



DEPARTMENT OF ENERGY



U.S. DEPARTMENT OF
ENERGY

OFFICE OF INSPECTOR GENERAL

*Semiannual Report
to Congress*

for Period Ending March 31, 2022

DOE-IG-0081

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MESSAGE FROM THE INSPECTOR GENERAL

I'm pleased to present to Congress our Semiannual Report for the first half of Fiscal Year (FY) 2022. Before highlighting a few achievements, I would first like to thank every member of my talented and hardworking team for pulling together in tough times, and for achieving these remarkable successes.

We have had an exciting start to the year. In March, with the signing of the FY 2022 appropriations bill, the Office of Audits received funding to conduct and arrange for the incurred cost audits for the Department's Management and Operating (M&O) contractors. This restores independence to the audit of more than \$17 billion per year.

Our Technology Division has also posted impressive results within this reporting period by issuing 4 reports which included 45 recommendations to improve the Department's cybersecurity posture.

Our Data Analytics Division has grown, and will continue to grow, as we harness the capabilities of data driven oversight tools. The Data Analytics Division has supported more than 50 audits, inspections, and investigations, to date, and has analyzed millions of records throughout the Department. With the passage of the Infrastructure Investment and Jobs Act, and the influx of over \$62 billion in funding the Department will receive over the next 5 years, data analytics will be critical for both OIG and Departmental oversight of the funds.

Throughout this reporting period, we have also continued to build our oversight capabilities in the areas of intelligence and counterintelligence. We are working closely with our peers within the Intelligence Community Inspector General network to thoughtfully expand our oversight in this critical area. I'm proud to report that the Intelligence Community Inspector General recently recognized two projects completed by my team to receive two of the only seven awards bestowed annually by that organization.

Over the last year, our Office of Investigations has also seen significant growth in both the number of cases and dollar values associated with those cases. By working with our Data Analytics team, the Office of Investigations has also initiated and investigated a variety of proactive cases related to pandemic relief fraud.

In closing, I'm also proud to report that the OIG's Administrative Remedies Division, recently established in 2021, is on pace to double its suspension and debarment referrals to the Department within its first year of operation.

Thank you for taking the time to read our Semiannual Report to Congress.



Teri L. Donaldson
Inspector General

STATISTICAL HIGHLIGHTS

AUDITS AND INSPECTIONS

Total Reports Issued	28
Audit Reports Issued	12
Inspection Reports Issued	11
Technology and Data Analytics	5

AUDIT AND INSPECTION REPORTS AND TOTAL DOLLAR VALUE OF QUESTIONED AND UNSUPPORTED COSTS

	TOTAL NUMBER	QUESTIONED COSTS	UNSUPPORTED COSTS	TOTAL COSTS
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as September 30, 2021	19	\$1,186,642,265	\$261,001,902	\$1,447,644,167
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	6	\$91,509,377	\$1,730	\$91,511,107
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	6	\$365,819,397	\$1,902	\$365,821,299
(i) Value of disallowed costs		\$13,117,929	\$0	\$13,117,929
(ii) Value of costs not disallowed		\$352,701,468	\$1,902	\$352,703,370
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	19	\$912,332,245	\$261,001,730	\$1,173,333,975
Questioned Costs: A cost that is: (1) unnecessary; (2) unreasonable; (3) or an alleged violation of law, regulation, contract, etc. Unsupported Costs: A cost that is not supported by adequate documentation. Management Decision: Management's evaluation of the finding and recommendations included in the audit and inspection report and the issuance of a final decision by management concerning its response.				

BETTER USE OF FUNDS

	TOTAL NUMBER	BETTER USE OF FUNDS
Reports issued before the reporting period that included recommendations for better use of funds for which decisions on dollars had not been made as of September 30, 2021	3	\$20,900,000
Reports issued during the reporting period that include recommendations for better use of funds (regardless of whether a decision on dollars has been made)	0	\$0
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	1	\$1,900,000
(i) Agreed to by management		\$1,900,000
(ii) Not agreed to by management		
Reports that include recommendations for better use of funds for which decisions on dollars have not been made at the end of the reporting period	2	\$19,000,000
Better Use of Funds: Funds that could be used more efficiently by implementing recommended actions. Management Decision: Management's evaluation of the finding and recommendations included in the audit report and the issuance of a final decision by management concerning its response.		

WHISTLEBLOWER ACTIVITIES

Whistleblower matters open as of October 1, 2021		65
Whistleblower matters opened this period		5
Whistleblower matters closed this period		7
Whistleblower matters closed via Investigative Reports	0	
Whistleblower matters closed via Letters	7	
Whistleblower matters open as of March 31, 2022		63

HOTLINE ACTIVITY

Total Hotline calls, emails, letters, and other complaints (contacts)	1,898 ¹
Hotline contacts resolved immediately/ redirected/no further action	1,755
Hotline contacts predicated for evaluation	143
Total Hotline predications processed this reporting period	144 ²
Hotline predications transferred to OIG Program Office	24
Hotline predications referred to Department management or other entity for information/action	87
Hotline predications closed based upon preliminary OIG activity and review	33
Hotline predications open at the end of the reporting period	1

¹This number refers to any contact that required Hotline staff review, including re-contacts for additional information and requests for disposition.

²This number includes two predications carried over from the last semiannual reporting period.

TECHNOLOGY AND DATA ANALYTICS

During the reporting period, the Office of Technology, Financial, and Analytics issued 10 reports with 57 recommendations designed to improve both the Department's cybersecurity posture and its financial management.

INVESTIGATIONS

INVESTIGATIVE ACTIVITIES

Cases Open as of September 30, 2021	240
Cases Opened	47
Cases Closed	43
Cases Open as of March 31, 2022	244
Multi-Agency Joint Cases Opened During Period	13
Qui Tam ¹ Investigations Opened During Period	1
Total Open Qui Tam Investigations as of March 31, 2022	13
Total Investigative Reports ² Issued During Period	2
Administrative Discipline and Other Management Actions	9
Department of Energy Proposed Suspensions/Debarments ³	9
Total Persons ⁴ Referred to a Prosecuting Authority	26
Department of Justice Referrals	26
State/Local Referrals	0
Referrals Accepted for Prosecution ⁵	21
Total Indictments ⁶ /Criminal Informations	4
Indictments/Criminal Informations Resulting from Prior Period Referrals	4
Criminal Convictions	9
Pre-trial Diversions	1
Civil Actions	7
Dollars Recovered ⁷ (Fines, Settlements, Recoveries)	\$14,498,997

¹For more information on Qui Tams, go to: <https://www.justice.gov/archives/jm/criminal-resource-manual-932-provisions-handling-qui-tam-suits-filed-under-false-claims-act>

²Investigative Reports issued by the Office of Investigations include Reports of Investigation and Investigative Reports to Management (IRMs).

³This number includes proposed debarments issued by the Department under the Federal Acquisition Regulation (FAR). OIG reports the Department's proposed debarments under FAR because those actions have the same effect as a debarment or a suspension in accordance with 48 Code of Federal Regulations, Section 9.405. Insofar as we are reporting these numbers to show the effect of OIG referrals, including proposed debarment under FAR presents a more complete picture. Please note, however, that proposed debarments under FAR are not final actions.

⁴Persons is defined as an individual or an entity. For example, two co-owners and their business entity would be counted as three persons.

⁵Some referrals accepted during the 6-month period were referred for prosecution during a previous reporting period.

⁶Sealed indictments are included.

⁷Some of the money collected was the result of investigations involving multiple agencies.

OFFICE OF COUNSEL AND ADMINISTRATIVE REMEDIES DIVISION

The OIG's Administrative Remedies Division sent the Department 19 referrals for suspension or debarment during this reporting period. These referrals went to both the Department and the National Nuclear Security Administration (NNSA) and used both the FAR and non-procurement debarment authorities.

SUMMARIES BY DIVISION

AUDITS AND INSPECTIONS

AUDIT REPORTS

Subcontract Administration at Lawrence Berkeley National Laboratory

The Regents of the University of California (UC) have managed and operated Lawrence Berkeley National Laboratory (LBNL) under contract with the Department and its predecessors since 1943. LBNL conducts unclassified research across a broad range of scientific disciplines and is increasingly undergoing construction activities to support the continued growth of its missions and programs. Due to the increasing number of construction activities at LBNL, we initiated this audit to determine whether the UC administered construction subcontracts for LBNL in accordance with applicable regulations and policies. We found that the UC did not administer construction subcontracts for LBNL in accordance with applicable regulations and policies. Specifically, we found that 16 of the largest construction subcontracts totaling over \$139 million were misclassified in the UC procurement system. In addition, we identified 46 contract modifications where the UC did not ensure that price reasonableness analyses were conducted prior to authorizing increased subcontract costs. Further, we found one subcontract that contained flexibly priced elements that was not included for audit consideration. We also found that the UC did not accurately or independently identify three construction subcontracts that were subject to audit with reimbursable direct cost components over \$1 million. Finally, we identified six payment vouchers that did not include supporting documents for costs claimed by subcontractors. Therefore, we questioned costs totaling \$805,225 for lack of supporting documentation. The issues we identified occurred, in part, because of a lack of oversight in the UC's administration of subcontracts.

Management concurred with six of the seven recommendations and identified responsive corrective actions to address the reported issues. However, management non-concurred with one recommendation. (DOE-OIG-22-06)

The Department of Energy Nuclear Waste Fund's Fiscal Year 2021 Financial Statement Audit

This report presents the results of the independent certified public accountants' audit of the balance sheets of the Department's Nuclear Waste Fund, as of September 30, 2021, and 2020, and the related statements of net cost, changes in net position, and statements of budgetary resources for the years then ended.

To fulfill the OIG’s audit responsibilities, we contracted with the independent public accounting firm of KPMG LLP (KPMG) to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on the Nuclear Waste Fund’s financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on the Nuclear Waste Fund’s financial statements.

KPMG concluded that the combined financial statements present fairly, in all material respects, the respective financial position of the Nuclear Waste Fund as of September 30, 2021, and 2020, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with U.S. generally accepted accounting principles. As part of this review, auditors also considered the Nuclear Waste Fund’s internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the determination of financial statement amounts. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness. Additionally, the results of the auditors’ review disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards or applicable Office of Management and Budget (OMB) guidance. (DOE-OIG-22-08)

The Federal Energy Regulatory Commission’s Fiscal Year 2021 Financial Statement Audit

This report presents the results of the independent certified public accountants’ audit of the Federal Energy Regulatory Commission’s (FERC) balance sheets, as of September 30, 2021, and 2020, and the related statements of net cost, changes in net position, custodial activity, and statements of budgetary resources for the years then ended. To fulfill the OIG’s audit responsibilities, we contracted with the independent public accounting firm KPMG to conduct the audit, subject to our review. KPMG was responsible for expressing an opinion on FERC’s financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on FERC’s financial statements.

KPMG concluded that the combined financial statements present fairly, in all material respects, the financial position of FERC as of September 30, 2021, and 2020, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended, in accordance with U.S. generally accepted accounting principles. As part of this audit, auditors also considered FERC’s internal controls over financial reporting and tested

for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the consolidated financial statements. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness. The OIG issued notices of findings and recommendations to management during the audit. All findings will be detailed in a management letter that will be provided to FERC at a later date.

The results of the auditors' review of FERC's compliance with certain laws and regulations disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards or applicable OMB guidance. (DOE-OIG-22-09)

The Department of Energy's Fiscal Year 2021 Consolidated Financial Statement Audit

This report presents the results of the independent certified public accountants' audit of the Department's consolidated financial statements as of September 30, 2021, and 2020, and the related consolidated statements of net cost, changes in net position, custodial activity, and combined statements of budgetary resources for the years then ended.

The OIG engaged the independent public accounting firm KPMG to conduct the audit, subject to our review. KPMG was responsible for expressing an opinion on the Department's financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on the Department's financial statements.

KPMG audited the consolidated financial statements of the Department as of September 30, 2021, and 2020, and the related consolidated statements of net cost, changes in net position, custodial activity, and combined statements of budgetary resources for the years then ended. KPMG concluded that these consolidated financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles and issued an unmodified opinion based on its audits and the reports of other auditors for the years ended September 30, 2021, and 2020. As part of this audit, auditors also considered the Department's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the consolidated financial statements. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness.

The OIG issued notices of findings and recommendations to management throughout the audit. In all instances, management concurred with the findings and recommendations. All

findings will be detailed in management letters that are provided to the Department at a later date. The audit disclosed no instances of noncompliance or other matters required to be reported under applicable audit standards and requirements. (DOE-OIG-22-10)

Management Challenges at the Department of Energy – Fiscal Year 2022

In compliance with the Reports Consolidation Act of 2000, the OIG annually identifies what it considers to be the most significant management challenges facing the Department. The OIG's goal is to focus attention on significant issues with the objective of working with Department officials to enhance the effectiveness of agency programs. The Management Challenges Report should be a valuable tool to assist the Department to successfully fulfill its mission of ensuring the security and prosperity of the U.S. by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions.

Beginning with FY 2021 management challenges, the OIG significantly revised how the Management Challenges Report was compiled and presented to focus on more specific goals and challenges that the Department is facing. We coordinated with Department mission elements to identify the most pressing challenges, with an eye toward better focusing on practical issues where near-term progress is achievable. Our intent is to provide the Secretary and other policymakers with a more useful document containing specific and actionable challenge areas where meaningful improvements may be realized in the near term.

For FY 2022, we are continuing to report in this manner, addressing all the challenges identified in FY 2021 and providing updates pertaining to those challenges. We expect that this report will allow the Secretary and senior Department officials to continue addressing the challenges identified, as well as provide visibility into the progress made over the last year in these areas. (DOE-OIG-22-11)

HPM Corporation Occupational Medical Service's Billings

Since 2012, an HPM Corporation (HPMC) contract supports the Department's Richland Operations Office and Office of River Protection, Hanford Site (Hanford) contractors and their subcontractors, and others as designated from time to time in writing by the Contracting Officer or designee. HPMC's first contract was valued at approximately \$108.9 million and began in June 2012. In December 2018, HPMC began work on a new 7-year contract for approximately \$152.2 million. Both occupational medical services contracts contain work that is performed under different types of contracts outlined in FAR 16, Types of Contracts. Specifically, both contracts contain scope that is firm-fixed-price, cost reimbursable, and indefinite delivery/indefinite quantity. Due to the Department's concerns, as well as the limited amount of management experience with indefinite delivery/indefinite quantity contracts, we initiated this audit to determine whether HPMC

Occupational Medical Services submitted invoices compliant with contract, procedural, and regulatory requirements to the Department from calendar year (CY) 2013 through CY 2020. We found that although Federal oversight and contract language had improved, HPMC invoiced the Department for costs that were not compliant with the contract and/or procedural and regulatory requirements. As a result, we questioned \$44,168 of costs that HPMC inappropriately billed to the Department from CY 2013 through CY 2020. These costs were in addition to approximately \$1.3 million in misallocated costs already resolved by the Department. The issues we identified occurred, in part, because of inadequate Department oversight and the contractor's inconsistency in establishing or adhering to controls. Management concurred with all of our findings and recommendations and identified corrective actions to address the issues associated with our recommendations. (DOE-OIG-22-12)

The Federal Energy Regulatory Commission's Fiscal Year 2021 Financial Statement Audit

This letter presents the results of the independent certified public accountants' consideration of FERC's internal control over financial reporting during *The FERC Fiscal Year 2021 Financial Statement Audit*. The OIG engaged the independent public accounting firm KPMG to conduct the audit, subject to our review. KPMG was responsible for expressing an opinion on FERC financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on FERC financial statements. KPMG audited FERC financial statements as of and for the years ended September 30, 2021, and 2020, in accordance with auditing standards generally accepted in the U.S. As part of this audit, KPMG identified two control deficiencies and issued two findings during *The FERC Fiscal Year 2021 Financial Statement Audit*. However, KPMG did not identify a significant deficiency or a material weakness as part of its work under this audit. Although two findings were issued during the audit, there was no impact on costs. Management concurred with the findings and recommendations listed in the Management Letter. (DOE-OIG-22-14)

Subcontract Administration at the Kansas City National Security Campus

The Kansas City National Security Campus is the lead production site providing over 80 percent of the non-nuclear components that go into U.S. nuclear weapons. From FY 2015 through FY 2019, the Kansas City National Security Campus was managed by Honeywell Federal Manufacturing & Technologies, LLC (Honeywell) under cost-reimbursement M&O contracts. From FY 2015 through FY 2019, Honeywell subcontract records totaled approximately \$2.72 billion. Given the significant total value of subcontracts, we conducted this audit to determine whether Honeywell administered subcontracts for the Kansas City

National Security Campus in accordance with applicable regulations and policies. We determined that Honeywell allowed a third-party audit firm to perform reviews of subcontract costs, instead of audits as required, in the Honeywell contracts. We also identified 17 percent of subcontract records that were misclassified and excluded from audit, as well as both unresolved costs of \$88,391,364.18 and questioned costs of \$142,638.49. The issues we identified occurred, in part, because Honeywell did not always administer subcontracts in accordance with applicable regulations and policies.

Management non-concurred (or non-concurred as written) with five of eight recommendations. Management concurred (or concurred in principle) with three recommendations. Additionally, management's actions were generally not responsive to our recommendations. (DOE-OIG-22-15)

Sandia National Laboratories Subcontract Closeout Process

The Sandia National Laboratories M&O contract, and Department of Energy Acquisition Regulation (DEAR) 970.5232–3(c), require SNL to audit subcontractors' records, with respect to any subcontracts, where, under the terms of the subcontract, costs incurred are a factor in determining the amount payable to the subcontractor. At SNL, subcontractors are audited by SNL's Contract Audit, and subcontract audit findings, such as questioned costs, are resolved by SNL Subcontract Closeout's Subcontract Administrators. This audit was initiated to determine whether cost-type subcontracts issued by SNL were audited, decisions on questioned costs were fully supported, and Federal oversight provided assurance that questioned costs were properly resolved in accordance with acquisition regulations.

We found that SNL misclassified and inappropriately excluded subcontracts from audit. In addition, SNL's decisions not to sustain subcontract costs questioned by its own Contract Audit office were not fully supported by appropriate and relevant evidence, clearly showing the questioned costs were allowable, allocable, and reasonable, as required. The issues we identified occurred, in part, because of (1) weaknesses in the contractor's subcontract administration training, and (2) DEAR providing insufficient guidance for the Contracting Officers to protect the Department's interests by being involved timely in the resolution of costs questioned by the contractors' audits.

Except for Recommendation 3a, management concurred with our recommendations and agreed to take action to address the issues identified in the report. Additionally, Recommendation 3b has been removed. (DOE-OIG-22-16)

Summary of Findings on Audits of Selected Department of Energy Childcare Centers

The Department offers childcare services to various employees, facility users, and long-term onsite subcontractors. The centers are expected to adhere to all applicable laws, regulations, codes, and licensing requirements, including the Crime Control Act of 1990.

Given Federal agencies' ongoing efforts to reopen after COVID-19, centers may also reopen after being closed for a significant time. Since we identified issues in the prior childcare center audits, and with the potential reopening of centers after COVID-19, we issued this special report to provide a summary of findings and provide recommendations to assist in ensuring compliance with background checks, training, and contract terms at all Department centers.

We found issues related to background checks, training requirements, and/or contract terms at centers located at four different Department locations: Fermi National Accelerator Laboratory; Argonne National Laboratory; and National Energy Technology Laboratory locations in Morgantown, West Virginia and Pittsburgh, Pennsylvania. Overall, these issues occurred primarily due to confusion by the contractors managing the centers as to whether the Crime Control Act of 1990 background check requirements and other contract requirements were applicable to them. Also, officials did not provide adequate oversight to ensure adherence to training requirements.

To address the issues identified in this report, the OIG made three recommendations. Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-17)

The Department of Energy's Fiscal Year 2021 Consolidated Financial Statement Audit
Pursuant to requirements established by the Government Management Reform Act of 1994, the OIG engaged the independent public accounting firm KPMG to perform the audit of *The Department of Energy's Fiscal Year 2021 Consolidated Financial Statements*. During the audit, KPMG considered the Department's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the consolidated financial statements.

During the course of the audit, KPMG identified deficiencies in internal controls that were included in the management letter. Specifically, the letter contains 6 new findings and a total of 10 recommendations that were issued during the audit of *The Department of Energy's Fiscal Year 2021 Consolidated Financial Statements*.

Management fully concurred with each of the recommendations included in the management letter and took or planned to take corrective actions. Management's responses are included with each finding. The audit did not identify any deficiencies in internal control over financial reporting that are considered material weaknesses. (DOE-OIG-22-19)

Personal Property Items Held by Subcontractors at Lawrence Berkeley National Laboratory

The Regents of UC have managed and operated LBNL under contract with the Department and its predecessors since 1943. UC's contract with the Department incorporated a requirement to manage property. Specifically, UC's contract includes DEAR 970.5245–1, *Property*, to establish, administer, and properly maintain an approved property management system of accounting, and to control, utilize, maintain, repair, protect, preserve, and dispose of Government property in its possession under the contract. Accountable property records are managed and maintained using the Sunflower Asset Management System. We initiated this audit to determine whether LBNL was identifying, tracking, and recording personal property items held by its subcontractors in accordance with applicable laws, regulations, and policies.

We found that LBNL's Procurement & Property Management Group is not identifying, tracking, and recording personal property items held by its subcontractors in accordance with applicable laws, regulations, and policies. Specifically, we found three subcontractor-acquired personal property items worth \$25,961 that were not authorized by LBNL's Procurement teams prior to acquisition. In addition, we found six personal property items valued at approximately \$1.6 million that were not barcoded, as required. Finally, we determined that LBNL did not always consistently administer controls on 30 administratively controlled items worth \$62,791. The issues occurred, in part, because there were no effective controls other than the subcontract itself to ensure subcontractors notified LBNL's Procurement teams if there were any changes or purchases of personal property items.

Management concurred or partially concurred with the report's recommendations and identified corrective actions to address the issues in the report. Management also concurred with our suggested action. (DOE-OIG-22-21)

INSPECTION REPORTS

Allegation Regarding Contractor Performance Assessment Alteration

In March 2015, the Department's Office of Environment, Health, Safety and Security entered into a contract to acquire specialized services at its facilities in Washington, DC, and Germantown, Maryland. The contract was assigned a Contracting Officer to ensure the performance of all necessary actions for effective contracting, ensure compliance with the terms of the contract, and to safeguard the interests of the U.S. in its contractual relationships.

The OIG received an allegation regarding the Contractor Performance Assessment Reporting System (CPARS) rating entered for a contractor for the period of March 2019 through March 2020. The complaint alleged that the rating had been altered and was

inconsistent with the input adjudicated by the Assessing Official that was provided to the Reviewing Official for comment. We initiated this inspection to determine the facts and circumstances regarding the allegation concerning the alteration of the contractor's performance assessment. We substantiated the allegation that the contractor's CPARS rating for the period of March 2019 through March 2020 had been altered and was inconsistent with the rating entered by the Assessing Official that was provided to the Reviewing Official for comment.

Past performance systems ensure that current, complete, and accurate information on contractor performance is available for use in procurement source selections to allow for informed business decisions when awarding Government contracts and orders. If a lack of timely performance ratings and resulting concerns lead the Office of Management to act outside of established guidelines and alter a rating, there is no assurance that the information in CPARS is accurate or credible. To address the issue identified in this report, we made one recommendation that, if fully implemented, should help ensure that issue identified during our inspection is corrected. (DOE-OIG-22-01)

Financial Assistance Allegations at the Golden Field Office

The OIG received allegations that a Contracting Officer from the Financial Assistance Office did not adequately oversee certain recipients' financial assistance awards. Specifically, it was alleged that the Contracting Officer did not: (1) ensure proper review of indirect costs prior to invoice approval; (2) independently track cumulative indirect costs during invoice reviews; (3) modify awards with indirect rate changes or for rates billed; (4) coordinate internally during project budget negotiations related to indirect costs; and (5) address adverse audit findings. We initiated this inspection to determine the facts and circumstances regarding the alleged Contracting Officer's inadequate oversight of financial assistance awards at the Golden Field Office.

We substantiated the allegations that the Contracting Officer did not: (1) ensure indirect costs were properly reviewed prior to approving an invoice; (2) independently track the cumulative amount of indirect costs that were reviewed and approved during the invoice process for one of two awards; (3) modify one of two awards to properly reflect indirect rate changes; and (4) follow procedures to internally coordinate during project budget negotiations for one of two awards. However, we did not substantiate the allegation (5) that the Contracting Officer did not address adverse audit findings. The issues we identified occurred, in part, because the Golden Field Office had inefficient coordination efforts and budget tracking procedures.

Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-02)

Allegations Related to the Y-12 National Security Complex Fire Department

In November 2019, the OIG Hotline received a complaint regarding the Y-12 National Security Complex Fire Department (Fire Department). Specifically, the complainant's allegations included a hostile work environment at the Fire Department, including retaliation for filing grievances or complaints, inconsistent application of disciplinary actions, inadequate security of the Fire Department Alarm Room, insufficient structure-related training, and a lack of independent response to complaints filed through Ethics and Employee Concerns. We initiated this inspection to determine the facts and circumstances regarding the allegations related to the Fire Department.

We were unable to identify documentary evidence to substantiate that Fire Department management created a hostile work environment or fostered a fear of retaliation. However, we substantiated the allegation that disciplinary actions and drug and alcohol testing in response to motor vehicle accidents were inconsistent. Finally, we did not substantiate the allegations related to beryllium training, security of the Fire Department Alarm Room, structure-related training, escorting procedures in the Fire Department Alarm Room, Ethics and Employee Concerns complaint processing, and confidentiality of medical information. The issue we identified occurred, in part, due to a lack of contractor policies and procedures requiring testing after an accident, as well as conflicting policies on who was responsible for making a determination on required testing. Moreover, disciplinary action was not issued because the investigation report was not provided to either Labor Relations or the Fire Department.

Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-04)

Allegations of Quality Assurance Irregularities in the National Spherical Torus Experiment Upgrade Recovery Project

The Department's Princeton Plasma Physics Laboratory, located in Plainsboro, New Jersey, is a collaborative national center for fusion energy science, basic sciences, and advanced technology. Princeton Plasma Physics Laboratory constructed an innovative magnetic fusion device called the National Spherical Torus Experiment to explore results that may develop fusion energy as an abundant, safe, affordable, and environmentally attractive means of generating electricity. In February 2021, the OIG received two complaints of noncompliance with quality assurance procedures that, if true, could cause catastrophic failure of the National Spherical Torus Experiment Upgrade Recovery project according to the complainant. We initiated this inspection to determine the facts and circumstances regarding allegations of quality assurance irregularities in the National Spherical Torus Experiment Upgrade Recovery project.

We substantiated the allegations that quality control hold points were bypassed and that nonconformance reports were not always submitted; however, we were unable to

determine if the actions were intended to hide fabrication and welding errors. We also substantiated the allegations that the material traceability was not maintained for items used to fabricate critical parts and that welding was being conducted without in-progress inspections. In addition, we found that Travelers, a folder that contains key items, and nonconformance reports were not always completed in accordance with Princeton Plasma Physics Laboratory's procedures. We did not substantiate the allegation that the Department was not made aware of extensive damage that had occurred to the center stack casing being fabricated at a subcontractor facility. The issues we identified occurred, in part, because of the complexity of Travelers, a lack of Travelers training, and personnel not following procedures.

Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-13)

Allegations Regarding Management Conduct Within the Office of Economic Impact and Diversity

The Office of Economic Impact and Diversity (ED) develops and executes Department-wide policies to implement applicable legislation and Executive Orders that strengthen diversity and inclusion goals affecting equal employment opportunities, small and disadvantaged businesses, minority educational institutions, and historically under-represented communities. In June 2020, the OIG received two separate allegations concerning management conduct within the ED. Specifically, the complainants' allegations included: (1) improper communication with prospective grant applicants; (2) prohibited personnel practices related to a hiring action; (3) misuse of position; (4) use of disparaging terms and excessive contacts outside working hours; and (5) retaliatory behavior with an alleged hostile environment. We initiated this inspection to determine the facts and circumstances regarding allegations within the ED.

Although we were unable to identify documentary evidence to substantiate that ED management engaged in disparate treatment of women, our inspection revealed numerous concerns expressed during our interviews and raised in Equal Employment Opportunity complaints. We also did not substantiate the allegations related to improper communication with prospective grant applicants, prohibited personnel practices related

to a hiring action, misuse of position, use of disparaging terms and excessive contacts outside working hours, and retaliatory behavior with an alleged hostile environment. However, we substantiated the allegation that the former ED Director incurred improper travel expenses. The issues we identified occurred, in part, because management at the ED had not ensured that anti-discrimination policies were embraced by current and future leaders. Further, the issues we identified in travel occurred, in part, because of the former Director's personal decisions and a lack of travel approver training.

Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-18)

Property Management at the Hanford Site

Hanford is a Department cleanup site managed by the Office of Environmental Management (EM). The Department's Richland Operations Office is tasked with overseeing property management at Hanford and relied upon Mission Support Alliance, LLC (MSA) to manage that program. Federal regulations characterize many of the items utilized at Hanford as High-Risk or Sensitive Property (HRSP) because of the potential impact on public safety or proliferation concerns. Title 41 Code of Federal Regulations 102, *Federal Management Regulation*, defines sensitive property as items that require special control and accountability due to unusual rates of loss, theft, misuse, or national security or export control considerations. Title 41 Code of Federal Regulations 109, *The Department of Energy Property Management Regulation*, states that high-risk personal property must be "disposed of in other than the routine manner." We initiated this inspection to determine whether MSA appropriately accounted for and dispositioned excessed property.

We found that MSA did not properly account for or disposition excessed HRSP. Specifically, we found that MSA did not: (1) appropriately characterize HRSP items; (2) always designate property as high-risk or export-controlled when required or include restriction notices; (3) adequately account for Hanford Patrol Protection Force non-weapon HRSP; and (4) always document that excessed hard drives were sanitized or destroyed. Therefore, MSA risked that unauthorized parties could have gained access to export-controlled items. Further, sensitive information could have been released to the public where it could be used to damage the interests of the Nation, the Department, or its personnel. We attributed these shortcomings to MSA's incomplete application of Federal regulations and the Department's insufficient oversight of MSA's HRSP program.

Management agreed with our findings and recommendations, and its proposed corrective actions are consistent with our recommendations. (DOE-OIG-22-20)

Management of Dosimetry Services at Lawrence Livermore National Laboratory

Lawrence Livermore National Laboratory's (LLNL) external dosimetry program monitors workers for exposure to sources of radiation and is required to maintain proper records. LLNL may increase the risk to worker health and may increase liability for the Department by not properly monitoring radiation exposure or properly maintaining records. We initiated this inspection to determine if the Department's dosimetry program at LLNL adequately protects workers and is managed in accordance with applicable laws and regulations.

Based on our inspection, nothing came to our attention to indicate that LLNL did not adequately protect its workers, or that the external dosimetry program was not managed

in accordance with applicable laws and regulations. We found LLNL identified and monitored workers who may have been exposed to radiation and those not expected to be exposed to radiation. Further, we determined that LLNL's policies and procedures complied with Federal Regulations for dosimetry records management and that the dosimetry records we reviewed were retrievable, complete, and accurate according to regulations. By law, the Department is required to monitor radiological exposures resulting from the conduct of its activities and limit this exposure accordingly. Therefore, an effective dosimetry program is not only a legal requirement but is a factor in advancing the Department's mission of ensuring a safe and secure workplace for its employees, contractors and subcontractors.

We did not identify any issues that need to be addressed. Therefore, we made no recommendations at this time. (DOE-OIG-22-24)

Allegation of Unauthorized Derivative Classifier Reviewing Documents

In the interest of national security, documents and material must be classified, declassified, downgraded, or upgraded only by individuals with appropriate authorities. Although a reviewing official (RO) is an individual authorized to determine whether a document or material contains Unclassified Controlled Nuclear Information in specific subject areas and jurisdictions, a derivative classifier (DC) is an individual authorized to confirm that an unmarked document or material is classified or unclassified. A DC must be nominated, trained, and appointed in writing by the Classification Officer. Los Alamos National Laboratory Procedure P204–3, Classification of Matter, defines the requirements for classifying documents and material. It states that newly generated or existing unmarked material in classified subject areas must be reviewed by a DC. Also, only DCs are permitted to conduct classification reviews. However, on June 30, 2021, the OIG received an anonymous complaint that a Triad National Security, LLC employee (herein referred to as "Employee") at LANL was impersonating a DC/RO for over a year. We initiated this inspection to determine whether the alleged Triad National Security, LLC Employee at LANL was authorized to review and mark documents as a DC/RO.

We substantiated the allegation that a Triad National Security, LLC Employee at LANL reviewed and marked documents as a DC/RO even though the employee was not an authorized DC/RO. LANL also found that the employee violated LANL P204–3, Classification of Matter, Section 3.2, *Derivative Classifiers*, when the employee acted as a DC/RO without the required training or authorization. While LANL took corrective action, we attributed this incident to unofficial DC/RO lists, weaknesses in the annual security training course, insufficient staffing in the Classification Office at LANL, and an inadequate testing universe during classification decision reviews.

Management fully concurred with our findings and recommendations, and provided corrective actions taken and in process that are responsive to our recommendations. (DOE-OIG-22-25)

Los Alamos National Laboratory Steam Plant Energy Savings Performance Contract – Phase One

Federal agencies have the authority to enter into Energy Savings Performance Contracts (ESPCs) for energy savings and facility improvements without upfront capital costs or appropriations from Congress. During each contract year, the total payments to the ESPC contractor cannot exceed the amount that the agency would have otherwise paid. NNSA awarded a \$128 million contract for a Steam Plant ESPC at LANL. Due to concerns raised by the Department’s ESPC Review Board that did not appear to be fully addressed, we initiated this inspection to determine whether NNSA could support the guaranteed cost savings identified in the LANL Steam Plant ESPC – Phase One.

We found that NNSA could not support \$75 million of the \$128 million in guaranteed cost savings identified in the LANL Steam Plant ESPC – Phase One. Specifically, the Los Alamos Field Office: (1) could not provide documentation to support that the operation and maintenance labor savings would be realized, putting \$32 million in guaranteed energy savings at risk; (2) had documentation to support the initial electric baseline rate used to determine the guaranteed energy savings of the ESPC; however, declines in the electric rates before the contract was finalized put approximately \$31 million in guaranteed energy savings at risk; and (3) could not provide sufficient documentation to support the 3 percent electric escalation rate used in the investment grade audit, putting an additional \$12 million in guaranteed energy savings at risk.

The issues we identified occurred, in part, because NNSA officials did not fully address concerns raised by a Los Alamos Field Office official responsible for the ESPC and the Department’s ESPC Review Board, which identified that the Steam Plant ESPC was at risk of not meeting the guaranteed energy savings. In addition, we identified that the 2014 Federal Energy Management Program ESPC Workshop Handbook did not outline how to account for operation and maintenance labor savings.

Management concurred in principle with Recommendation 1 and provided corrective actions that are responsive to our recommendations. However, management’s comments related to the ESPC Review Board’s concerns, ESPC training, and the need to reevaluate the viability of the contract regularly were not responsive. We stand by the need for the Under Secretary for Nuclear Security and Administrator, NNSA, to implement our recommendations. Therefore, a management decision is required per Department Order 224.3A, *Audit Coordination, Resolution, and Follow-Up*. (DOE-OIG-22-26)

Allegation Regarding Contractor Misrepresentation on Occupational Safety and Health Administration Documentation

The East Tennessee Technology Park, formerly known as the Oak Ridge Gaseous Diffusion Plant, began operations during World War II as part of the Manhattan Project. As the Department's mission changed, operations at the plant ceased, and the Department began a massive environmental remediation effort. In 2011, the Department contracted with URS|CH2M Oak Ridge LLC (UCOR) for the completion of the decontamination, demolition, and environmental remediation work at the East Tennessee Technology Park under a Cost-Plus-Award-Fee contract, with award fee earned based on performance in various areas, including safety. UCOR's work is overseen by the Oak Ridge Office of Environmental Management, which is part of EM.

The OIG received an allegation regarding contractor misrepresentation regarding classifications on injuries or illnesses reporting. The complaint alleged that UCOR committed fraud by intentionally misrepresenting the date and classification of employee injuries or illnesses on Occupational Safety and Health Administration (OSHA) recordkeeping logs to increase contract fees and improve the likelihood of being awarded another contract. We initiated this inspection to determine the facts and circumstances regarding the allegation concerning contractor misrepresentation on OSHA documentation.

We did not substantiate the allegation that UCOR committed fraud by intentionally misrepresenting the date and classification of employee injuries or illnesses on OSHA documentation to increase fees and improve the likelihood of being awarded another contract. Even though the allegation was unsubstantiated, we found that UCOR and the Department's Office of Oak Ridge Environmental Management had differing interpretations of requirements regarding occupational injury and illness reporting. Specifically, the Office of Oak Ridge Environmental Management directed UCOR to ensure the information that UCOR reports in the Department's Computerized Accident/Incident Reporting System matched the information reported on the UCOR OSHA Form No. 300, Log of Work-Related Injuries and Illnesses (recordkeeping log). UCOR declined to do so, stating that while the Department can direct classification in the Department's Computerized Accident/Incident Reporting System, it does not have the authority to direct classification in OSHA's recordkeeping logs. Accurate reporting of accidents and incidents is critical so that the Department receives information in a timely manner regarding events that have affected or could adversely affect the health, safety, and security of the public or workers, the environment, the operations of Department facilities, or the credibility of the Department. To address the issue identified in this report, we made two recommendations that, if fully implemented, should help ensure that the issue identified during our inspection is corrected. (DOE-OIG-22-27)

Allegations Regarding Management of the Substance Abuse Program at the Hanford Site's Waste Treatment and Immobilization Plant

Hanford was established during World War II to produce plutonium for the nation's nuclear weapons. Hanford's mission is now primarily site cleanup and environmental restoration to protect the public and the environment. The Department's Office of River Protection is responsible for the management and oversight of the design, construction, and commissioning of the Waste Treatment and Immobilization Plant (WTP). The design and construction of WTP is contracted to Bechtel National, Inc. (Bechtel). Under the terms of its contract, the Department requires Bechtel to take certain actions to maintain a drug free workplace and implement a random drug testing program.

In May 2021, the OIG received allegations concerning Bechtel's management of drug-related issues at WTP. Specifically, the complainant alleged: (1) management was unresponsive to and under-reported a growing trend of substance abuse at WTP, and (2) WTP employees could readily cheat on random drug tests because the testing protocols and deterrence measures were inadequate. We conducted this inspection to determine the facts and circumstances regarding alleged substance abuse at Hanford's WTP. We did not substantiate the allegation that Bechtel management at Hanford's WTP was unresponsive to and under-reported a growing trend of substance abuse, and we did not substantiate the allegation that drug testing protocols were inadequate to prevent cheating. During our inspection we received another allegation that Bechtel had not met annual drug testing requirements, which we also did not substantiate. On the contrary, we found that management had taken several actions to address drug-related concerns. Drug-related incidents declined since mid-2019, and drug test failure trends were relatively stable since May 2019. In addition, we found that management had implemented drug testing protocols that were consistent with Federal requirements.

We did not identify any issues that needed to be addressed; therefore, we made no recommendations or suggested actions. (DOE-OIG-22-28)

INCURRED COST AUDIT DIVISION

In FY 2022, the OIG established the Incurred Cost Audit Division within the Office of Audits to help advance the OIG's mission to provide oversight of the annual \$24 billion appropriation to the Department's M&O contractors. The division conducts and arranges for fully independent incurred cost audits to determine the allowability, allocability, and reasonableness of the costs claimed by the M&O contractors in their annual cost submissions.

During the reporting period, the newly established Incurred Cost Division began its multi-year implementation plan by coordinating necessary changes with Department and M&O officials, hiring staff, and commencing audits.

TECHNOLOGY AND DATA ANALYTICS

REPORTS

Followup on the Department of Energy's Implementation of the Digital Accountability and Transparency Act of 2014

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires Federal agencies to report financial and non-financial award data in accordance with standards established by the Department of the Treasury and the OMB. To enable more transparent and effective tracking of Federal expenditures, the DATA Act requires public availability of agency spending information such as obligation amounts and awardee recipient data. This information is made available to the public and policymakers via USASpending.gov, a website operated by the Department of the Treasury in consultation with OMB.

The DATA Act also includes provisions requiring the OIG to evaluate the completeness, accuracy, and timeliness of agency spending data and the implementation and use of data standards. Our November 2019 report (DOE-OIG-20-05) revealed that the Department's FY2019 first quarter data submission earned an overall quality score of "high." In our ongoing effort to meet DATA Act oversight requirements, we performed our current review in accordance with guidelines established by the Council of the Inspectors General on Integrity and Efficiency. This report documents the results of our third assessment of the Department's implementation of the DATA Act and includes an evaluation of the quality of data submitted for publication on USASpending.gov for the first quarter of FY 2021.

We found that the Department, which includes FERC, continued to make improvements to the quality of its data since our prior report was issued in November 2019. Utilizing guidance established within the December 2020 CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act (CIGIE Guide), we determined that the Department earned an "excellent" quality score of 98.9 points, which factored in the results of statistical and non-statistical tests, as follows:

Statistical Testing Results: Our assessment of procurement and financial assistance awards found that around 96 percent of 20,504 required data elements were complete, accurate, and timely. In particular, we identified 326 completeness errors; however, none were attributable to the Department. We also noted 265 accuracy errors and 3 timeliness errors, all of which were attributable to the Department.

Non-Statistical Testing Results: We did not identify any errors related to the completeness, accuracy, or timeliness of COVID-19 outlays. We tested over 300 data elements related to 51 outlays in accordance with CIGIE Guide instructions for selecting a non-statistical sample of outlays for agencies that received COVID-19 funding.

The weaknesses occurred, in part, because the Department did not always ensure the accuracy of spending data submitted to USASpending.gov for public use. In addition, although many of the issues identified were outside of the Department's control, we determined that officials did not always ensure that data derived from third-party systems was complete and accurate. Despite making improvements in the reporting of financial and non-financial data since the inception of DATA Act requirements, we conclude that additional work remains to further improve the Department's DATA Act reporting. Without complete, accurate, and timely data, the Department remains at risk for reporting unreliable and inconsistent Federal spending data to USASpending.gov.

In light of the overall quality of data reported by the Department, we did not make formal recommendations for improvement. However, we suggest that the Department update and implement processes for ensuring the completeness, accuracy, and timeliness of its DATA Act submission, as appropriate. (DOE-OIG-22-03)

Management of a Department of Energy Site Cybersecurity Program

The Department operates many facilities across the Nation that depend on information technology systems and networks for essential operations required to accomplish its national security, research and development, and environmental management missions. To support its mission, the site reviewed uses various types of information systems, including several key systems and applications. The Federal Information Security Modernization Act of 2014 requires each Federal agency to develop, document, and implement an enterprise-wide cybersecurity program to protect systems and data that support the operations and assets of an agency, including those provided or managed by contractors. We initiated this audit to determine whether the site effectively managed its cybersecurity program in accordance with Federal and Department requirements.

The site had not implemented an effective cybersecurity program in accordance with Federal and Department requirements. Our review identified control weaknesses in 15 of 18 control families tested as described in National Institute of Standards and Technology Special Publication 800-53, Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations. The issues we identified were primarily related to the ineffective implementation of controls within the National Institute of Standards and Technology's program management family of controls. In particular, we tested 10 program management controls and determined that 6 were not effectively implemented. For instance, the site had not fully implemented a cybersecurity risk management strategy that required the Authorizing Official [1] to provide explicit approval for deviations from the control baseline even though risk acceptance was required to be documented and formally accepted. In addition, we determined that the Authorizing Official had inappropriately granted an authorization to operate the site's enclaves at the cybersecurity program level rather than the system, enclave, or authorization boundary level, as required. We also

noted that the authorization to operate was based on an inadequate assessment of the site's security control environment. Further, a lack of developed policies, procedures, and plans also contributed to many of the weaknesses identified. To their credit, site officials had created several plans of actions and milestones to assist in managing, assessing, prioritizing, monitoring, and remediating known cybersecurity weaknesses. In addition, officials made improvements to address weaknesses identified throughout our review. However, without a fully designed and effectively implemented cybersecurity program, the site's information and systems may be exposed to a higher-than-necessary level of risk of compromise, loss, modification, or non-availability. In addition, if the Authorizing Official is not fully aware of all known risks and plans for addressing those risks, they may not be adequately prioritized and addressed in a timely manner.

To help improve the management of the site's cybersecurity program, we issued a detailed report to Department management that included a total of 15 recommendations. Management concurred with the recommendations and indicated that corrective actions were planned or in process to address the issues identified in the report. Due to the sensitive nature of the vulnerabilities identified during our audit, the report issued to the Department was for Official Use Only. We provided site and program officials with detailed information regarding vulnerabilities that we identified. (DOE-OIG-22-05)

The Federal Energy Regulatory Commission's Unclassified Cybersecurity Program — 2021

FERC regulates the wholesale and interstate transmission of the Nation's electricity and natural gas and the pipeline transportation of oil. Further, FERC establishes standards to protect the reliability and cybersecurity of the bulk-power system. Given its mission and responsibilities, FERC's information technology environment must be reliable and protected against attacks from malicious sources. The Federal Information Security Modernization Act of 2014 establishes requirements for Federal agencies to develop, implement, and manage agency-wide information security programs to ensure that information technology resources are adequately protected. In response to the Federal Information Security Modernization Act of 2014 mandate, the OIG contracted with KPMG LLP to assist in the assessment of FERC's unclassified cybersecurity program. The objective of the evaluation was to determine whether FERC's unclassified cybersecurity program adequately protected its data and information systems. This report presents the results of that evaluation for FY 2021. FERC's unclassified cybersecurity program was effective overall. In addition, based on the results of the test work, we determined that FERC had achieved a calculated maturity level of "managed and measurable" in eight security domains. Based on FY 2021 test work performed by KPMG LLP, nothing came to our attention to indicate that attributes required by OMB and the National Institute of Standards and Technology were not incorporated into FERC's unclassified cybersecurity program for each of the major topic areas tested.

Because nothing came to our attention that would indicate significant control weaknesses in the areas tested by KPMG LLP, we did not make any recommendations or suggested actions relative to this evaluation. (DOE-OIG-22-07)

The Department of Energy's Implementation of the Cybersecurity Information Sharing Act of 2015

The Cybersecurity Information Sharing Act of 2015 (Cybersecurity Act) was signed into law in December 2015 to improve the Nation's cybersecurity through enhanced information sharing related to cybersecurity threats. The law authorizes sharing of classified and unclassified cyber threat indicators and defensive measures among Federal agencies and with properly cleared private sector representatives. In addition, the Cybersecurity Act requires the OIG to report to Congress at least every 2 years on the sufficiency of information-sharing policies, procedures, and guidelines. As such, we participated in a joint review led by the OIG of the Intelligence Community to assess efforts by seven executive agencies, including the Department, to implement Cybersecurity Act requirements related to policies and procedures, information sharing, and barriers. The objective of this evaluation was to determine the Department's actions taken from CY 2019 through CY 2020 to implement the requirements of the Cybersecurity Act.

This report summarizes the results of our review of the Department's implementation efforts. We determined that the Department had taken the actions necessary to implement the requirements of the Cybersecurity Act. Specifically, we found that policies and procedures related to the sharing of cyber threat indicators were sufficient and included requirements for the removal of personally identifiable information. In addition, we found that the Department had not authorized security clearances for the purpose of sharing threat indicators and defensive measures with the private sector. Based on information provided, we found that over 9 million threat indicators and defensive measures were shared by DHS with the Department from CY 2019 through CY 2020. We also determined that the Department shared over 7.6 million data items with the Department of Homeland Security from CY 2019 through CY 2020. However, officials indicated that the classification of cyber threat information could potentially affect the sharing of threat indicators and defensive measures.

Considering the Department's continued implementation of the Cybersecurity Act, we did not make formal recommendations for improvement. (DOE-OIG-22-22)

The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2021

This report contains Official Use Only content and is unavailable for public release. (DOE-OIG-22-23)

DATA ANALYTICS

The Department's contractors manage Government-owned facilities and conduct much of the Department's mission. Because the Department and the OIG have unlimited access to these Government-owned facilities and systems, the use of data analytics should be increasing at a substantial rate. The OIG's Data Analytics Division has quickly established its leadership role in this critical area and was a vital team member working on more than 26 audits, inspections, and investigations so far in fiscal year (FY) 2022.

The Data Analytics Division is also driving innovation by conducting proactive analyses. To date in FY 2022, the division has designed and conducted 11 proactive projects related to areas such as CARES Act, Small Business Innovative Research (SBIR) grants, subcontracts, collusion, and contractor overtime. These analyses were aimed at producing leads or referrals for consideration by Audits, Inspections, and Investigations.

In addition, the Data Analytics Division has worked with the Department to identify more than 230 federally owned, contractor-operated business systems across the Department complex. These systems contain data that will enhance the performance of analyses focused on identifying and reducing fraud, waste, and abuse by Federal employees and contractors. As a follow-up to the September 30, 2021 *Semiannual Report to Congress*, we have made progress with the Department on electronic data access. During this reporting period, the OIG renewed its request for data dictionaries and walk-throughs of contractor systems, and to date, the OIG has completed walk-throughs for 115 systems, and has obtained data dictionaries for 65 systems. Additionally, the OIG and the Department have formed a working group to develop protocols for OIG access to electronic records. We will continue to describe our progress accessing these systems and comment on any remaining impediments in future semiannual reports.

INVESTIGATIONS

INVESTIGATIVE OUTCOMES

All OIG investigations that result in a reportable outcome are disclosed to the public in our *Semiannual Report to Congress*. The following table includes reportable outcomes during the period from October 1, 2021, through March 31, 2022.

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Civil Settlement in False Claims Investigation

MOX Services LLC, a Department prime contractor at the Savannah River Site, entered into a \$10 million Civil Settlement with the U.S. Department of Justice (DOJ) to resolve a Federal False Claims Act lawsuit previously filed against the contractor for making false claims to NNSA. As previously reported in the March 31, 2019, and September 30, 2019, *Semiannual Report to Congress*, the OIG investigation determined that MOX Services LLC allowed Wise Services Inc., a subcontractor, to process and receive payment for thousands of invoices, totaling more than \$6.4 million, for materials that were neither necessary nor delivered to the NNSA. Further, Wise Services Inc.'s senior representative for this contract provided kickbacks to select MOX Services LLC officials in exchange for favorable treatment. The DOJ press release can be found [here](#).

Sentencing, Guilty Plea, and Indictment in Theft of Government Property Case

A former Department vendor was sentenced in the U.S. District Court for the District of Colorado to 15 months of imprisonment and 3 years of supervised release and was ordered to pay restitution in the amount of \$120,532 and a \$100 special assessment, after previously pleading guilty to one count of Theft of Government Property. A former contractor employee of the Western Area Power Administration (WAPA) also pleaded guilty in the same District to one count each of Wire Fraud and Aiding and Abetting a Felony after being charged by Information. This contractor employee submitted a

combined total of over \$879,000 in fictitious transactions and received over \$652,000 in kickbacks. Another vendor was indicted on six counts of Wire Fraud in the same District, having allegedly charged over \$179,314 in fictitious transactions. As previously reported in the March 31, 2020, September 30, 2020, March 31, 2021, and September 30, 2021, *Semiannual Report to Congress*, the investigation determined that numerous Department vendors participated in a fictitious billing scheme, conspiring with a Department contractor employee tasked with inventory management duties at a Department-owned warehouse. The warehouse employee allegedly submitted fictitious purchase orders to the vendor companies to order goods for the warehouse. Most of the goods ordered from the vendor companies were never received by the warehouse, and the proceeds from the purchases were allegedly stolen by the warehouse employee and vendors involved in the scheme. This is a joint investigation with the Federal Bureau of Investigation (FBI) and General Services Administration OIG.

Global Settlement in False Claims Investigation

HPMC Hanford's occupational health services provider, entered into a settlement agreement to resolve criminal and civil liability pertaining to a fraudulent \$1,344,700 Paycheck Protection Program (PPP) loan. As part of the settlement agreement, HPMC entered into a corporate deferred prosecution agreement. HPMC must satisfy settlement agreement requirements, including: (1) HPMC will pay back twice the loan amount, totaling \$2,689,400, in restitution; (2) the owners of HPMC will personally pay an additional \$250,000 civil penalty; (3) HPMC will enter into a 3-year probationary period in which it may not commit any further criminal or civil offenses; and (4) HPMC agrees to undergo independent monitoring and auditing during the 3-year period at its own expense. As part of the global resolution, HPMC and its owners admitted that they knowingly provided materially false statements to the Small Business Administration in support of HPMC's application for forgiveness of the PPP loan by falsely stating that the PPP loan proceeds had been used for payroll and other eligible expenses when they had not been, with some funds being diverted to the owners personally. The OIG investigation determined that HPMC had received a \$1.4 million PPP loan for payroll forgiveness during COVID-19, even though HPMC had continuously been paid by the Department throughout COVID-19 and, therefore, did not need the loan. Additionally, the OIG's Office of Audits conducted an audit regarding the CARES Act and contractor paid leave. The audit found that the PPP loan HPMC had received was never used to cover any business operations, including payroll or other facility expenses. This was a joint investigation with the Small Business Administration OIG. The DOJ press release can be found [here](#).

Sentencing in Department Employee Misconduct/Cares Act Investigation

A former Energy Information Administration employee pleaded guilty and was sentenced in the U.S. District Court for the Southern District of Alabama to 30 days of incarceration, supervised release for 3 years with special conditions, restitution including interest in the amount of \$140,695, and a \$100 special assessment. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the former Energy Information Administration employee was indicted for Wire Fraud and Conspiracy to Commit Wire Fraud. The OIG investigation determined that the former Energy Information

Administration employee, who resigned prior to adjudication, fraudulently applied for an Economic Injury Disaster Loan from a Department-controlled Internet Protocol address while teleworking in Mobile, Alabama. The former employee received an Economic Injury Disaster Loan in the amount of \$129,800 for a personal business and an additional cash advance in the amount of \$4,000 by falsely claiming that the business had four employees. The employee admitted to reporting fraudulent revenue and cost of goods on the online application.

Sentencing in Theft of Government Funds Investigation

A former SNL contractor employee was sentenced in the U.S. District Court for the District of New Mexico to 21 months of confinement and 3 years of probation, and was ordered to pay \$136,107 in restitution, a \$400 special assessment, and forfeited items seized by the OIG as part of the investigation. As previously reported in the March 31, 2019, and September 30, 2021, *Semiannual Report to Congress*, the former SNL contractor employee pleaded guilty to two counts of Theft of Government Funds and two counts of Mail Fraud. The investigation determined that the former SNL contractor employee submitted false purchase card reconciliation descriptions for approximately \$150,000 in purchases for personal gain. The purchases were made on the former SNL contractor employee's Government-issued purchase card. The DOJ press release from the guilty plea can be found [here](#).

Sentencing in Grant Fraud Investigation

A Department grant recipient and co-owner of a scientific research company was sentenced in the U.S. District Court for the Eastern District of Kentucky to 6 months of incarceration, 6 months of home detention, and 3 years of supervised release after pleading guilty to one count of Conspiracy to Commit Wire Fraud and two counts of Wire Fraud. Included in the sentencing judgment was the forfeiture of seven seized financial accounts, totaling \$127,032, which were seized via previously issued seizure warrants. The grant recipient was also referred to the Department for debarment action. As previously reported in the September 30, 2020, March 31, 2021, and September 30, 2021, *Semiannual Report to Congress*, the recipient and other co-owners of the company were indicted in the same district on 15 counts of Conspiracy, Wire Fraud, Money Laundering, False Claims and Forfeiture, and were subject to criminal forfeiture. Additionally, as a result of the OIG investigation, four scientific research companies owned by the two subjects were suspended from receiving Federal assistance. The investigation determined the co-owners collectively received approximately \$1.2 million in Department SBIR and Small Business Technology Transfer grant awards and provided false information in their proposals and subsequent close-out documents. This is an ongoing joint investigation with the Environmental Protection Agency OIG and Defense Criminal Investigative Service.

Sentencing in Environmental Crimes Investigation

A Department grantee under the Small Business Technology Transfer program was sentenced to 3 years of probation and fined \$50,000, with a \$400 special assessment, after pleading guilty in the U.S. District Court for the Southern District of Texas to the Illegal

Storage of Hazardous Waste. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the investigation determined the grantee failed to properly dispose of environmental waste while operating under various grants from the Department and U.S. Department of Defense. The grantee was also referred to the Department for a debarment action. This was a joint investigation with the Environmental Protection Agency Criminal Investigation Division and Defense Criminal Investigative Service.

Sentencing in Intent to Distribute Cocaine Investigation

A former subcontractor employee of the M&O contractor for the Savannah River Site was sentenced in the U.S. District Court for the District of South Carolina to time served, 10 months of home confinement, supervised release for 3 years with special conditions, and 100 hours of community service, with a \$100 special assessment, after pleading guilty to one count of Possession of a Controlled Substance with the Intent to Distribute, pursuant to an Indictment filed in that same district. As previously reported in the September 30, 2020, March 31, 2021, and September 30, 2021, *Semiannual Report to Congress*, the OIG investigation determined that the employee, when attempting to exit Savannah River Site at a vehicle barricade post, possessed 73 grams of cocaine, packaged for individual sale, and \$4,382 in cash in varying denominations, which was subject to asset forfeiture.

Conviction in Entry by False Pretenses and Impersonating a Government Official Investigation

An individual with no connection to the Department was found guilty after trial of one count of Entry by False Pretenses and not guilty of one count of False Personation. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the OIG investigation determined the individual falsely identified himself as a Department employee to gain access to a secure area of the Port of Albany, New York, where he photographed proprietary equipment and operations of a Department subcontractor. The photographs were subsequently included as exhibits in a patent infringement lawsuit filed against the subcontractor. The DOJ press release can be found [here](#).

Guilty Plea and Sentencing in Attempted Theft Investigation

A former contractor employee at the Portsmouth Gaseous Diffusion Plant in Piketon, Ohio, was sentenced in the Pike County, Ohio Court of Common Pleas to 3 years of probation after pleading guilty to one count of Theft. As previously reported in the September 30, 2020, March 31, 2021, and September 30, 2021, *Semiannual Report to Congress*, the former employee was terminated for theft of Government property. The former employee was observed by Protective Force personnel placing Government property into the trunk of a personal vehicle and attempting to exit the protected area of the Portsmouth Gaseous Diffusion Plant. Protective Force personnel stopped the former employee and recovered the stolen property, which amounted to \$4,629. The Pike County Sheriff's Office responded to the scene and arrested the former employee for theft. The former employee admitted to removing the property without permission and further admitted to a continuing pattern of theft spanning the last 9 years.

Guilty Plea in False Claims Investigation

A former SNL subcontractor employee pleaded guilty to 28 counts of False Claims in the U.S. District Court for the District of New Mexico. As part of the plea agreement, the former subcontractor agreed to pay restitution in the amount of \$70,125 for violations related to the false claims. As previously reported in the March 31, 2020, *Semiannual Report to Congress*, the OIG investigation found that from July 2015 through February 2017, the former subcontractor submitted false claims to SNL for air particle count monitoring and cleaning services not performed.

Guilty Plea in Grant Fraud Investigation

A Department grant recipient, the owner and chief executive officer of a not-for-profit organization that received Department Weatherization Assistance Program funds through the State of Illinois Department of Commerce and Economic Opportunity (DCEO), pleaded guilty in the U.S. District Court for the Northern District of Illinois to one count of Wire Fraud. As previously reported in the September 30, 2020, and September 30, 2021, *Semiannual Report to Congress*, the grant recipient was indicted in the U.S. District Court for the Northern District of Illinois on 15 counts of Wire Fraud and Bank Fraud. The OIG investigation revealed that the grant recipient submitted multiple misrepresentations to the DCEO to obtain three grants, including two grants funded with Department funds. The grant recipient also made false statements to the DCEO in the form of grantee status reports, claiming grant funds were being spent in accordance with previously approved budgets when in fact substantial quantities of the grant funds had been fraudulently converted for personal use. The investigation found that the former subcontractor fraudulently converted \$261,476 from multiple DCEO grants by making materially false statements, some of which were done using an interstate wire communication. This was a joint investigation with the FBI.

Guilty Plea in Theft of Government Funds Investigation

A former NNSA contract employee of the Kansas City National Security Campus pleaded guilty in the U.S. District Court for the Western District of Missouri to one count of Theft of Government Funds. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the OIG investigation found that the former employee, who was arrested in the same district pursuant to an Indictment, falsified numerous timecards from August 2019 through May 2020, claiming 667 hours on the employee's timesheet for work the employee did not perform, which resulted in a loss of approximately \$30,164. Additionally, the former employee was terminated by the Kansas City National Security Campus, and NNSA was reimbursed the employee's fully burdened wage rate of \$85,175 as a result of the improperly recorded hours.

Civil Settlement in Grant Fraud Investigation

Two Department grantees and their owner entered into a \$541,531 civil settlement with the DOJ to resolve allegations that the parties violated the False Claims Act. The grantees received multiple SBIR grants from the Federal Government, including grants from the Department. As previously reported in the March 31, 2020, *Semiannual Report to Congress*, the OIG investigation determined the grantees submitted multiple false certifications to the

Department, the Department of Health and Human Services, and the National Aeronautics and Space Administration to receive SBIR funds which they were ineligible to receive. As a result of the investigation, the Department terminated a Cooperative Agreement with the parties, valued at \$2,441,195, consisting of \$1,891,382 of Federal share. This was a joint investigation with the Department of Health and Human Services OIG and the National Aeronautics and Space Administration OIG.

Debarment Issued in Threats of Violence Investigation

In response to an IRM, NNSA's Office of Acquisition and Project Management debarred a former LLNL contractor employee for a period of 5 years. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the former contractor made credible threats against LLNL employees and the LLNL's National Ignition Facility and had the means to carry out these acts of violence. Additionally, the former contractor admitted he was addicted to child pornography and would hurt children if he came into contact with them. This was a joint investigation with the FBI and Livermore Police Department.

Debarment of Former NNSA Subcontract Employee and Two Former NNSA Prime Contract Employees

A former NNSA subcontractor employee and two former NNSA prime contractor employees were each debarred from Government-contracting for a period of 4 years. As previously reported in the March 31, 2020, September 30, 2020, and March 31, 2021, *Semiannual Report to Congress*, the OIG investigation determined two former prime contractor construction superintendents conspired with a subcontractor electrician to steal over 4,400 pounds of copper wire from the Y-12 National Security Complex in Oak Ridge, Tennessee. The former subcontractor employee was sentenced to 5 years of probation, and the former superintendents were each sentenced to 2 years of probation. All three were ordered to pay a \$100 special assessment and collective restitution of \$51,176.

Debarment in SBIR Fraud Investigation

A Department grantee, the grantee's spouse, and their company were debarred for a period of 3 years. As previously reported in the September 30, 2017, March 31, 2020, September 30, 2020, and March 31, 2021, *Semiannual Report to Congress*, the grantee pleaded guilty in the U.S. District Court for the District of Delaware to one count of Wire Fraud and was sentenced to 2 years of supervised release and a \$50,000 fine. The OIG investigation determined that from 2009 through 2018, the grantee obtained more than 30 SBIR awards from numerous Federal agencies, totaling over \$11 million, including one Phase I SBIR award from the Department totaling approximately \$225,000. The grantee submitted numerous false statements in award applications and forged letters of support and collaboration. In addition to the guilty plea, the grantee entered into a civil settlement in which the grantee will pay \$700,000 in damages to the Government for violations of the Civil False Claims Act. This was a joint investigation with the National Science Foundation OIG, National Aeronautics and Space Administration OIG, Defense Criminal Investigative Service, Naval Criminal Investigative Service, and Air Force Office of Special Investigations.

Voluntary Exclusion in Grant Fraud Investigation

A Department grantee who also received funds from the U.S. Army entered into a voluntary exclusion agreement with the Government. The grantee and its president voluntarily agreed to exclusion from Federal procurement and non-procurement programs for a period of 2 years. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the company entered into a \$500,000 Civil Settlement Agreement with the U.S. Attorney's Office for the Western District of Michigan, to resolve civil claims arising from the submission of false certifications pertaining to the use of foreign national labor, third party consultants, and the use of a principal investigator in connection with two U. S. Army SBIR awards. The OIG investigation determined that the company engaged in similar fraudulent behavior on three Department SBIR awards. This was a joint investigation with the U.S. Army Criminal Investigation Command. The DOJ press release can be found [here](#).

Contractor Employee Terminated in Sexual Abuse Investigation

In response to an OIG referral, a contractor construction employee at the Fluor Idaho site was terminated. A criminal complaint was filed against the contractor employee in the District Court for the Sixth Judicial District of the State of Idaho, charging the contractor employee with Sexual Abuse of a Minor. The investigation was conducted by the U.S. Department of Homeland Security and the Idaho State Police, who referred the matter to the OIG for potential administrative remedies.

Retirement in Lieu of Administrative Action in Bribery Investigation

In response to an IRM, the Department's Office of Management informed the OIG that it had concluded administrative actions were warranted against an employee involved in a bribery and kickback investigation up to, and including, removal from Federal service; however, the employee retired before the matter could be administratively adjudicated. The OIG investigation determined that the employee, while acting as a contracting officer's representative, solicited and accepted sports tickets from a vendor sales representative on multiple occasions over a 3-year period and further engaged in discussions concerning monetary payments in connection with future purchasing activities.

Employee Dismissed for Outside Business Agreement Violations

An LLNL contractor employee was issued a Notice of Dismissal letter for violating LLNL's Outside Business Agreement after having previously been issued a Notice of Investigatory Leave letter for the same offense. The OIG investigation determined the former LLNL employee admitted to violating LLNL's policy on Outside Business Activity by conducting outside, non-governmental business during work hours. Additionally, the LLNL employee admitted to receiving Government discounts for outside business from vendors due to the employee's employment status with LLNL.

Western Area Power Administration Employee Terminated

In response to an OIG referral, WAPA terminated an employee for Conduct Unbecoming a Federal Employee, Inappropriate Conduct, Inaccurately Recording Time and Attendance,

and Absence Without Leave. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the employee made threats against Government officials, including the U.S. President and a U.S. Senator. No threats were made against the Secretary of Energy, Deputy Secretary, or any other Department personnel or facility. The employee was arrested by local authorities following a domestic violence dispute. The incident occurred on a telework day when the former employee falsely claimed work hours and failed to disclose the incident to management.

Security Clearance Denied in Time and Attendance Fraud Investigation

In response to an IRM, the Department denied a Sensitive Compartmented Information Security Clearance for an Office of Secure Transportation employee. As previously reported in the September 30, 2019, *Semiannual Report to Congress*, the OIG investigation determined that the Office of Secure Transportation employee submitted time and attendance claims for 1,296 hours, valued at \$85,063, for work that could not be substantiated. The employee served a 14-day unpaid suspension and was placed on an unclassified detail until the security clearance could be adjudicated.

Funds Returned to the Department in Contract Fraud Investigation

The OIG was notified that an energy service company contractor repaid the Argonne National Laboratory \$413,993 for overcharges in construction financing period interest. The overcharges exceeded the actual cost of third-party financing that the company incurred from the relevant finance company. The OIG investigation found the company engaged in price fixing, product substitution, and false claims to the U.S. Government, as well as other improper activities conducted in multiple locations, domestically and overseas. The repayment is to compensate the Department for excess amounts already paid and to compensate the Government for anticipated future overpayments. This is an ongoing joint investigation with the Department of Veteran's Affairs OIG, General Services Administration OIG, Defense Criminal Investigative Service, and Naval Criminal Investigative Service.

Administrative Compliance Agreement in Fraudulent Invoice Scheme

A former contractor employee entered into an Administrative Compliance Agreement with the Department. As previously reported in the September 30, 2020, *Semiannual Report to Congress*, the OIG investigation determined that the former contractor employee embezzled from a Bonneville Power Administration contract. The former contractor employee confessed to the scheme and provided Department management with a check for \$12,000, of which \$9,878 was attributed to the embezzled amount.

Administrative Recovery in Theft of Government Property Investigation

In response to an IRM, the Department's Bay Area Site Office Manager informed the OIG that the Department concurred with all IRM recommendations in a theft of Government property investigation involving a Lawrence Berkeley National Laboratory (LBNL) employee. Specifically, the Site Manager advised that LBNL completed the following personnel actions: removed all buying and purchasing authority from the employee;

imposed a last chance agreement with the employee outlining that any additional misconduct will result in termination; and issued a 1-week unpaid suspension to the employee. Additionally, the Site Manager advised that LBNL return \$3,196, the value of the computer equipment utilized for personal purposes, back to the Department; (2) conduct an audit of self-approved purchases; and (3) add language to the LBNL procurement system which requires users to acknowledge purchases are for business needs only. As previously reported in the September 30, 2020, and March 31, 2021, *Semiannual Report to Congress*, the OIG investigation determined that the LBNL employee used Government funds to purchase items for personal use through the LBNL procurement system. During the investigation, the OIG seized computer-related equipment from the personal residence of the LBNL employee, who admitted the items were intended for personal use.

INVESTIGATIONS INVOLVING SENIOR GOVERNMENT EMPLOYEES

During the reporting period from October 1, 2021, through March 31, 2022, the following investigations that involved a senior government employee at the GS-15 level or above were conducted by the Office of Investigations.

FACTS AND CIRCUMSTANCES	STATUS AND DISPOSITION	REFERRED TO THE DEPARTMENT OF JUSTICE	DEPARTMENT OF JUSTICE DECLINATION
Allegation of participation in unauthorized outside activities by political appointee.	Closed; unsubstantiated.	Yes	June 3, 2021
Allegation of restricted financial transactions/ownership by political appointee.	Closed; unsubstantiated.	Yes	Sept. 17, 2021
Allegation of unauthorized disclosure of business sensitive information by GS-15 employee.	Closed; unsubstantiated.	Yes	Mar. 31, 2022
Allegation of violation of post-employment restrictions by former SES employee.	Closed; unsubstantiated.	Yes	Sept. 27, 2021
Allegation of violation of post-employment restrictions by former SES employee.	Closed; unsubstantiated.	No	N/A

INVESTIGATIONS INVOLVING UNAUTHORIZED PUBLIC DISCLOSURE OF CLASSIFIED INFORMATION

Pursuant to the requirement of Section 6718 of the National Defense Authorization Act, during the reporting period from October 1, 2021, through March 31, 2022, the Office of Investigations included the following reports:

The number of investigations opened regarding an unauthorized public disclosure of classified information.	None
The number of investigations completed regarding an unauthorized public disclosure of classified information.	None
Of the number of such completed investigations identified under subparagraph (B), the number referred to the Attorney General for criminal investigation.	Not Applicable

OFFICE OF COUNSEL AND ADMINISTRATIVE REMEDIES DIVISION

SUSPENSION AND DEBARMENT

During the reporting period from October 1, 2021, through March 31, 2022, the OIG promulgated a new policy for suspension and debarment referrals. Highlights of this new policy include measures designed to ensure every warrant, charging document, conviction, and civil judgment receives a review for potential use in a suspension or debarment referral. The new policy establishes clear lines of responsibility for all stages involved in producing a suspension or debarment referral and contains several job aids for OIG personnel. The Administrative Remedies Division complemented the new policy with in-depth training on suspension and debarment designed to meet the needs of specific groups of OIG staff.

Under this new policy, the OIG sent the Department 19 referrals for suspension or debarment during this reporting period. These referrals went to both the Department and NNSA and used both the FAR and non-procurement debarment authorities. OIG referrals include a former Department employee who engaged in COVID-19 relief fraud using a Department-issued laptop, an individual who submitted fraudulent statements to receive SBIR grants, and a former contractor employee who improperly accessed a lab to spread animal organs and a substance resembling blood after termination from the site. OIG staff also provided technical support to interagency suspension and debarment projects designed to enhance the Government-wide suspension and debarment system.

SUBSTANTIVE ACTIONS TAKEN BY DEPARTMENT MANAGEMENT IN RESPONSE TO OIG REPORTS AND INVESTIGATIONS

During the reporting period from October 1, 2021, through March 31, 2022, the Department took positive actions as a result of OIG work conducted during the current or previous periods:

- ❖ In response to an IRM, the NNSA Office of Acquisition and Project Management debarred a former LLNL contractor employee for a period of 5 years. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the former contractor made credible threats against LLNL employees and the LLNL's National Ignition Facility and had the means to carry out these acts of violence. This was a joint investigation with the FBI and Livermore Police Department.
- ❖ In response to an OIG referral, WAPA terminated an employee for Conduct Unbecoming a Federal Employee, Inappropriate Conduct, Inaccurately Recording Time and Attendance, and Being Absent Without Leave. As previously reported in the September 30, 2021, *Semiannual Report to Congress*, the employee made threats against Government officials, including the U.S. President and a U.S. Senator. No threats were made against the Secretary of Energy, Deputy Secretary, or any other Department personnel or facility. The employee was arrested by local authorities following a domestic violence dispute. The incident occurred on a telework day when the former employee falsely claimed work hours and failed to disclose the incident to management.
- ❖ The Department reported that it had reached a settlement for the collection of \$144,874 from Bechtel Jacobs Company, LLC to resolve questioned costs from our assessment of *Audit Coverage for Cost Allowability for Bechtel Jacobs Company, LLC under Department of Energy Contract No. DE-AC05-98OR22700 during Fiscal Year 2011* (OAS-V-14-17, September 2014). Our assessment found that Bechtel Jacobs Company, LLC did not conduct or arrange for audits of its subcontracts when costs incurred were a factor in determining the amount payable to the subcontractor, as required by its contract.
- ❖ The Department instructed Savannah River Nuclear Solutions (SRNS) to follow procurement requirements when noncompetitively acquiring affiliate personnel services. Specifically, the Department instructed SRNS to determine that the affiliate is the sole-source of needed expertise and that the services are obtained at fair and reasonable prices in accordance with DEAR 970.4402-3. In our audit, *Use of Noncompetitive Procurements to Obtain Services at the Savannah River Site* (DOE/IG-0862, April 2012), we found that SRNS had not demonstrated, in most cases, that the affiliates were the only source capable of providing the expertise necessary to

perform the needed services, a prerequisite for noncompetitive awards to affiliate companies. We also found that SRNS had not performed cost analyses to ensure the reasonableness of the cost of affiliate personnel services, as required.

- ❖ As a result of the inspection report, *Allegations regarding Management Conduct Within the Office of Economic Impact and Diversity* (DOE-OIG-22-18), the Department directed the former Director of that Office to reimburse funds. Our efforts under this inspection resulted in finding a net of \$14,129.93 in questioned costs incurred by the former Director. The former Director has submitted repayment in the amount of \$5,534.54, and still has an outstanding balance of \$8,595.39.
- ❖ A former NNSA subcontractor employee and two former NNSA prime contractor employees were each debarred from Government contracting for a period of 4 years. As previously reported in the March 31, 2020, September 30, 2020, and March 31, 2021, *Semiannual Report to Congress*, the OIG investigation determined two former prime contractor construction superintendents conspired with a subcontractor electrician to steal over 4,400 pounds of copper wire from the Y-12 National Security Complex in Oak Ridge, Tennessee. The former subcontractor employee was sentenced to 5 years of probation, and the former superintendents were each sentenced to 2 years of probation. All three were ordered to pay a \$100 special assessment fee and collective restitution of \$51,176.
- ❖ As a result of the inspection report, *Allegations of Conflict of Interest at the Department of Energy's Office of Aviation Management* (DOE-OIG-21-36), management took corrective actions to close all report recommendations. In particular, the Office of Management, in consultation with the Office of General Counsel, reviewed the position descriptions for Office of Aviation Management personnel. This review resulted in the amendment of the position description for the Office of Aviation Management Director to remove the collateral duty of serving as a pilot for the Department's aviation programs. It is important for the Office of Aviation Management to adhere to ethical guidelines due to its oversight role of the Department's aviation programs and to mitigate potential conflicts of interest and ethical risks in accordance with those guidelines.
- ❖ Our financial testing during the *Fiscal Year 2021 Consolidated Financial Statement Audit* confirmed that corrective actions had been taken to address at least 10 recommendations identified during the prior year's audit. As a result of actions taken by Department officials, improvements were made in financial management areas related to financial reporting, environmental liabilities, nuclear materials, and procurement, among others.

COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL

INTERFERENCE WITH INSPECTOR GENERAL INDEPENDENCE

During the reporting period from October 1, 2021, through March 31, 2022, the Department did not interfere with OIG independence nor deny funding to OIG activities.

RESISTANCE TO OVERSIGHT ACTIVITIES OR RESTRICTED/SIGNIFICANTLY DELAYED ACCESS

During the reporting period from October 1, 2021, through March 31, 2022, the Department did not interfere with OIG independence by restricting or significantly delaying access to data. However, as described below under Data Analytics, the OIG continues to engage with the Department on broader and more complete access to electronic data.

COMMENTS NOT PROVIDED BY THE DEPARTMENT WITHIN 60 DAYS

During the reporting period from October 1, 2021, through March 31, 2022, the Department failed to provide comments on the following report within 60 days.

DATE ISSUED	REPORT TITLE	LENGTH OF TIME TO RECEIVE COMMENTS
Ongoing	<i>Fire Protection Concerns at the Waste Isolation Pilot Plant</i>	80

REPORTS LACKING MANAGEMENT DECISION

During the reporting period from October 1, 2021, through March 31, 2022, there were no audit or inspection reports lacking a management decision over 6 months.

DISAGREEMENT WITH MANAGEMENT DECISION

During the reporting period from October 1, 2021, through March 31, 2022, the OIG disagreed with the management decision for the following reports.

DATE ISSUED	REPORT TITLE	STATUS
July 22, 2021	<i>Protective Force Program at a Select National Nuclear Security Administration Site</i> (DOE-OIG-21-33) This report is Official Use Only and unavailable for public viewing.	A management decision has been received, and we disagree with the management decision; however, we are still working it through the Department's resolution process.
Dec. 21, 2021	<i>Subcontract Administration at the Kansas City National Security Campus</i> (DOE-OIG-22-15)	A management decision has been received, and we disagree with the management decision; however, we are still working it through the Department's resolution process.
Dec. 21, 2021	<i>Sandia National Laboratories Subcontract Closeout Process</i> (DOE-OIG-22-16)	A management decision has been received, and we disagree with the management decision; however, we are still working it through the Department's resolution process.
Feb. 8, 2022	<i>Los Alamos National Laboratory Steam Plant Energy Savings Performance Contract – Phase One</i> (DOE-OIG-22-26)	A management decision has been received, and we disagree with the management decision; however, we are still working it through the Department's resolution process.

RECOMMENDATIONS NOT IMPLEMENTED

The following table identifies 58 reports with a total of 160¹ recommendations which were agreed to by the Department but have not been implemented as of March 31, 2022. The total potential cost savings associated with these reports is \$920,571,300. The OIG is committed to working with management to expeditiously address the management decision and corrective action process, recognizing that certain initiatives will require long-term, sustained, and concerted efforts. [Non-hyperlinked reports are not available on the OIG website.]

DATE ISSUED	REPORT TITLE	TOTAL # OF OPEN RECS ²	POTENTIAL MONETARY BENEFIT ³
Dec. 17, 2007	<i>Beryllium Surface Contamination at the Y-12 National Security Complex</i> (IG-0783)	1	
Nov. 13, 2009	<i>Management Controls over Selected Aspects of the Department of Energy's Human Reliability Program</i> (OAS-M-10-01)	1	
Apr. 10, 2012	<i>Use of Noncompetitive Procurements to Obtain Services at the Savannah River Site</i> (IG-0862)	2	
June 24, 2013	<i>Mitigation of Natural Disasters at Los Alamos National Laboratory</i> (OAS-M-13-04)	1	
Feb. 14, 2014	<i>The Technology Transfer and Commercialization Efforts at the Department of Energy's National Laboratories</i> (OAS-M-14-02)	1	
June 22, 2015	<i>The Department of Energy's Implementation of the Pilot Program for Agreements for Commercializing Technology</i> (OAS-M-15-04)	1	
July 10, 2015	<i>The National Nuclear Security Administration's Management of Support Service Contracts</i> (OAS-M-15-05)	1	
Sept. 3, 2015	<i>The Department of Energy's Management of Electronic Mail Records</i> (DOE/IG-0945)	1	

¹Those recommendations that are not agreed to by management are not tracked by the Department as open/unimplemented recommendations. Since 2007, the Department has only failed to agree on 10 recommendations issued by the OIG.

² A single recommendation in our reports may often be addressed to multiple program elements. The total number of open recommendations will include any recommendation that has not been corrected by at least one of the program elements.

³ The Potential Monetary Benefits identified are representative of reports with open recommendations rather than individual recommendations. These amounts include funds that could be used more efficiently by implementing the recommended actions as well as other unresolved or questioned costs. Based on our experience, significant portions of unresolved and questioned costs are ultimately determined to be allowable by contracting officials.

Department of Energy Office of Inspector General
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DATE ISSUED	REPORT TITLE	TOTAL # OF OPEN RECS ²	POTENTIAL MONETARY BENEFIT ³
Sept. 9, 2015	<u>Assessment of Audit Coverage of Cost Allowability for Sandia Corporation During Fiscal Year 2013 Under Department of Energy Contract No. DE-AC04-94AL85000</u> (OAS-V-15-03)	1	\$2,569,251
Apr. 26, 2017	<u>Department of Energy's West Valley Demonstration Project</u> (DOE-OIG-17-05)	1	
Oct. 31, 2018	<u>The Department of Energy's Funds Distribution System 2.0</u> (DOE-OIG-19-03)	1	
Feb. 14, 2019	<u>Allegations Regarding Southwestern Power Administration's Procurement of the Pathways Core Training</u> (DOE-OIG-19-16)	1	\$17,349
Mar. 28, 2019	<u>Preparedness for Firefighting Response at Los Alamos National Laboratory</u> (DOE-OIG-19-23)	1	
Mar. 29, 2019	<u>Audit Coverage of Cost Allowability for Sandia Corporation During Fiscal Years 2014 and 2015 Under Department of Energy Contract No. DE-AC04-94AL85000</u> (DOE-OIG-19-24)	1	\$5,583,067
May 20, 2019	<u>Mitigation of Risks from Natural Disasters at Lawrence Berkeley National Laboratory</u> (DOE-OIG-19-32)	1	
June 7, 2019	<u>Security over Industrial Control Systems at Select Department of Energy Locations</u> (DOE-OIG-19-34)	1	
June 10, 2019	<u>The Department of Energy's Management of the ActioNet Information Technology Support Contract</u> (DOE-OIG-19-35)	1	\$294,000,000
June 25, 2019	<u>Management of Consultant Services at Los Alamos National Laboratory</u> (DOE-OIG-19-36)	1	\$324,498
Dec. 19, 2019	<u>Audit Coverage of Cost Allowability for Honeywell Federal Manufacturing & Technologies, LLC from October 1, 2014, to September 30, 2015, Under Department of Energy Contract No. DE-NA0000622, and from October 1, 2015, to September 30, 2017, Under Department of Energy Contract No. DE-NA0002839</u> (DOE-OIG-20-18)	1	
Dec. 26, 2019	<u>Audit Coverage of Cost Allowability for Los Alamos National Laboratory from October 1, 2013, to September 30, 2016, Under the Department of Energy Contract No. DE-AC52-06NA25396</u> (DOE-OIG-20-20)	1	\$8,458,966
June 1, 2020	<u>The Strategic Petroleum Reserve's Modernization Program</u> (DOE-OIG-20-43)	2	
June 8, 2020	<u>The Department of Energy's Management of Cleanup at the Paducah Site's C-400 Complex</u> (DOE-OIG-20-44)	1	
July 6, 2020	<u>The Department of Energy's Federal Employee Substance Abuse Testing Program</u> (DOE-OIG-20-46)	2	

Department of Energy Office of Inspector General
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DATE ISSUED	REPORT TITLE	TOTAL # OF OPEN RECS ²	POTENTIAL MONETARY BENEFIT ³
July 13, 2020	<u>Audit Coverage of Cost Allowability for Sandia Corporation, from October 1, 2015, through April 30, 2017, under the Department of Energy Contract No. DE-AC04-94AL85000</u> (DOE-OIG-20-48)	3	\$420,640,865
July 13, 2020	<u>Audit Coverage of Cost Allowability for Nuclear Waste Partnership, LLC, from October 1, 2014, to September 30, 2017, under the Department of Energy Contract No. DE-EM0001971</u> (DOE-OIG-20-49)	1	\$31,760,414
July 20, 2020	<u>The Department of Energy's Storage and Disposition of Explosives Material at Selected Sites</u> (DOE-OIG-20-50)	2	
July 20, 2020	<u>Small Business Subcontracting Requirements for Prime Contractors at the Hanford Site</u> (DOE-OIG-20-51)	1	\$63,800,000
Sept. 30, 2020	<u>Tank Waste Management at the Hanford Site</u> (DOE-OIG-20-57)	1	
Dec. 9, 2020	<u>Evaluation of the Aircraft Monitor and Control System's Nuclear Certification</u> (DOE-OIG-21-06)	2	
Dec. 14, 2020	<u>Contingency Planning Efforts for Information Technology Mission Support Systems at Selected Department of Energy Locations</u> (DOE-OIG-21-08)	2	
Jan. 19, 2021	<u>Personnel Security Clearances and Badge Access Controls for Separated Employees</u> (DOE-OIG-21-12)	4	
Feb. 1, 2021	<u>The Department of Energy's Wildland Fire Prevention Efforts at the Los Alamos National Laboratory</u> (DOE-OIG-21-13)	5	
Apr. 8, 2021	<u>Fiscal Year 2018 Evaluation of Incurred Cost Coverage at the Lawrence Berkeley National Laboratory</u> (DOE-OIG-21-21)	1	
Apr. 8, 2021	<u>Fiscal Year 2017 Evaluation of Incurred Cost Coverage at the SLAC National Accelerator Laboratory</u> (DOE-OIG-21-22)	1	\$107,600
Apr. 9, 2021	<u>Fiscal Year 2016 Evaluation of Incurred Cost Coverage at the Pacific Northwest National Laboratory</u> (DOE-OIG-21-23)	3	\$363,789
Apr. 9, 2021	<u>Fiscal Year 2018 Evaluation of Incurred Cost Coverage at Sandia National Laboratories</u> (DOE-OIG-21-25)	1	
June 11, 2021	<u>Subcontractor-Performed Commercial Grade Dedication at Los Alamos National Laboratory</u> (DOE-OIG-21-28)	1	
July 7, 2021	<u>Allegations Related to the Office of Cybersecurity, Energy Security, and Emergency Response</u> (DOE-OIG-21-29)	4	\$2,239,619
July 7, 2021	<u>Management of Institutional General Plant Projects at Lawrence Livermore National Laboratory</u> (DOE-OIG-21-31)	1	
July 21, 2021	<u>The Office of Environmental Management's Mission Information Protection Program</u> (DOE-OIG-21-32)	1	

Department of Energy Office of Inspector General
October 1, 2021– March 31, 2022

DATE ISSUED	REPORT TITLE	TOTAL # OF OPEN RECS ²	POTENTIAL MONETARY BENEFIT ³
July 22, 2021	<i>Protective Force Program at a Select National Nuclear Security Administration Site</i> (DOE-OIG-21-33)	1	
Oct. 25, 2021	<i>Financial Assistance Allegations at the Golden Field Office</i> (DOE-OIG-22-02)	4	
Nov. 8, 2021	<i>Allegations Related to the Y-12 National Security Complex Fire Department</i> (DOE-OIG-22-04)	1	
Nov. 10, 2021	<i>Management of a Department Energy Site Cybersecurity Program</i> (DOE-OIG-22-05)	15	
Nov. 15, 2021	<i>Subcontract Administration at Lawrence Berkeley National Laboratory</i> (DOE-OIG-22-06)	5	
Dec. 7, 2021	<i>HPM Corporation Occupational Medical Service's Billings</i> (DOE-OIG-22-12)	3	\$44,168
Dec. 7, 2021	<i>Allegations of Quality Assurance Irregularities in the National Spherical Torus Experiment Upgrade Recovery Project</i> (DOE-OIG-22-13)	5	
Dec. 21, 2021	<i>Subcontract Administration at the Kansas City National Security Campus</i> (DOE-OIG-22-15)	1	\$88,534,003
Dec. 21, 2021	<i>Sandia National Laboratories Subcontract Closeout Process</i> (DOE-OIG-22-16)	4	\$2,093,155
Dec. 23, 2021	<i>Summary of Findings on Audits of Selected Department of Energy Childcare Centers</i> (DOE-OIG-22-17)	2	
Dec. 23, 2021	<i>Allegations Regarding Management Conduct Within the Office of Economic Impact and Diversity</i> (DOE-OIG-22-18)	5	\$8,595
Jan. 3, 2022	<i>Management Letter on the Department of Energy's Fiscal Year 2021 Consolidated Financial Statement Audit</i> (DOE-OIG-22-19)	10	
Jan. 12, 2022	<i>Property Management at the Hanford Site</i> (DOE-OIG-22-20)	2	
Jan. 12, 2022	<i>Personal Property Items Held by Subcontractors at Lawrence Berkeley National Laboratory</i> (DOE-OIG-22-21)	7	\$25,961
Jan. 14, 2022	<i>Management Letter on The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2021</i> (DOE-OIG-22-23)	30	
Jan. 27, 2022	<i>Allegation of Unauthorized Derivative Classifier Reviewing Documents</i> (DOE-OIG-22-25)	2	
Feb. 8, 2022	<i>Los Alamos National Laboratory Steam Plant Energy Savings Performance Contract – Phase One</i> (DOE-OIG-22-26)	1	
Feb. 18, 2022	<i>Allegation Regarding Contractor Misrepresentation on Occupational Safety and Health Administration Documentation</i> (DOE-OIG-22-27)	2	
Total Open Recommendations		160	\$920,571,300

PEER REVIEWS

PEER REVIEWS CONDUCTED BY DEPARTMENT OF ENERGY OIG OCTOBER 1, 2021 – MARCH 31, 2022			
TYPE OF REVIEW	DATE OF PEER REVIEW	OIG REVIEWED	OUTSTANDING RECOMMENDATIONS
Audit	Apr. 2021	Treasury Inspector General for Tax Administration	None – Pass
Inspection	None	N/A	N/A
Investigation	None	N/A	N/A

PEER REVIEWS CONDUCTED BY OTHER OIGS OCTOBER 1, 2021 – MARCH 31, 2022				
TYPE OF REVIEW	DATE OF PEER REVIEW	REVIEWING OIG	FREQUENCY REQUIREMENT	OUTSTANDING RECOMMENDATIONS
Audit	Oct. 2021	Department of Housing and Urban Development	At least once every 3 years	N/A
Inspection	None	N/A	N/A	N/A
Investigation	None	N/A	N/A	N/A

REVIEWS CLOSED AND NOT DISCLOSED TO THE PUBLIC

The OIG had no inspections, evaluations, audits, or investigations involving a senior Government employee that were closed and not disclosed to the public for the reporting period from October 1, 2021, through March 31, 2022.

TABLE OF PUBLISHED REPORTS

AUDITS

The following list identifies all audit reports issued from October 1, 2021, through March 31, 2022.

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	PAGE
Nov. 15, 2021	<i>Subcontract Administration at Lawrence Berkeley National Laboratory (DOE-OIG-22-06)</i>	7		\$805,225		6
Nov. 15, 2021	<i>The Department of Energy Nuclear Waste Fund's Fiscal Year 2021 Financial Statement Audit (DOE-OIG-22-08)</i>	0				6
Nov. 15, 2021	<i>The Federal Energy Regulatory Commission's Fiscal Year 2021 Financial Statement Audit (DOE-OIG-22-09)</i>	0				7
Nov. 17, 2021	<i>The Department of Energy's Fiscal Year 2021 Consolidated Financial Statement Audit (DOE-OIG-22-10)</i>	0				8
Nov. 22, 2021	<i>Management Challenges at the Department of Energy – Fiscal Year 2022 (DOE-OIG-22-11)</i>	0				9
Dec. 7, 2021	<i>HPM Corporation Occupational Medical Service's Billings (DOE-OIG-22-12)</i>	6		\$44,168		9
Dec. 17, 2021	<i>Management Letter on the Federal Energy Regulatory Commission's Fiscal Year 2021 Financial Statement Audit (DOE-OIG-22-14)</i>	2				10
Dec. 21, 2021	<i>Subcontract Administration at the Kansas City National Security Campus (DOE-OIG-22-15)</i>	8		\$88,532,273	\$1,730	10
Dec. 21, 2021	<i>Sandia National Laboratories Subcontract Closeout Process (DOE-OIG-22-16)</i>	4		\$2,093,155		11
Dec. 23, 2021	<i>Summary of Findings on Audits of Selected Department of Energy Childcare Centers (DOE-OIG-22-17)</i>	3				11
Jan. 3, 2022	<i>Management Letter on the Department of Energy's Fiscal Year 2021 Consolidated Financial Statement Audit (DOE-OIG-22-19)</i>	10				12
Jan. 12, 2022	<i>Personal Property Items Held by Subcontractors at Lawrence Berkeley National Laboratory (DOE-OIG-22-21)</i>	7		\$25,961		13

INSPECTIONS

The following list identifies all inspection reports issued from October 1, 2021, through March 31, 2022.

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	PAGE
Oct. 13, 2021	<i>Allegation Regarding Contractor Performance Assessment Alteration (DOE-OIG-22-01)</i>	1				13
Oct. 25, 2021	<i>Financial Assistance Allegations at the Golden Field Office (DOE-OIG-22-02)</i>	4				14
Nov. 8, 2021	<i>Allegations Related to the Y-12 National Security Complex Fire Department (DOE-OIG-22-04)</i>	3				15
Dec. 7, 2021	<i>Allegations of Quality Assurance Irregularities in the National Spherical Torus Experiment Upgrade Recovery Project (DOE-OIG-22-13)</i>	5				15
Dec. 23, 2021	<i>Allegations Regarding Management Conduct Within the Office of Economic Impact and Diversity (DOE-OIG-22-18)</i>	7		\$8,595		16
Jan. 12, 2022	<i>Property Management at the Hanford Site (DOE-OIG-22-20)</i>	2				17
Jan. 27, 2022	<i>Management of Dosimetry Services at Lawrence Livermore National Laboratory (DOE-OIG-22-24)</i>	0				17
Jan. 27, 2022	<i>Allegation of Unauthorized Derivative Classifier Reviewing Documents (DOE-OIG-22-25)</i>	4				18
Feb. 8, 2022	<i>Los Alamos National Laboratory Steam Plant Energy Savings Performance Contract – Phase One (DOE-OIG-22-26)</i>	4				19
Feb. 18, 2022	<i>Allegation Regarding Contractor Misrepresentation on Occupational Safety and Health Administration Documentation (DOE-OIG-22-27)</i>	2				20
Mar. 24, 2022	<i>Allegations Regarding Management of the Substance Abuse Program at the Hanford Site’s Waste Treatment and Immobilization Plant (DOE-OIG-22-28)</i>	0				21

TECHNOLOGY AND DATA ANALYTICS

The following list identifies all inspection reports issued from October 1, 2021, through March 31, 2022.

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	PAGE
Nov. 8, 2021	<i>Followup on the Department of Energy's Implementation of the Digital Accountability and Transparency Act of 2014 (DOE-OIG-22-03)</i>	0				22
Nov. 10, 2021	<i>Management of a Department Energy Site Cybersecurity Program (DOE-OIG-22-05)</i> This report is Official Use Only and unavailable for public viewing.	15				23
Nov. 15, 2021	<i>The Federal Energy Regulatory Commission's Unclassified Cybersecurity Program – 2021 (DOE-OIG-22-07)</i>	0				24
Jan. 13, 2022	<i>The Department of Energy's Implementation of the Cybersecurity Information Sharing Act of 2015 (DOE-OIG-22-22)</i>	0				25
Jan. 14, 2022	<i>Management Letter on The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2021 (DOE-OIG-22-23)</i>	30				25

LEGISLATIVE AND REGULATORY REVIEWS

The Inspector General Act of 1978, as amended, requires the OIG to review and comment upon legislation and regulations relating to Department programs and to make recommendations concerning the impact of such legislation or regulations on Department economy and efficiency. During the reporting period from October 1, 2021, through March 31, 2022, the OIG, in coordination with the Council of the Inspectors General on Integrity and Efficiency's Legislative Committee, conducted reviews of the following legislation:

- H.R. 2662 – Inspector General Independence and Empowerment Act of 2021
- H.R. 2089 – IG Subpoena Authority Act
- CIGIE Legislation Committee Letter in Support of S. 2429 – The Administrative False Claims Act

SEMIANNUAL REPORTING REQUIREMENTS INDEX

This table identifies the report sections that meet each reporting requirement prescribed by the Inspector General Empowerment Act of 2016.

REPORTING REQUIREMENT	SECTION	PAGE
Review of Legislation and Regulations	4(a)(2)	49
Total Number of Issued Investigative Reports	5(a)(17)(A)	5
Referrals to the Department of Justice for Criminal Prosecution	5(a)(17)(B)	5
Total Number of Persons Referred to the State/Local Prosecuting Authorities for Criminal Prosecution	5(a)(17)(C)	5
Total Number of Indictments and Criminal Informations During the Reporting Period That Resulted from Any Prior Referral to Prosecuting Authorities	5(a)(17)(D)	5
Description of the Metrics Used for Developing the Data for the 5(a)(17) Statistical Tables	5(a)(18)	5
Investigations Involving Senior Government Employees	5(a)(19)	35
Instances of Whistleblower Retaliation	5(a)(20)	4
Detailed Description of Any Attempt by the Department to Interfere with the Independence of the OIG	5(a)(21)	39
Reviews Closed and Not Disclosed to the Public	5(a)(22)	45
Recommendations for Corrective Action to Significant Problems	5(a)(2)	40
Previous Reports' Recommendations for Which Corrective Action Has Not Been Implemented	5(a)(3)	41
Matters Referred to Prosecutive Authorities	5(a)(4)	5
Audit Reports Issued in This Reporting Period	5(a)(6)	3
Summary of Significant Reports	5(a)(7)	3
Reports with Questioned Costs	5(a)(8)	3
Reports with Recommendations That Funds Be Put to Better Use	5(a)(9)	3
Previous Audit Reports Issued with No Management Decision Made by End of This Reporting Period	5(a)(10)	39
Significant Revised Management Decisions	5(a)(11)	40
Significant Management Decisions with Which the OIG Is in Disagreement	5(a)(12)	40
Federal Financial Management Improvement Act-Related Reporting	5(a)(13)	4
Peer Review Results	5(a)(14–16)	45

ABOUT THE DEPARTMENT AND THE OIG

The U.S. Department of Energy is headquartered in Washington, DC, and is also responsible for the Energy Information Administration, the National Nuclear Security Administration, 21 preeminent research laboratories and facilities, 4 power marketing administrations, 9 field offices, and 10 program offices which help manage the Department's mission with nearly 15,000 Federal employees and 115,000 contract employees. The Department is the Nation's top sponsor of research and development and has won more Nobel Prizes and research and development awards than any private sector organization, and twice as many as all other Federal agencies combined. The mission of the Department is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions.

The OIG's mission is to strengthen the integrity, economy, and efficiency of the Department's programs and operations. The OIG has the authority to inquire into all Departmental programs and activities as well as the related activities of persons or parties associated with Departmental grants, contracts, or other agreements. As part of its independent status, the OIG provides the Secretary with an impartial set of "eyes and ears" to evaluate management practices. With approximately 280 employees, the OIG strives to be a highly effective organization that promotes positive change.

OIG HOTLINE CONTACT INFORMATION

Contact the OIG Hotline if you suspect fraud, waste, or abuse involving Department programs, or by a Departmental employee, contractor, or grant recipient.

Complaint Form	https://www.energy.gov/ig/complaint-form
Toll Free Telephone Number	1-800-541-1625
Washington, DC Metro Telephone Number	202-586-4073
Fax	202-586-4902
Email Address	ighotline@hq.doe.gov
Mailing Address	U.S. Department of Energy Office of Inspector General ATTN: IG Hotline 1000 Independence Ave, SW Washington, DC 20585

FEEDBACK

The contents of this *Semiannual Report to Congress* comply with the requirements of the Inspector General Act of 1978, as amended. If you have any suggestions for making the report more responsive, please email your comments to OIGPublicAffairs@hq.doe.gov.