interest of the Government. While Department Management agreed with the report and its contents, it did not agree to implement the recommendation. (IG-0440)

A Major Decontamination and Decommissioning Project Did Not Include the Facility That Posed the Greatest Health, Safety, and Environmental Risks. The Department's Oak Ridge Operations Office (Operations Office) is responsible for identifying contaminated facilities at the East Tennessee Technology Park (ETTP), documenting the potential for reuse and recovery of materials and equipment, and developing schedules for decommissioning facilities. At ETTP, almost 90 percent of approximately 14.4 million square feet of space is comprised of buildings that are currently undergoing or are planned for decontamination and decommissioning (D&D). Department policy requires that D&D projects be prioritized based on employee and public health and safety, protection of the environment, compliance with environmental laws and regulations, cost-effectiveness, and future site plans.

The Operations Office reduced health, safety, and environmental risks through D&D projects at the ETTP. However, the OIG found that the major ongoing D&D project at the ETTP did not include the facility which posed the greatest risks from exposure to radioactive waste, hazardous or toxic materials, and structural collapse. Specifically, the Operations Office did not fully emphasize reductions of health, safety and environmental risks when it selected and performed D&D projects at the ETTP. As a result, a high-risk facility continues to deteriorate, and hazards to workers and the environment are increased. Also, the Department could incur $34.5 million in unnecessary surveillance and maintenance costs between Fiscal Years 1998 and 2002 for a building that poses significant risks to workers and the environment.

The OIG recommended that the Manager, Oak Ridge Operations Office, require that D&D projects be selected and performed with greater emphasis on reducing health, safety, and environmental risks for workers and the public. Management did not concur with the OIG finding or recommendation and stated that the D&D decisions made were appropriate for risk reduction due to the complexity and hazardous nature of process equipment dismantlement and the associated risks posed to demolition workers. (ER-B-99-01)

Small and Disadvantaged Businesses are Not Provided Fair Opportunity to Compete. The Small Business Act (Act) requires that small business concerns owned and controlled by socially and economically disadvantaged individuals have the maximum practicable opportunity to participate in contracts awarded by any Federal agency. Full and open competition among eligible small disadvantaged firms is essential to achieve this goal.

The OIG determined that the Department's Chicago Operations Office (Chicago) did not provide the "maximum practicable opportunity" for small and disadvantaged businesses to participate in contract awards. As of June 1998, Chicago had 12 open contracts with small and disadvantaged businesses enrolled in the 8(a) program with total estimated costs of $41.2 million. Only 3 of the contracts, valued at $23.0 million, were awarded competitively. The other 9, with estimated costs below the $3 million threshold requiring competition, were awarded as sole-source procurements. The OIG also found that changes to the terms and conditions of two of the procurements indicate that adjustments were made to reduce the total anticipated costs to a level allowing the contracts to be awarded without competition. Because of the lack of competition, the Department may have paid more than necessary for services provided by some 8(a) firms. Further, all eligible small disadvantaged businesses did not have the opportunity to compete for the work.

The OIG recommended that the Chicago Acquisition and Assistance Group establish policies to (1) require acquisition personnel to comply with the "maximum practicable opportunity" requirements of the Act, (2) prohibit acquisition personnel from modifying the terms or conditions of 8(a) procurements to reduce cost estimates and avoid the requirement to seek competitive bids, and (3) require acquisition personnel to seek competitive bids instead of awarding follow-on contracts to incumbent contractors on a sole-source basis. Management did not concur with the finding or recommendations. (ER-B-99-02)

Light Vehicles Fleet Is Larger Than Necessary. In a prior audit report, *Audit of Light Vehicle Fleet Management at the Idaho National Engineering Laboratory*, WR-B-93-07, September 29, 1993, the OIG concluded that the General Services Administration (GSA) could manage vehicle fleet operations more cost effectively than the Idaho Operations Office (Idaho) and its contractor. The OIG also concluded that a significant number of vehicles were underused and the fleet was too large. Accordingly, the OIG recommended that the Department conduct a cost comparison study to ascertain the most economical and efficient method of managing fleet operations and that the contractor periodically review vehicle usage data, with prompt reassignment or disposal of significantly underused vehicles.

GSA conducted a cost comparison which indicated that Lockheed Martin Idaho Technologies Company operated the light vehicle fleet in a cost competitive manner. The OIG followup audit found that 5 years after reporting that 41 percent of the light vehicles at Idaho were underused, the situation had grown worse. The audit showed that 45 percent of the light vehicles (excluding special purpose vehicles) were used significantly less than the mileage standards. Underuse had continued because Idaho and its contractor had not reviewed individual vehicle use against mileage standards. The continued underuse is particularly disturbing in light of Idaho and Department Headquarters agreement to prior recommendations.

The OIG recommended that Idaho annually review individual vehicle use against mileage standards and promptly dispose of or reassign vehicles not meeting the standards. The OIG also recommended that the Idaho Deputy Manager be provided a vehicle assignment report for review and approval. Department management concurred with the finding and recommendations and is planning corrective action. (WR-B-99-02)

An Annual Savings of $1.5 Million Could Be Lost if Contractors Continue Acquiring Services Already Available on Site. To operate the Hanford Site (Site), contractors need to use numerous services, such as telecommunications, copying, and photography. The Richland Operations Office (Richland) directed certain contractors to provide these and other services, called "site services," for the benefit of all contractors and assigned responsibility for optimal utilization of these services to its Site Infrastructure Division (SID). In the past, the OIG audited several site services, including groundwater monitoring, protective forces, personnel security clearances, railroad services, and fleet management. These audits disclosed that the services were not always efficiently and effectively coordinated.

An OIG audit examined other site services, principally those provided at least in part by Fluor Daniel Hanford, Inc., to determine if contractors were acquiring services already available. The audit determined that contractors acquired telecommunications, copying and photography services that were already available, even though the Site had enough capacity to respond to contractors' needs. Although SID was responsible for optimal use of site services, it neither used nor obtained information needed to properly coordinate the use of those services. Instead, it allowed the contractors to develop in-house services or purchase commercial services rather than use the established site services. If Richland continues to allow contractors to independently procure services already available on site, it will forgo savings of almost $1.5 million annually.

The OIG recommended that Richland gather and use information on site services to coordinate the contractors' use of available service capacity and direct contractors to use site services that are available. The Richland Operations Office concurred with the finding and recommendations and is planning corrective action. (WR-B-99-03)

Alternative Work Schedules Could Result in Less Overtime and More Productive Time. In April 1995, the OIG concluded that couriers at the Department's Albuquerque Operations Office (Operations Office) received too much overtime and incurred too much unproductive time each pay period. The report recommended that the Operations Office Transportation Safeguards Division (TSD) implement an alternative work schedule that corresponded more closely to the courier's actual work requirements.

In response to the prior audit, TSD enhanced management controls over the traditional schedules but did not implement an alternative work schedule for the couriers. The improved management controls reduced average overtime per person from 39 to 27 hours per pay period and reduced unproductive time from 22 to 13 hours per pay period per person for those couriers who routinely traveled. Despite these improvements, couriers still received more overtime and incurred more unproductive time than necessary. If TSD had used an alternative schedule, the couriers' work would more closely fit the demands of the job. Thus, the costs of overtime could be reduced by as much as $1.7 million annually and unproductive time would also be reduced.

The OIG recommended that Department management (1) implement an alternative work schedule for couriers which would achieve savings in overtime and unproductive time while efficiently and cost effectively fulfilling the TSD mission, and (2) reexamine and adjust the staffing level of each courier section in relation to the workload requirements in the area. Department management concurred with the recommendations and stated that TSD has made progress in reducing the amount of overtime and unproductive time. (WR-B-99-01)

Cost Sharing Could Be Beneficial to Energy Research User Facilities. The Department's Office of Basic Energy Sciences (BES) funds the construction and operation of 17 designated user facilities that are recognized as being critical to scientific research. At user facilities, researchers set up their equipment on beam lines and use the facilities' synchrotron or neutron source beams to conduct research experiments. BES provides the base-operating budget for its user facilities and generally makes the facilities available on a no-charge basis to all qualified researchers.

The OIG determined that cost sharing could enhance scientific research at BES user facilities. Funding shortfalls have prevented BES's user facilities from operating at optimum levels. Both facility representatives and advisory panels have concluded that additional funding is needed to increase beam operating time and quality, to upgrade facilities, and to provide needed staff. Currently, users provide some contributions to facilities such as support of beam line construction, instrumentation, and detectors. BES needs to identify additional opportunities, however, for users to provide contributions.

The OIG recommended that the Director, Office of Science, seek opportunities for users to share in the cost of facility enhancement and periodically perform and document studies to evaluate the feasibility of cost sharing to supplement facility operating budgets.

Department management generally concurred with the finding and recommendations. Management agreed that cost sharing should be used to support user facility enhancements. Management expressed concern that implementation of cost sharing or user fees to cover base operating costs could be seriously detrimental to the user facilities and science. Nevertheless, management agreed to incorporate studies to evaluate the feasibility of cost sharing into the relevant major reviews of its user facilities. (IG-0441)

Review Finds Department's Tritium Source Selection Process Was Not Undermined. The Department maintains the Nation's nuclear weapons stockpile, of which tritium is an essential component. Tritium has a relatively short half-life and must be periodically replenished. Over the past 40 years, the Department has built and operated 14 nuclear reactors to produce tritium and other nuclear materials for weapons purposes. Today, none of these reactors are operational, and no tritium has been produced since 1988. In order to maintain the current nuclear weapons capabilities, the Department has been tasked to ensure rapid access to a new production source for tritium within the next decade. Accordingly, the Department approved a formal Record of Decision for a "Dual Track" strategy to assess the two most promising tritium supply alternatives, Commercial Light Water Reactor (CLWR) and Accelerator for the Production of Tritium (APT).

Based on a congressional request, the OIG initiated an inspection to determine whether certain senior level Department officials may have engaged in a systematic effort to undermine the validity of the APT option, and whether the then Deputy Secretary of Energy directed subordinates to fire a Department official because the official had raised concerns about the cost evaluations of the APT and the CLWR options.

The OIG found no systematic effort to undermine the validity of the APT option. Similarly, the OIG did not find evidence that Department principals or staff worked to improperly influence the outcome of the "Dual Track" process to advance one option over the other. The OIG found no evidence of an environment that would limit the ability or desire of Department employees to present balanced information about the tritium source selection process. Senior Department officials consistently told the OIG that they were not aware of any attempts to muzzle, intimidate, or exclude personnel in order to ensure that the CLWR project appeared to be the most acceptable and cost effective option. Also, the OIG did not find evidence of excluding key Department employees from fully participating in the "Dual Track" process.

The OIG found that a senior official suggested to the Deputy Secretary that disciplinary action be taken against an official in the Office of Defense Programs for providing unauthorized direction to Los Alamos National Laboratory to expand the APT scope to include the study of the production of medical isotopes and for the APT team's involvement in providing information to Congress that was not approved by the Department. The OIG did not find evidence, however, that the Deputy Secretary directed subordinates to fire the official. Further, the official confirmed that he had not been reprimanded, threatened, or intimidated. (IG-0431)

Hazardous Waste Inventory Records Inaccurate and Incomplete. The OIG audited the accuracy and reliability of waste inventories for the Oak Ridge Reservation and Savannah River Site. In 1998, the two sites stored over 100,000 containers of hazardous, low-level, and low-level mixed waste, with a total volume of 87,000 cubic feet. The OIG found that the volume of hazardous, low-level, and low-level mixed waste stored at the Oak Ridge Reservation was overstated in Fiscal Year 1998 inventory records, and the locations of many waste containers at the Savannah River Site were recorded inaccurately and incompletely. As a result, the Department could not rely on the waste inventory data at the Oak Ridge Reservation to make informed decisions regarding the amount of waste to be treated or disposed. Additionally, the Department incurred unnecessary costs adjusting waste inventory data for management reports at the Oak Ridge Reservation and locating waste containers for treatment or disposal at the Savannah River Site.

The OIG recommended that Department management (1) establish general requirements for tracking and reporting waste inventories at the sites, (2) direct contractor personnel to perform an inventory of stored waste and establish adequate procedures to ensure that waste inventory records are kept current, accurate, and complete at all Oak Ridge Reservation sites, and (3) ensure that the planned inventory of stored waste is completed and that contractor personnel record the storage location for all containers and update inventory data when containers are moved. Department management concurred with the OIG recommendations and planned to take appropriate actions. The Oak Ridge Operations Office did not agree, however, that programmatic or project decisions were affected by the errors discovered during the audit. (IG-0434)

Reporting Guidelines for Implementation of the Price-Anderson Amendments Act of 1988 Not Being Followed. To provide oversight regarding how well Department contractors were adhering to the nuclear safety rules established by the Department to implement the Price-Anderson Amendments Act of 1988 (PAAA), the Department established an enforcement program, managed by the Office of Environment, Safety and Health (EH). The most important goal of the Department's PAAA enforcement program is to encourage early identification and reporting of nuclear safety deficiencies and violations of Department nuclear safety requirements by Department contractors themselves, rather than by the Department.

An EH accident investigation report of a welder fatality at the Oak Ridge K-25 Site identified a variety of safety management system breakdowns in work planning, hazard evaluation, communication, and establishment and implementation of adequate work controls. A subsequent OIG inspection determined, furthermore, that several of the safety management system breakdowns also resulted in potential violations of Department PAAA nuclear safety rules. The OIG identified examples of potential noncompliances with Department nuclear safety rules. These involved the failure by contractor personnel to follow established procedures for the welder's activities on the day of the accident. None of the violations of established procedures by contractor personnel that contributed to the welder fatality were recognized by the EH accident investigation board or the contractor as potential noncompliances with Department

PAAA nuclear safety rules. Thus, they were not self-reported by the contractor. The OIG concluded that additional actions are required by the Department to ensure that EH accident investigation boards and Department contractors are taking appropriate steps to implement early identification and self-reporting of potential noncompliances.

The OIG made five recommendations to EH and the Oak Ridge Operations Office to improve the identification and reporting of potential noncompliances. Department management concurred with all of the recommendations. (IG-0438)

OIG Review Identifies Violation in Voluntary Separation Program. The OIG received an allegation that a former Westinghouse Savannah River Company (WSRC) senior manager terminated employment through the Voluntary Separation Program (VSP), received a large bonus for doing so, and then returned to work at the Savannah River Site (SRS) without observing a required l-year waiting period. The OIG examined the former senior manager’s participation in the VSP program and employment during the year following departure from WSRC.

The OIG determined that the former senior manager terminated employment with WSRC under the VSP program. The former senior manager’s departure from WSRC was delayed for 6 months, until December 31, 1996, in order for a replacement to be relocated from Pittsburgh, Pennsylvania, to SRS and be familiarized with the position. The underlying principle of the VSP was to allow WSRC and Bechtel Savannah River, Inc. (BSRI) employees to voluntarily leave the SRS workforce, and, if replacement was necessary, only be replaced by current SRS employees. The OIG concluded that by allowing the former senior manager to participate in the VSP, and then replacing the senior manager with an individual from Westinghouse’s headquarters in Pittsburgh, WSRC did not meet the test of “prudent business judgment” required by its contract with the Department.

The OIG recommended that (1) both the former senior manager’s VSP bonus payment of $99,762, as well as $36,892 in travel and relocation costs expended to move the replacement from Pittsburgh to SRS, be recovered from WSRC, and (2) Department management determine whether any other senior WSRC or BSRI personnel who participated in the VSP were replaced by non-SRS personnel and, if so, recover from the appropriate contractor the associated costs. Department management concurred with the findings and recommendations. (INS-O-99-01)

Improved Management Controls Over Working Capital Fund Operation Could Result in Cost Reductions. The Department established the Working Capital Fund (Fund) in January 1996, to increase efficiency of the Department’s operations, improve management of administrative services, and provide an accurate full-cost budget for programs and activities. The costs of the services administered by the Fund were expected to total about $80 million in Fiscal Year 1998. The Fund organization consists of a Board, a Fund manager, business line managers, and customer program managers. The business line managers monitor and control the costs of services provided through the Fund’s 10 business lines.

Although the Fund was making progress in meeting its objectives, additional management attention could result in further cost reductions to the Department.

The OIG recommended that (1) the Office of Human Resources and Administration (HR) resource managers implement a process to optimize their use of Fund services and periodically compare use to that of other organizations, (2) HR develop procedures to periodically assess the Fund's business lines for efficiency and cost effectiveness in providing their goods and services, (3) HR develop procedures to address how and when to discontinue the Fund's business lines that cannot compete with outside sources, and (4) Fund management and the business line managers, in conjunction with the Chief Financial Officer, take steps to improve the performance of the financial management system. Department management concurred with the findings and recommendations and agreed to take corrective actions. (CR-B-99-01)

Change to New Health Plan Administrator Results in Unreasonable Costs. Westinghouse Savannah River Company (Westinghouse) manages and operates the Savannah River Site in Aiken, South Carolina. From Calendar Years 1989 through 1996, Westinghouse contracted with Aetna Insurance to administer its health plan. After Aetna's contract expired, Westinghouse chose Blue Cross/Blue Shield (BC/BS) of South Carolina. Following the award of BC/BS's contract, 47 health care providers in the Aiken area resigned as preferred providers for BC/BS. The health care providers complained that the fees paid by BC/BS were less than those paid through Aetna. In response, Westinghouse instructed BC/BS to negotiate a modified fee schedule for all the health care providers in the Aiken area. The OIG found that as a result of the higher rates paid to Aiken area health care providers, the Department will incur unnecessary and unreasonable costs of about $1.7 million over a 3-year period.

The OIG recommended that the Department (1) recoup health benefit costs that are incurred under Westinghouse's contract with BC/BS and determined to be unallowable by the Contracting Officer, and (2) limit future reimbursements for health benefits to the standard BC/BS rates. Management did not concur with the finding or recommendation 1, but concurred with recommendation 2. (ER-B-99-03)

Contractor Incurs $42,000 in Nonreimbursable Credit Card Charges. The Department obtained the services of Rocky Mountain BankCard System as a means for the Department and its contractors to make small purchases. The use of credit cards was expected to simplify small purchase procedures and improve cash management. The Department's Ohio Field Office (Field Office) uses the credit card system and oversees usage by the Fernald and Miamisburg Environmental Projects. Contractors under the Field Office, Fluor Daniel Fernald (Fluor Daniel), and Babcock and Wilcox of Ohio (B&W), also use the credit card system to make small purchases. The OIG found that Fluor Daniel incurred and claimed credit card charges that were unallowable and nonreimbursable under the terms of the contract. Fluor Daniel had not provided credit cardholders with adequate guidance on items considered unallowable, and managers were not consistently monitoring purchases. As a result, the Department reimbursed Fluor

Daniel about $42,000 in unallowable costs in Fiscal Year 1998.

The OIG recommended that the Manager, Ohio Field Office, require Fluor Daniel to (1) specify unallowable and nonreimbursable items in its credit card policy and cardholder guidelines, (2) require managers to monitor and approve credit card charges, and (3) recover about $42,000 for Fluor Daniel for unallowable items invoiced and reimbursed in FY 1998. Management agreed with the OIG finding and recommendations and stated that appropriate action would be taken to correct the conditions disclosed in the report. (ER-B-99-04)

<u>Goal:</u> ***Conduct investigations to promote efficient and effective Department operations and maintain the integrity of the Department of Energy's business lines by aggressively pursuing fraud, waste, and abuse.***

Subcontractor President Is Convicted for Submitting False Bioassay Data. The OIG received allegations from the Environmental Protection Agency that a Department subcontractor at the Sandia National Laboratory (SNL) may have committed fraud in relation to a Department health and safety program. The company provided bioassay services to SNL. Bioassay involves the testing of urine for potential exposure to nuclear materials, and it is one of several important early warning measures for detecting potential health and safety issues among workers handling such materials.

Criminal investigators from the OIG and the Federal Bureau of Investigation, as well as State of New Mexico law enforcement officers, executed a search warrant at the subcontractor's facilities and seized important documentation. Critical test data and invoices were analyzed in detail.

The ensuing OIG investigation disclosed evidence that the president of the subcontractor authorized the submission of false bioassay data. The false test results were significant in that they may have inaccurately identified a person's actual exposure to nuclear materials, thus placing the person at risk. Accurate reporting would have alerted authorities to potentially excessive radioactive exposure. The Department took steps to retest employees affected by the false test results.

The OIG referred the case to the U.S. Attorney's office for the District of New Mexico where it was accepted for criminal and civil prosecution consideration. The president of the company was subsequently indicted on 136 counts of false claims and false statements. Following a guilty plea to one count each of submitting a false claim and false statement, the president was sentenced to 3 months in a Bureau of Prisons halfway house, 3 months electronic monitoring, and 2 years supervised probation. Further, he was ordered to pay $122,216 in restitution to the Department, a $40,000 fine, and a $200 assessment fee. In addition, as a result of an OIG Administrative Report to Management, the Department debarred the president and his company from government contracting for 10 years. (I94AL019)

Contractor Pays the Government $450,000. An OIG investigation conducted jointly with the Defense Criminal Investigative Service determined that a Department contractor allowed its security guard force members and radiological control technicians to improperly charge time at a Department facility located at the Idaho National Engineering and Environmental Laboratory.

The OIG referred the case to the U.S. Attorney's Office for the District of Idaho. The case was declined for criminal prosecution but accepted for civil action. The Department of Justice and the contractor entered into a settlement agreement in which the contractor agreed to pay the Government $450,000 in connection with the Civil False Claims Act. (I92IF005)

Subcontractor Official Participates in Scheme to Defraud the Department. A joint investigation with the Federal Bureau of Investigation and the Department of Labor OIG substantiated an allegation that a Department subcontractor submitted false invoices under a cooperative agreement awarded by the Department's Federal Energy Technology Center.

The investigation disclosed that an official of the subcontractor submitted 13 fraudulent invoices for payment to the prime contractor. The official inflated the amount of work actually performed, thus resulting in overpayment. The proceeds from these false invoices were used to cover unallowable costs and make improper purchases. The total amount of the loss to the Government was $113,000.

As a result of the investigation, the U.S. Attorney's Office accepted the case for criminal prosecution. A grand jury indicted the subcontractor official on 13 counts of submitting false claims (18 U.S.C. 287). The official subsequently entered a guilty plea to 2 counts of the indictment and was sentenced to 6 months in a Federal correctional institution and 3 years of supervised release. The Department also debarred the official for a 3-year period from receiving financial and nonfinancial assistance and benefits under Federal programs. (I96PT007)

Contractor Charges Excessive Rates. The OIG investigated a Department contractor's alleged improper contracting activities, including allegations that the contractor provided gratuities to Department officials, charged unallowable expenses, and improperly used a Small Business Administration 8(a) Program contractor in order to obtain Department contracts.

The initial allegations were unsubstantiated, but the investigation, conducted in coordination with the Defense Contract Audit Agency (DCAA), disclosed that from 1990 to 1997 the contractor charged excessive Executive Compensation costs to the Department and other Government contracts. Ensuing negotiations between the Department, DCAA, and the contractor resulted in a reimbursement to the Government of $200,000. In addition, an agreement was reached regarding the contractor's Executive Compensation rates for the years 1998-2000. (I94HQ024)

Savannah River Contractor Official Forges $92,000 Check. An OIG investigation substantiated an allegation from the Department's Savannah River Operations Office that a Westinghouse Savannah River Company (Westinghouse) subcontractor improperly endorsed and cashed a $ 92,252.29 check.

Westinghouse issued the check to the subcontractor as payment for services performed for Westinghouse. Westinghouse cancelled the check via a stop payment order after it learned that an unauthorized person picked up the check from Westinghouse. Westinghouse then issued a new check for the same amount. In the meantime, the owner of the subcontractor company regained possession of the original check, endorsed it over to a creditor to satisfy a business debt, and deposited the newly issued check into a company bank account.

The Aiken County, South Carolina, District Attorney accepted the case for criminal prosecution. The subject pled guilty to a State charge of forgery and was sentenced to 5 years probation. As a condition of the plea agreement, the subject must pay $92,000 in restitution to the Department. Additionally, as a result of an OIG Administrative Report to Management, the Department debarred the subject and his company from Government contracting for 2 years. (I97SR009)

A Contractor Employee Pays Civil Penalty for Misusing Government Time and Equipment. An OIG investigation confirmed an allegation that a contractor employee at the Los Alamos National Laboratory (Laboratory) operated a private business at the Laboratory using Government equipment, time, and supplies.

The OIG found that the employee ran a personal business from 1983 through 1995, from the Petrographic Thin Section Lab at the Laboratory. The employee admitted to working on his private business at the Laboratory. As a result of the investigation, the Laboratory dismissed the employee.

The OIG referred the case to the U.S. Attorney's Office, District of New Mexico, where it was declined for criminal prosecution but accepted for civil action. The employee agreed to a consent judgment for violating the False Claims Act and was ordered to pay $12,500. (I95AL022)

Employee Tampers With Federal Energy Regulatory Commission Internet Webpage. The Federal Bureau of Investigation informed the OIG that, in August 1998, someone had improperly tampered with the Federal Energy Regulatory Commission (FERC) Internet Webpage by accessing the Webpage and replacing the picture of a senior FERC official with an inappropriate image.

A preliminary investigation determined that someone using FERC network administrator privileges accessed the FERC Webpage through an Internet account at a local university. The investigation revealed that the name appearing on the university Internet account was similar to the name of a FERC employee. Subsequent OIG review of university records verified that the employee's personal university account was used to access the FERC computer at the exact time the change was made to the FERC Webpage image. When interviewed by the OIG, the employee denied involvement in the vandalism.

The OIG issued an Administrative Report to Management (ARM). In response to the ARM, FERC management reported that the employee had resigned from FERC. The agency also took steps to improve computer security password procedures. (I98HQ015)

Oak Ridge Contractor Employee Downloads Pornographic Images.
An OIG investigation substantiated an allegation from an Oak Ridge Operations Office contractor that an employee had downloaded child pornography from the Internet. The investigation determined that, from May through September 1996, the employee used a Government-owned computer to download images of child pornography.

The OIG referred this matter to the U.S. Attorney's Office for the Eastern District of Tennessee for criminal prosecutive consideration. The employee subsequently pled guilty to one count of violating Title 18, U.S.C., Section 641 (Theft of Government Property) and agreed to submit to psychosexual treatment and evaluation. The United States District Judge has delayed sentencing pending the employee's completion of the court ordered treatment and evaluation. The contractor has dismissed the employee. (I96OR035)

Department Supervisor Misuses Government Time and Equipment.
A Department employee notified the OIG that a GS-15 supervisor was conducting outside employment in his Government office on official time and using Government telephones and a fax machine.

An OIG investigation substantiated that the supervisor performed work for a local business interest in his Government office over a 6-year period. The investigation further disclosed that the supervisor submitted false statements to the Department when he did not list the outside employment on five annual financial disclosure reports.

As a result of the investigation, Department management removed the supervisor from all management and supervisory responsibilities and reassigned him to another office. Management also withheld a performance award of $4,500. The supervisor subsequently retired from Federal service. After negotiations with the U.S. Attorney's Office for the District of Columbia, the subject entered into a $22,500 civil settlement agreement. (I95HQ016)

Contractor Employee Is Convicted for Credit Card Fraud. A joint investigation by the OIG and the Defense Criminal Investigative Service substantiated an allegation that an employee of an Oak Ridge Operations Office management and operating contractor had misused Government credit cards. The investigation disclosed that the employee used two Government credit cards to purchase $7,295 worth of items for personal use. These items included camcorders, videocassette recorders, computers and home accessories. The employee then created fraudulent invoices in an attempt to conceal the use of the cards.

The OIG referred this matter to the U.S Attorney, Eastern District of Tennessee, for criminal prosecutive consideration. The employee pled guilty to one misdemeanor count of Title 18, United States Code, Section 641 (Theft of Government Property) and paid $7,295 in restitution to the Department. The management and operating contractor dismissed the employee. (I98OR011)

Contractor Employee Pays Restitution for Unallowable Supplemental Salary Allowance. The OIG received an allegation from a Department contractor that a contractor employee at the Sandia National Laboratories (Sandia) received a supplemental salary allowance that he should not have received.

After transferring from Albuquerque to the Tonopah Test Range (Nevada) in May 1991, the employee received a 10-percent salary increase for working at a remote site. In February 1992, the employee was transferred back to Albuquerque and, upon his return, was no longer entitled to the 10 percent allowance.

A review conducted by Sandia Payroll Department disclosed that the employee had continued receiving the 10 percent salary allowance upon his transfer back to Albuquerque. The overpayment totaled $16,759. The employee acknowledged that he was not entitled to the salary allowance upon his return to Albuquerque. In response to an OIG Administrative Report to Management, Sandia required the employee to pay reimbursement, plus 5 percent annual interest.

The OIG referred the case to the U.S. Attorney's Office, District of New Mexico. The case was declined for criminal prosecution but accepted for civil action. The Department of Justice and the employee entered into a settlement agreement in which the employee admitted to violating the Civil False Claims Act and agreed to pay $10,300 in restitution. (I97AL006)

Goal: ***Conduct inquiries which assist in fostering public confidence in the Department of Energy.***

CONTRACTOR EMPLOYEE REPRISAL COMPLAINTS AUTHORITY TRANSFERRED

The OIG conducted a number of inquiries into contractor employee complaints filed pursuant to 10 C.F.R. Part 708. These complaints concerned allegations that employees disclosed fraud, waste, abuse, mismanagement, or health and safety issues or engaged in other activity protected by Part 708 and that the disclosure(s) contributed to adverse action by contractor management against the employees. Twenty-nine cases were completed through issuance of *Reports of Inquiry*, settlement by the parties, or dismissal. On April 14, 1999, pursuant to a Department revision of Part 708, responsibility for the processing of Part 708 complaints transferred to the Office of Employee Concerns and the Office of Hearings and Appeals.

MANAGEMENT REFERRAL SYSTEM

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 action. Complaints referred may include such matters as time and attendance abuse, misuse of Government vehicles and equipment, violations of established policy, and standards of conduct violations. The OIG referred 95 complaints to Department management and other Government agencies during the reporting period. The OIG asked Department management to respond concerning the actions taken on 61 of these complaints. The following are examples of the actions taken by management during this reporting period on referred matters:

- Inquiry substantiated that a phase II grant under the Small Business Innovation Research Program should not have been issued through that Program since the recipient of the grant no longer qualified as a small business. Department management is taking action to award follow-on grant money through an appropriate mechanism.

- In response to a management referral concerning a subcontractor's possible non-payment of funds into a 401k Employees' Savings Program, Department management requested a review of the subcontractor's benefit administration by the Department of Labor, which resulted in subcontractor employees being reimbursed a total of almost $7,000.

- As a result of substantiating that a contractor employee had misused a Government vehicle, contractor management counseled the employee and reinforced with all site employees the policies pertaining to the use of Government vehicles.

OTHER ACCOMPLISHMENTS

Congressional Requests. The OIG received 27 requests for data from the Congress, all of which were responded to in a timely manner. OIG staff provided briefings to Committee staff on 7 occasions and data or reports to the Congress in 34 instances. At the request of the Subcommittee on Energy and Environment, House Committee on Science, the Inspector General testified at a hearing on the Department's implementation of the Government Performance and Results Act.

Intelligence Activities. The OIG issued two quarterly intelligence 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 that the Inspectors General have reason to believe may be unlawful or contrary to Executive Order or Presidential directive.

Legislative and Regulatory Reviews. The OIG coordinated and reviewed 10 legislative and regulatory items. This work was done in accordance with the Inspector General Act of 1978, which requires the OIG to review existing and proposed legislation and regulations relating to Department programs and operations and to comment on the impact which they may have on economical and efficient operations of the Department.

OIG Establishes Technology Crimes Section and Technology Audit Section. In response to increased cyber threats at the Department, the OIG has formed a Technology Crimes Section and a Technology Audit Section. The mission of the Technology Crimes Section is to promote the effective, efficient, and economical operation of Department computer systems by providing technology-oriented investigative services. The mission of the Technology Audit Section is to perform audits of information systems operations and acquisitions for the Department and its major contractors.

"Paperless" Audit. In keeping with recent advances in audit technology, the OIG successfully completed its first "paperless" audit. Auditors used specialized computer-assisted audit tools designed to integrate new technology with accepted auditing practices and standards. The audit was paperless from beginning to end. Supervisors reviewed work on-line and in real-time, allowing audit staff to make corrections and improvements immediately. The amount of review time was significantly reduced for this audit. After the final report is issued, all files will be transferred onto a compact disk for retention.

Information Technology and Year 2000 Compliance. The OIG participated with the Chief Information Officer in reviewing the Department's progress in making its computerized systems Year 2000 compliant. As a result of this collaboration, as well as independent assessments, the OIG issued a series of memoranda to the Deputy Secretary suggesting improvements to the Department's conversion approach.

Over the past year, the OIG moved aggressively to ensure that its internal operating systems, hardware and software would be Year 2000 compliant. Additionally, the OIG took action to significantly redesign its Data Base Management System to achieve greater efficiencies and, at the same time, change date codes to be Year 2000 compliant. Currently, all internal operating system configurations and standard software and hardware, including the OIG's new data base management information system, have been tested and replaced, as necessary, in order to be Year 2000 compliant.

MANAGEMENT CHALLENGES

The Inspector General plays a significant role in the Department's Federal Managers' Financial Integrity Act (FMFIA) process. As part of that process, the Department details the areas of operations that it deems most vulnerable to inefficiencies. Those ten areas are listed below:

- Surplus Fissile Materials
- Environmental Compliance
- Waste Isolation Pilot Plant
- Yucca Mountain
- Safety and Health
- Contract Management
- Project Management
- Inadequate Audit Coverage
- Unclassified Computer Security
- Financial Management System Improvements

In its *Fiscal Year 1998 Accountability Report*, the Department also recognized the impact of the Year 2000 situation on Federal information systems. To address this issue, the Department established critical milestones reflecting Governmentwide requirements that encompass the 420 mission-critical systems the Department tracks.

The General Accounting Office, in its report "Major Management Challenges and Program Risks," addressed the following major performance and management challenges that have limited the effectiveness of the Department in carrying out its mission:

- The Department has had difficulty completing large projects.
- The Department's transition to external regulation is slow.
- The Department's organizational structure allows challenges to go uncorrected.
- Contract management remains vulnerable to risk.
- The Department's staff lacks technical and management skills.

Over this reporting period and in the OIG planning processes, the OIG focused efforts on these critical issues.

RESOURCE CONSIDERATIONS

Resources remain a concern of the OIG. Over the last several years, the OIG has undergone significant downsizing of over one-third of the office staff. During the past year, the OIG has been able to conduct limited hiring to fill critical needs of this office. This office has recently received increased numbers of requests from the Secretary and the Congress to perform significant, critical and sensitive tasks. Additionally, the office recently initiated its Technology Crime and Technology Audit Sections to address the growing need for expertise in cyber crimes and high-tech and electronic transactions. Further, the OIG understands that Congress is now considering proposed amendments to the Government Performance and Results Act, which will require extensive OIG review of the Department’s performance plans and reports.

Also, the Intelligence Community Whistleblower Protection Act of 1998, which was enacted by Public Law 105-272 on October 20, 1998, provides for an increased role for the OIG in reviewing complaints by members of the Department’s intelligence activities “with respect to an urgent concern.” In order to address the continuing and growing requirements of the OIG, without further negative impact on the OIG’s coverage of the approximately $17 billion in Department programs, additional resources will be necessary. As reported on page 26 of this Semiannual Report, the OIG emphasizes that inadequate audit coverage continues to be one of the Department’s FMFIA vulnerabilities.

The OIG understands the budgetary limitations that exist. Within those limits, the OIG will continue to seek appropriate increases in the OIG budget authority in order to address OIG resource needs.

REPORTING REQUIREMENTS
Inspector General Act of 1978, as amended

IG ACT Citation	Requirement	Page
Section 4(a)(2)	Review of Legislation and Regulations	24
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	See Write-ups
Section 5(a)(2)	Recommendations for Corrective Actions	See Write-ups
Section 5(a)(3)	Prior Recommendations Not Yet Implemented (See *U.S. Department of Energy Fiscal Year 1998 Accountability Report)*	
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	1 and 40
Section 5(a)(5) and 6(b)(2)	Summary of Refusals to Provide Information	None
Section 5(a)(6)	List of OIG Audit Reports	29
Section 5(a)(7)	Summary of Significant Audit Reports	See Write-ups
Section 5(a)(8)	Table--Questioned Costs	37
Section 5(a)(9)	Table--Funds to be Put to Better Use	36
Section 5(a)(10)	Summary of Prior, Unresolved Audit Reports	38
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions With Which the Inspector General Disagreed	None
Section 5(a)(13)	Summary of Unmet Remediation Plan Target Dates for Noncompliant Financial Systems as Required by FFMIA of 1996 (See *Consolidated Financial Statements Audit*, IG-FS-99-01)	

REPORTS ISSUED

October 1, 1998 – March 31, 1999

AUDIT REPORTS

Contract Audit Reports

ER-C-99-01	Interim Audit of Costs Incurred Under Contract No. DE-AC24-92R21972 From October 1, 1995, Through November 30, 1997, by Fluor Daniel Fernald, Inc., Fernald, Ohio, October 5, 1998 ***Questioned Costs: $820,000***
WR-C-99-01	Final Audit of Costs Claimed Under U.S. Department of Energy Contract No. DE-AC08-93NV11011, August 1, 1995 to September 30, 1998, Wachkenhut Services, Inc., Las Vegas, Nevada, March 18, 1999 ***Questioned Costs: $5,205***

Operational Audit Reports

CR-B-99-01	Audit of the U.S. Department of Energy's Working Capital Fund, October 1, 1998
ER-B-99-01	Audit of Decontamination and Decommissioning at the East Tennessee Technology Park, December 21, 1998 ***Savings: $34,500,000***
ER-B-99-02	Audit of Small Disadvantaged Business Program at the Chicago Operations Office, January 25, 1999
ER-B-99-03	Audit of Westinghouse Savannah River Company's Health Benefit Plan, January 25, 1999 ***Savings: $1,700,000***
ER-B-99-04	Audit of Credit Card Usage at the Ohio Field Office and the Fernald and Miamisburg Environmental Management Projects, March 15, 1999 ***Questioned Costs: $42,000***
ER-L-99-01	Audit of Sale of Land to an Oak Ridge Hospital, November 25, 1998

ER-L-99-02	Survey of the Fermi National Accelerator Laboratory's Involvement in the Large Hadron Collider Project, March 10, 1999
WR-B-99-01	Audit Report on Transportation Safeguards Division Courier Work Schedules and Escort Vehicle Replacements, December 4, 1998 ***Savings: $4,600,000***
WR-B-99-02	Audit Report on Vehicle Fleet Management at the Idaho National Engineering and Environmental Laboratory, March 8, 1999 ***Savings: $321,000***
WR-B-99-03	Audit Report on Hanford Site Contractors' Use of Site Services, March 11, 1999 ***Savings: $7,400,000***
WR-L-99-01	Audit of Commercialized Technology at Lawrence Livermore National Laboratory, February 5, 1999
IG-FS-99-01	Audit of the U.S. Department of Energy's Consolidated Financial Statements for Fiscal Year 1998, February 25, 1999
IG-0428	Audit of the U.S. Department of Energy's Efforts to Preserve the Knowledge Base Needed to Operate a Downsized Nuclear Weapons Complex, October 2, 1998
IG-0429	Audit of the U.S. Department of Energy's X-Change 1997: The Global D&D Marketplace Conference, October 16, 1998 ***Questioned Costs: $566,464***
IG-0430	Audit Report on Project Hanford Management Contract Costs and Performance, November 5, 1998
IG-0432	Audit Report on the U.S. Department of Energy's Efforts to Increase the Financial Responsibility of its Major For-Profit Operating Contractors, November 20, 1998
IG-0434	Audit of Waste Inventory Data at Oak Ridge and Savannah River, December 18, 1998
IG-0435	Audit of the Department of Energy's Aircraft Activities, January 7, 1999
IG-0436	Audit Report on the U.S. Department of Energy's Procurement and Assistance Data System, January 19, 1999

IG-0437 — Audit Report on Aircraft and Air Service Management Programs, January 25, 1999
Questioned Costs: $504,000 ***Savings: $7,234,018***

IG-0439 — Audit Report on the U.S. Department of Energy's Implementation of the Government Performance and Results Act, February 4, 1999

IG-0440 — Audit Report on Waste Treatment Plans at the Idaho National Engineering and Environmental Laboratory, February 4, 1999
Savings: $66,000,000

IG-0441 — Audit Report on Cost Sharing at Basic Energy Sciences User Facilities, March 16, 1999

Financial Audit Reports

CR-V-99-01 — Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Westinghouse Electric Corporation's Bettis Atomic Power Laboratory Under Department of Energy Contract No. DE-AC11-93PN38195, February 25, 1999

CR-V-99-02 — Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to the Lockheed Martin Corporation's Knolls Atomic Power Laboratory Under Department of Energy Contract No. DE-AC12-76SN00052, February 25, 1999

ER-V-99-01 — Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed and Reimbursed to Argonne National Laboratory Under Department of Energy Contract No. W-31-109-ENG-38, February 5, 1999

WR-FC-99-01 — Audit of Southwestern Federal Power System Fiscal Year 1997 Financial Statement, October 6, 1998

WR-FC-99-02 — Audit Report on Agreed-Upon Procedures Between the Department of Energy and Occidental Petroleum Corporation for the Sale of Naval Petroleum Reserve Number 1, December 1, 1998

WR-FC-99-03 — Audit Report on Western Area Power Administration Fiscal Year 1998 Financial Statement Audit, March 31, 1999

WR-FS-99-01	Audit Report on Matters Identified at the Idaho Operations Office During the Audit of the Department's Consolidated Fiscal Year 1998 Financial Statements, March 16, 1999
WR-V-99-01	The U.S. Department of Energy's Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Fluor Daniel (NPOSR), Inc. Under Department of Energy Contract No. DE-AC01-92FE62316, October 2, 1998 ***Questioned Costs: $647,306***
WR-V-99-02	U.S. Department of Energy's Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to the Regents of the University of California Lawrence Berkeley National Laboratory Under Department of Energy Contract DE-AC03-76SF00098, October 23, 1998
WR-V-99-03	Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Bechtel Nevada Corporation Under Department of Energy Contract No. DE-AC08-96NV11718, January 14, 1999 ***Questioned Costs: $173,744***
WR-V-99-04	Assessment of Changes to the Internal Control Structure and Their Impact on the Allowability of Costs Claimed by and Reimbursed to Bechtel Petroleum Operations, Inc., Under Department of Energy Contract No. DE-AC01-85FE60520, February 5, 1999

INSPECTION REPORTS*

INS-O-99-01	Report on Inspection of an Allegation Regarding the Voluntary Separation Program at the Savannah River Operations Office, October 5, 1998
IG-0431	Summary Report on Inspection of Issues Associated with the Department of Energy's Tritium Source Selection Process, November 23, 1998
IG-0433	Report on Inspection of Department of Energy's Conference Policies and Practices, December 10, 1998

IG-0438	Report on Inspection of Reporting at Oak Ridge of Potential Noncompliance With DOE Price-Anderson Amendments Act Implementing Rules, January 26, 1999

*Does not include 18 non-public Inspection reports.

STATISTICS

DEFINITIONS. *The following definitions, based on the Inspector General Act of 1978, apply to terms used in this Semiannual Report.*

Questioned Cost: A cost which the Inspector General questions because of:

1. An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
2. A finding that, at the time of an audit, such cost is not supported by adequate documentation; or
3. A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Unsupported Cost: A cost which the Inspector General questions because the Inspector General found that, at the time of an audit, such cost is not supported by adequate documentation.

Disallowed Cost: A questioned cost which Department management, in a management decision, has sustained or agreed should not be charged to the Government.

Recommendation That Funds Be Put to Better Use ("Savings"): An Inspector General recommendation that funds could be used more efficiently if Department management took actions to implement and complete the recommendations, including:

1. Reduction in outlays;
2. Deobligation of funds from programs or operations;
3. Withdrawal of interest subsidy costs on losses or loan guarantees, insurance or bonds;
4. Costs not incurred by implementing recommended improvements related to Department operations, contractors, or grantees;
5. Avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or
6. Any other savings which are specifically identified.

Management Decision: The evaluation by Department management of the findings and recommendations included in an audit report and the issuance of a final decision by

Department management concerning its response to such findings and recommendations, including actions determined to be necessary.

Final Action: The completion of all actions that Department management has determined, in its management decision, are necessary with respect to the findings and recommendations included in an audit report. In the event that Department management concludes no action is necessary, final action occurs when a management decision has been made.

AUDIT REPORT STATISTICS
October 1, 1998 – March 31, 1999

The following table shows the total number of operational and financial audit reports, and the total dollar value of the recommendations.

	Total Number	One-Time Savings	Recurring Savings	Total Savings
Those issued before the reporting period for which no management decision has been made:*	12	$196,135,886	$247,240,000	$443,375,886
Those issued during the reporting period:	34	$86,568,532	$37,120,000	$123,688,532
Those for which a management decision was made during the reporting period:*	29	$42,733,050	$119,120,000	$161,853,050
Agreed to by management:		*$3,761,000*	*$13,360,000*	*$17,121,000*
Not agreed to by management:		*$35,789,000*	*$96,480,000*	*$132,269,000*
Those for which a management decision is not required:	4	$0	$0	$0
Those for which no management decision had been made at the end of the reporting period:*	13	$243,154,418	$174,520,000	$417,674,418

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

AUDIT REPORT STATISTICS

October 1, 1998 – March 31, 1999

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

	Total Number	Questioned Costs	Unsupported Costs
Those issued before the reporting period for which no management decision has been made:	5	$7,759,186*	$84,241
Those issued during the reporting period:	2	$825,391	$0
Those for which a management decision was made during the reporting period:	1	$650,215	$0
Value of disallowed costs:		*$650,215*	*$0*
Value of costs not disallowed:		*$0*	*$0*
Those for which a management decision is not required:	0	$0	$0
Those for which no management decision had been made at the end of the reporting period:	6	$7,934,362	$84,241

*This figure has been adjusted downward by $269 to the correct figure shown due to rounding on one monetary impact report submitted to the Office of Inspector General.

REPORTS LACKING MANAGEMENT DECISION

The following are audit reports issued before the beginning of the reporting period for which no management decisions had been made by the end of the reporting period, the reasons management decisions had not been made, and the estimated dates (where available) for achieving management decisions. These audit reports are over 6 months old without a management decision.

The Contracting Officers have not yet made decisions on the following contract reports for the following reasons. They include delaying settlement of final costs questioned in audits pending completion of review of work papers and voluminous additional records. The Department has a system in place which tracks 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 and effected as efficiently and expeditiously as possible.

ER-CC-93-05	Report Based on the Application of Agreed-Upon Procedures With Respect to Temporary Living Allowance Costs Claimed Under Contract No. DE-AC09-88SR18035, October 1, 1987, to September 20, 1990, Bechtel National, Inc., San Francisco, California, and Bechtel Savannah River, Inc., North Augusta, South Carolina, May 3, 1993 *(Estimated date of closure: September 30, 1999)*
WR-C-95-01	Report on Independent Final Audit of Contract No. DE-AC34-RlRF00025, July 26, 1990, to March 31, 1993, Wackenhut Services, Inc., Golden, Colorado, March 14, 1995 (*Estimated date of closure: September 30, 1999)*
ER-C-97-01	Report on Interim Audit of Costs Incurred Under Contract No. DE-AC24-92OR219721 From October 1, 1994, to September 30, 1995, Fernald Environmental Restoration Management Corporation, Fernald, Ohio, December 20, 1996 *(Estimated date of closure: May 31, 1999)*
ER-C-98-03	Audit of Employee Benefit Costs for Government-funded Agreements, Fiscal Years 1998 through 1995 Princeton University, Princeton, New Jersey, July 29, 1998 *(Estimated date of closure: September 30, 1999)*

Additional time was necessary to develop management decisions for the following reports. Further explanations for the delays follow each audit report.

CR-B-97-02	Audit of Department of Energy's Contractor Salary Increase Fund, April 4, 1997 *The finalization of the management decision on this report is*

	awaiting resolution of one outstanding issue. It is estimated that this will occur by June 30, 1999
ER-B-98-02	Audit of Environmental Monitoring and Health Physics Laboratories at the Savannah River Site, October 24, 1997 *The management decision is awaiting the resolution of a nonconcurrence. It should be made by July 15, 1999.*
IG-0411	Audit of the Contractors Incentive Programs at the Rocky Flats Environmental Technology Site, August 13, 1997 *The finalization of the management decision on this report is pending the resolution of one outstanding issue. This should occur by July 15, 1999.*
IG-0421	Audit of the Department of Energy's Interagency Agreement with the National Institute of Environmental Health Science, July 17, 1998 *The management decision is awaiting the approval of the Secretary of Energy. It is estimated that this will occur by May 30, 1999.*
IG-0425	Audit of the Department of Energy's Facility Reuse at the Rock Flats Environmental Technology Site, August 20, 1998 *Final drafting of the management decision is underway. It is expected that it will be approved by June 15, 1999.*

INVESTIGATIVE STATISTICS

October 1, 1998 – March 31, 1999

Investigations open at the start of this reporting period	253
Investigations opened during this reporting period	32
Investigations closed during this reporting period	61
Investigations open at the end of this reporting period	224
Qui Tam investigations opened	3
Total open Qui Tam investigations as of 3/31/99	20
Multi-agency task force investigations opened	8
Total number of multi-agency task force investigations as of 3/31/99	64
Investigative reports to prosecutors and Department management	12
Recommendations to management for positive change and other actions	17
Administrative disciplinary and other administrative actions	17
Debarments/suspensions	11
Investigations referred for prosecution	18
*Accepted**	*14*
Indictments	*6*
Criminal convictions	*2*
Pretrial diversions	*4*
Civil actions	*5*
Fines, settlements, recoveries**	$8,954,153

* *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.*

Hotline Statistics

Hotline calls, letters, and other complaints	548
Hotline calls, letters, and other complaints predicated	244
Hotline referrals received via the General Accounting Office	8
Total Hotline actions predicated	252
Investigations opened on Hotline complaints	4
Hotline actions pending disposition	32
Hotline actions transferred to the Management Referral System	140
Hotline actions that required no OIG activity	76
Total Hotline actions disposition	252

INSPECTION STATISTICS
October 1, 1998 – March 31, 1999

Inspections open at the start of this reporting period	124
Inspections opened during this reporting period	30
Inspections closed during this reporting period	51
Inspections open at the end of this reporting period	103
Reports issued*	22
Allegation-based inspections closed after preliminary review	10
Reprisal complaint actions during this reporting period	29
Reprisal complaints dismissed	*9*
Reports of reprisal inquiry issued	*14*
Reprisal complaints settled	*2*
Reprisal complaints withdrawn	*2*
Reprisal complaints completed by other means	*2*
Inspection recommendations	
Accepted this reporting period	17
Implemented this reporting period	10
Complaints referred to Department management/others	95
Referrals to Department management requesting a response for OIG evaluation	61
Personnel management actions taken by management on matters referred	2
Funds Recovered	$946

* *Reports include non-public reports such as administrative allegations and personnel security-related reports.*

FEEDBACK SHEET

The contents of the April 1999 Semiannual Report to Congress comply with the requirements of the Inspector General Act of 1978, as amended. However, there may be additional data which could be included or changes in format which would be useful to recipients of the Report. If you have suggestions for making the report more responsive to your needs, please complete this feedback sheet and return it to:

Department of Energy
Office of Inspector General (IG-15)
Washington, D.C. 20585

ATTN: Wilma Slaughter

Your name:

Your daytime telephone number:

Your suggestion for improvement: (please attach additional sheets if needed)

If you would like to discuss your suggestion with a staff member of the Office of Inspector General or would like more information, please call Wilma Slaughter at (202) 586-1924 or contact her on the Internet at *wilmatine.slaughter@hq.doe.gov*.