

**U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL**



**ANNUAL PERFORMANCE REPORT
FY 2013**

**ANNUAL PERFORMANCE PLAN
FYs 2014 & 2015**

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Message from the Inspector General

I am pleased to present the Department of Energy Office of Inspector General's (OIG) combined Fiscal Year (FY) 2013 Annual Performance Report and FY's 2014 and 2015 Annual Performance Plan. This report highlights our performance over the past year and establishes goals for future years.

To ensure continued innovation and advancement, we recently developed a new organizational Strategic Plan. We consider strategic planning an integral part of our oversight approach. These efforts to update our Strategic Plan resulted in a revised vision and mission, enhanced performance goals, and more focused performance measures. The new performance measures and targets are outlined in this report. We believe these measures will lead to more effective and efficient Inspector General oversight of Departmental operations in the coming years.

During this reporting period, we commemorated the 35th anniversary of the Inspector General Act, which was originally passed in the wake of Watergate to ensure integrity in Federal government operations. That same spirit continues to motivate and inspire our organization to focus on our mission to strengthen the integrity, economy and efficiency of the Department of Energy's programs and operations.

We look forward to continued collaboration with the Department's senior management and program officials to advance the interests of the U.S. taxpayers.




Our Vision:

To be a highly efficient organization that promotes positive change.

Our Mission:

To strengthen the integrity, economy, and efficiency of the Department's programs and operations.



Gregory H. Friedman
Inspector General

At a Glance: Performance Results for FY 2013

The OIG continues to make positive contributions to the Department’s mission-related priorities. Some highlights of our work in FY 2013 include:

Total Reports Issued	124
Audit Reports	70
Inspection Reports	19
Recovery Act Reports	35
Funds Put to Better Use	\$101 million
Dollars Recovered (Fines, Settlements, and Recoveries)	\$33 million
Criminal Convictions	23
Suspensions and Debarments	51
Civil or Administrative Actions	37
Hotline Complaints and Inquiries:	
Received	5,930
Processed Immediately/Redirected/No Further Action	5,580
Processed for Further Review and Adjudicated	349

Overview

This report presents the goals, objectives, and measures for the OIG's FY 2013 actual performance. During FY 2013, the OIG published a new Strategic Plan for FYs 2014-2019. Included in this report is the FYs 2014 and 2015 Performance Plan that contains the goals and measures to track our future performance. Below is an illustration of the goals through FY 2013. Also presented are the OIG's new goals effective in FY 2014.

Current Performance Goals through FY 2013

- Promote Presidential reform initiatives, Secretarial mission priorities, and Congressional requests;
- Improve economy and efficiency, and reduce waste, fraud, and abuse within the Department; and
- Support the taxpayer.

New Performance Goals beginning FY 2014

- Provide independent, accurate, timely, and balanced information to the Department, Congress, and other key stakeholders in order to promote economy and efficiency in Department programs and operations.
- Work with the Department, prosecutors and others to hold recipients and overseers of Department funds accountable for actions that result in fraud, waste, and/or abuse.
- Build and maintain an efficient and effective organization that fulfills its mission and maintains a highly qualified diverse workforce.

Our Organization

The Office of Inspector General (OIG) is headquartered in Washington, DC and has 12 field offices located throughout the country. The organization is responsible for conducting audits, inspections and investigations and for receiving and acting upon allegations received through the OIG Hotline. The organization also has a corporate support function that addresses the administrative management of the organization.

AUDITS are conducted on Department programs and operations. Efforts are concentrated on providing reliable and credible financial and performance information and recommendations for improvements to senior management, Congress and the U.S. taxpayer. A risk-based process is used to identify areas for audit coverage based on known or emerging risks and the greatest vulnerabilities. This process ensures comprehensive coverage over Department organizations, programs and operations while meeting the Department's evolving needs. Audit resources are also directed toward meeting statutory audit responsibilities in the financial and information technology areas.

INSPECTIONS focus on allegations received from the OIG Hotline, special inquiries raised by Congress or senior Department officials, and performance issues. Efforts are concentrated on management reform within the Department by evaluating and providing recommendations to improve program performance. The Inspection function is designed to promptly address concerns and allegations received during the course of the year. Inspection priorities are based on the significance of the issue and the potential impact on Department programs and operations.

INVESTIGATIONS address alleged violations of law that impact Department programs, operations, facilities and personnel. Priority is given to investigations of suspected violations of criminal and civil statutes, as well as serious administrative misconduct. Investigations are also used to identify opportunities for improving the economy and efficiency of Department programs and operations by identifying recommendations for positive change. Investigators work closely with Department of Justice prosecutors and other Federal, State, and local law enforcement organizations.

THE HOTLINE facilitates the reporting and resolution of allegations involving Department programs and activities. Allegations are received from Department employees, contractors and the general public. In addition, whistleblower disclosures made by employees and contractors help root out fraud, waste, and abuse, and protect public health and safety. The OIG Whistleblower Ombudsman educates Department employees about prohibitions on retaliation for whistle blowing, as well as employees' rights and remedies if anyone retaliates against them for making a whistleblower disclosure.

MANAGEMENT AND ADMINISTRATION directs the development, coordination, and execution of overall OIG management and administrative policy and planning. This responsibility includes directing the OIG's strategic planning process, financial management activities, personnel management and security programs, administrative support services, and information technology programs.

External Factors Challenging Our Organization

Various external factors impact the OIG's ability to meet its performance goals. These factors include the following:

- ⦿ Hotline allegation reviews significantly impact planned work. The number of Hotline allegations has increased 524% from FY 2008 to FY 2013.
- ⦿ Congressionally mandated work demands a relatively large portion of OIG resources. This mandated work includes, among other things, work required by the Federal Information Security Management Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, the Whistleblower Protection Enhancement Act of 2012, and the recently passed Government Charge Card Abuse Prevention Act of 2012.

Our Management Challenges

To address our inadequate audit coverage of management contractors, we planned to increase audit staffing to authorized levels by September 30, 2012. We successfully met this milestone. In FY 2013, we increased our audit coverage of contracts, grants and other procurements; however, it is still not optimal. Our limitation in this area can be linked to three primary causes:

- The Department's diverse and broad mission that continues to expand;
- The Department's significant operational management challenges; and
- OIG's full-time equivalent (FTE) ceiling is insufficient to meet operational needs.

The Department's mission to ensure security and prosperity by addressing energy, environmental and nuclear challenges is one of the broadest in the Federal Government. The Department mission continues to expand as it takes on new guaranteed loan programs to promote renewable energy. In addition, the mission becomes more complex as the nation's nuclear stockpile continues to age. Finally, the Department is currently facing significant operational challenges as a result of duplicative functions that exist throughout the organization. These additional challenges create additional oversight responsibilities. However, the OIG FTE ceiling has remained constant at a level of 279 over the last 5 years. In order to meet the additional oversight responsibilities and maintain current operational levels, the OIG FTE ceiling needs to be increased. In the interim, we use a risk-based approach to focus our finite resources on those areas within the Department that have the greatest impact on the security and prosperity of the country. As a result, we are not always able to provide optimal coverage of contracts, grants and other procurements.

Measuring Our FY 2013 Performance

The OIG measures its performance against long-term and annual goals set forth in OIG planning documents. During this reporting period, the OIG met or exceeded its FY 2013 performance goals. The following is an illustration of FY 2013 targets and actual performance:

Goal 1

Promote Presidential reform initiatives,
Secretarial mission priorities and Congressional requests.

Objective 1

Conduct reviews seeking positive change in the Department relating to the implementation of Presidential reform initiatives, the Secretary’s mission priorities, and Congressional requests.

Objective Leader – Deputy Inspector General for Audits and Inspections

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1a. Complete reviews that address Presidential, Secretarial, and OIG initiatives, priorities, and/or challenges as identified in FY 2013.	Target:	Target:	Target:	Target:	Target:
	N/A	N/A	N/A	75%	75%
	Actual:	Actual:	Actual:	Actual:	Actual:
	N/A	N/A	N/A	86%	87.5%
1b. Conduct inspections that address safety or security-related topics.	Target:	Target:	Target:	Target:	Target:
	50%	30%	30%	30%	30%
	Actual:	Actual:	Actual:	Actual:	Actual:
	62.5%	45%	60%	50%	53%

Goal 2

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

Objective 2

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

Objective Leader – Deputy Inspector General for Audits and Inspections

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2a. Ensure that performance reviews include an analysis of program accomplishments and the use of metrics to measure results.	Target:	Target:	Target:	Target:	Target:
	100%	100%	100%	100%	100%
	Actual:	Actual:	Actual:	Actual:	Actual:
	100%	100%	100%	100%	100%
2b. Ensure that performance audits include recommendations leading to demonstrable cost savings, program efficiencies, and/or funds put to better use.	Target:	Target:	Target:	Target:	Target:
	57%	57%	57%	57%	75%
	Actual:	Actual:	Actual:	Actual:	Actual:
	78%	86%	88%	97%	97%
2c. Complete follow-up reviews annually to determine the status and efficacy of corrective actions.	Target:	Target:	Target:	Target:	Target:
	5	5	5	5	5
	Actual:	Actual:	Actual:	Actual:	Actual:
	8	6	10	10	15

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2d. By June 30, 2013, complete an annual risk-based programmatic assessment that considers OIG institutional knowledge; past program performance; funding levels; Presidential, Secretarial, and congressional concerns; and input from Department program managers.	Target:	Target:	Target:	Target:	Target:
	N/A	6/2010	6/2011	6/2012	6/2013
	Actual:	Actual:	Actual:	Actual:	Actual:
	N/A	6/2010	6/2011	5/2012	4/2013
2e. Ensure planned performance audits and inspections address high-risk areas as identified in the OIG annual risk-based programmatic assessments.	Target:	Target:	Target:	Target:	Target:
	80%	80%	80%	80%	80%
	Actual:	Actual:	Actual:	Actual:	Actual:
	90%	87%	83%	88.5%	88%

Objective 3

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

Objective Leaders – Deputy Inspector General for Audits and Inspections
 Deputy Inspector General for Investigations

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
3a. Issue audit and inspection reports no later than 60 days following receipt of management comments.	Target:	Target:	Target:	Target:	Target:
	80%	80%	80%	80%	80%
	Actual:	Actual:	Actual:	Actual:	Actual:
	83%	100%	93%	84%	97.5%
3b. Issue Investigative Reports to Management in a timely manner once criminal, civil, and administrative investigative activity is finalized.	Target:	Target:	Target:	Target:	Target:
	55 days	50 days	48 days	47 days	46 days
	Actual:	Actual:	Actual:	Actual:	Actual:
	23 days	10 days	17 days	33 days	22 days

Objective 4

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

Objective Leader – Deputy Inspector General for Audits and Inspections

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
4a. Complete by the established due date, the Department’s Consolidated Financial Statement audits to determine whether the financial statements are free from material misstatement.	Target:	Target:	Target:	Target:	Target:
	11/15/09	11/15/10	11/15/11	11/15/12	11/15/13
	Actual:	Actual:	Actual:	Actual:	Actual:
	11/15/09	11/12/10	11/15/11	11/15/12	12/12/13*
4b. Complete annually, by the established due date, the Department’s classified and unclassified information security system program reviews in accordance with the Federal Information Security Management Act of 2002.	Target:	Target:	Target:	Target:	Target:
	11/18/09	11/15/10	11/15/11	11/15/12	11/15/13
	Actual:	Actual:	Actual:	Actual:	Actual:
	10/2009	10/2010	10/2011	10/2012	10/2013
4c. Initiate “Statement of Costs Incurred and Claimed” audits annually to assess internal controls over costs claimed by the Department’s major contractors.	Target:	Target:	Target:	Target:	Target:
	10	10	10	10	10
	Actual:	Actual:	Actual:	Actual:	Actual:
	10	9	13	13	13

*Due to the FY 2014 Federal government shutdown the Office of Management and Budget revised the due date for all financial statement audits from 11/15/13 to 12/15/13.

Objective 5

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

Objective Leader – Deputy Inspector General for Investigations

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
5a. Achieve an annual acceptance rate for cases presented for prosecutorial consideration.	Target:	Target:	Target:	Target:	Target:
	72%	72%	74%	74%	74%
	Actual:	Actual:	Actual:	Actual:	Actual:
	89%	90%	96%	95%	94%
5b. Ensure all cases opened focus on key areas of Department vulnerability, specifically contract and grant fraud, environmental, safety, and health violations, issues impacting the integrity of government officials, or technology crimes.	Target:	Target:	Target:	Target:	Target:
	75%	75%	75%	75%	75%
	Actual:	Actual:	Actual:	Actual:	Actual:
	77%	77%	88%	91%	83%

Objective 6

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

Objective Leader – Deputy Inspector General for Investigations

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
6a. Ensure all cases opened were joint agency/task force investigations with external law enforcement agencies, such as the Federal Bureau of Investigation and other OIGs.	Target: 25%	Target: 25%	Target: 25%	Target: 26%	Target: 26%
	Actual: 29%	Actual: 34%	Actual: 42%	Actual: 40%	Actual: 45%

Objective 7

Heighten awareness of potential fraud among internal and external customers.

Objective Leader – Deputy Inspector General for Investigations

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
7a. Provide fraud awareness briefings annually to Department and contractor employees and managers.	Target: 28	Target: 35	Target: 40	Target: 42	Target: 44
	Actual: 84	Actual: 95	Actual: 86	Actual: 79	Actual: 69

Goal 3

Support the taxpayer.

Objective 8

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

Objective Leaders – Deputy Inspector General for Investigations
Counsel to the Inspector General

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
8a. Timely analyze and predicate Hotline complaints from receipt of allegations.	Target:	Target:	Target:	Target:	Target:
	90% in 7 days	90% in 7 days	90% in 7 days	6 days or less	6 days or less
	Actual:	Actual:	Actual:	Actual:	Actual:
	99% in 7 days	99% in 7 days	95% in 7 days	3 days	2 days
8b. Timely refer Hotline complaints to the Department or other agency management following a referral decision.	Target:	Target:	Target:	Target:	Target:
	90% in 14 days	90% in 14 days	90% in 14 days	16 days or less	16 days or less
	Actual:	Actual:	Actual:	Actual:	Actual:
	98% in 14 days	59% in 14 days	17% in 14 days	17 days	11 days
8c. Meet statutory Whistleblower Retaliation Investigation requirements.	Target:	Target:	Target:	Target:	Target:
	100%	N/A	100%	100%	100%
	Actual:	Actual:	Actual:	Actual:	Actual:
	100%	N/A	100%	100%	100%

Objective 9

Make the public aware of OIG reports.

Objective Leader – Deputy Inspector General for Management and Administration

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
9a. Ensure that all OIG public performance reports are posted to the internet, on average, within 5 working days of submission to the Department, unless otherwise specified by the Inspector General.	Target:	Target:	Target:	Target:	Target:
	100%	100%	100%	100%	100%
	Actual:	Actual:	Actual:	Actual:	Actual:
	100%	100%	100%	100%	100%

Objective 10

Provide a structure for ensuring a skilled and efficient workforce.

Objective Leaders – Deputy Inspector General for Audits and Inspections

Deputy Inspector General for Investigations

Deputy Inspector General for Management and Administration

Performance Measures	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
10a. Ensure that all auditors meet the training requirements as specified by generally accepted Government Auditing Standards and that all inspectors meet the training requirements as specified by the Council of the Inspectors General on Integrity and Efficiency for Inspection and Evaluation.	Target:	Target:	Target:	Target:	Target:
	100%	100%	100%	100%	100%
	Actual:	Actual:	Actual:	Actual:	Actual:
	100%	100%	100%	100%	100%
10b. Ensure that all investigators meet the training requirements as specified by Federal law enforcement and other related investigative standards.	Target:	Target:	Target:	Target:	Target:
	100%	100%	100%	100%	100%
	Actual:	Actual:	Actual:	Actual:	Actual:
	100%	100%	100%	100%	100%

Our FYs 2014 and 2015 Performance Plan

Our work is important to the Department's success in fulfilling its Strategic Plan. It is imperative that the OIG ensure its resources and activities cover the issues and concerns most critical to the Department. This Performance Plan identifies the OIG's performance targets for FYs 2014 and 2015 that will help the OIG assist the Department in identifying and taking corrective action to improve areas most vulnerable to waste, fraud, and mismanagement.

During FY 2013, the OIG published a new Strategic Plan for FYs 2014-2019. The concept for the updated Strategic Plan was to focus on those issues most important to our success while developing more robust performance measures better aligned with our vision and mission.

Goal 1

Provide independent, accurate, timely, and balanced information to the Department, Congress and other key stakeholders in order to promote economy and efficiency in Department programs and operations.

Goal Leader: Deputy Inspector General for Audits and Inspections

Performance Measures	FY 2014	FY 2015
1.1 Percentage of reports issued with recommendations/suggestions.	Target: 40%	Target: 40%
1.2 Percentage of recommendations accepted.	Target: 85%	Target: 85%
1.3 Percentage of final reports issued within 60 days of receipt of management comments.	Target: 80%	Target: 80%

Goal 2

Work with the Department, prosecutors and others to hold recipients and overseers of Department funds accountable for actions that result in fraud, waste, and/or abuse.

Goal Leader: Deputy Inspector General for Investigations

Performance Measures	FY 2014	FY 2015
2.1 Number of fraud awareness briefings conducted to educate and inform Department employees, contractors, and fund recipients.	Target: 50	Target: 50
2.2 Average number of days to issue an Investigative Report to Management.	Target: 45	Target: 44
2.3 Percentage of cases presented for prosecutorial consideration that are accepted for further action.	Target: 76%	Target: 76%
2.4 Average number of days by which hotline complaints are referred to responsible entities following a disposition decision.	Target: 16	Target: 16

Goal 3

Build and maintain an efficient and effective organization that fulfills its mission and maintains a highly qualified diverse workforce.

Goal Leader: Deputy Inspector General for Management and Administration

<u>Performance Measures</u>	<u>FY</u> <u>2014</u>	<u>FY</u> <u>2015</u>
3.1 Percentage of required employee performance management system actions conducted within prescribed timeframes.	Target: 90%	Target: 91%
3.2 Percentage of Individual Development Plans established within prescribed timeframes.	Target: 92%	Target: 93%
3.3 Percentage of employees completing mandatory training within prescribed timeframes.	Target: 97%	Target: 98%
3.4 A positive return for each tax dollar invested in OIG activities.	Target: \$3.10	Target: \$3.15

Appendix A

Audit Work Plan for FY 2014

Eastern Audits Division

- Follow-up of the Reindustrialization Program at East Tennessee Technology Park
- Audit of the Department's Management of High-Risk Property
- Audit of the Department's Efforts to Reduce Mercury Contamination at the Y-12 National Security Complex
- Non-conforming Equipment and Parts at the Savannah River Site
- Audit of the Department's Facility Contractors' Use of No Bid Subcontracts
- Decontamination and Decommissioning Activities at the Oak Ridge National Laboratory
- The Department's Audit Resolution and Follow-up Process
- Legacy Management Activities at Selected Sites
- Department's Contract Awards Made to Alaska Native Corporation
- Readiness of the Saltstone Disposal Facility at the Savannah River Site
- Acquisition and Use of Helium-3 by Department of Energy Programs
- Follow-up Audit of the Department's Management of Contractor Fines, Penalties and Legal Costs
- Transportation of Hazardous Materials
- Select Legacy Material Stored at the Oak Ridge Reservation
- Waste Solidification Building at the Savannah River Site
- Portsmouth Gaseous Diffusion Plant Decontamination and Decommissioning Project
- Department's Depleted Uranium Hexafluoride Conversion
- Defense Waste Processing Facility Glass-Melter Fabrication Project
- Salt Waste Processing Facility Construction Project
- Management of the FutureGen Cooperative Agreement
- Environmental Management's Consolidated Business Center
- Office of Science Contractor Governance
- Department's Management of General Support Services Costs

Central Audits Division

- Office of Energy Efficiency and Renewable Energy's Procurement
- Office of Science's Management of Research Projects
- Permitting Processes at the Federal Energy Regulatory Commission
- Department of Energy's Implementation of Strategic Sourcing Initiatives

Central Audits Division (con't)

- Argonne National Laboratory's Infrastructure Projects
- Office of Fossil Energy's Regional Carbon Sequestration Partnerships
- National Energy Technology Laboratory Risk Management System
- Small Business Phase III Xlerator Program
- Advanced Photon Source Upgrades
- Office of Energy Efficiency and Renewable Energy's Wind Program
- SunShot Photovoltaic Manufacturing Initiative Subcontracts
- On-Site Energy Production Plant Savings
- A1B Naval Reactor Production
- The Department of Energy's Sustainability Efforts
- The Department of Energy's Science, Technology, Engineering, and Mathematics Programs
- Department of Energy's Management of Contaminated Non-Environmental Management Facilities
- Bonneville Power Administration Procurement
- Review of Select At-Risk Loan Guarantee Projects

Western Audits Division

- Corrective Action Program at the Waste Treatment Plant
- National Nuclear Security Administration Laboratory Directed Research and Development
- Follow up on Security at the Y-12 National Security Complex
- B-61 Life Extension Program
- Management of the Weapons Engineering Tritium Facility at the Los Alamos National Laboratory
- Small Modular Reactor Program
- Suspect/Counterfeit Parts for Safety Systems at Hanford
- Audit of the National Ignition Facility
- Corrective Action Systems at the Pantex Plant
- Audit of Second Line of Defense Nonproliferation Program
- Lithium Operations at the Y-12 National Security Complex
- Audit of Accelerated Vault Workoff Project at the Los Alamos National Laboratory
- Hanford Site Security
- Management of the Remote Handled Low-Level Waste Disposal Facility
- The W78/W88-1 Life Extension Program
- Management of the Advanced Recovery & Integrated Extraction System at the Los Alamos National Laboratory
- Follow up Audit of Sandia Labs Nuclear Weapons Safety Program

Western Audits Division (con't)

- Security at the Nevada National Security Site
- Management of the Idaho Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Disposal Facility
- Capabilities-Based Facilities and Infrastructure Projects at Y-12 National Security Complex
- NNSA Contractor's Health and Post Retirement Benefits
- Hanford River Corridor Project Cleanup Verification
- Follow up Audit of Heavy Water Inventory
- NNSA's Neutron Generator Replacement Project
- Follow up Audit of Nanoscale Materials Safety
- Implementation of the Agreements for Commercialization of Technology
- New Facility Construction Management and Acceptance
- Management of Newly Generated Transuranic Waste
- Long Lead Procurements at the Office of River Protection
- Management of Major Projects at the SLAC National Accelerator Laboratory
- NNSA Integration of Concurrent Nuclear Weapon Life Extension Programs
- Management of Type-B Specialized Containers
- Health Services Contracts at the Hanford Site
- Audit of the Y-12 National Security Complex/Pantex Plant Consolidation

Technology Audits

- The Department's Cyber Security Continuous Monitoring Process
- The Department of Energy's Information Technology Modernization Efforts
- Management of the Department's High Performance Computing Capabilities
- Management of the Department of Energy's Cyber Security Program for National Security Systems
- Implementation of Cyber Security Reliability Standards by the Power Marketing Administrations
- The Department's Management of Cloud Computing Activities
- Management of Information Technology Contracts and Oversight at the Hanford Site
- Follow-up Audit on Protection of the Department of Energy's Unclassified Sensitive Electronic Information
- Audit of the Department's iPortal System
- Audit of Information Technology Expenditures at Selected Sites
- The Department of Energy's Implementation of the Federal Information Security Management Act
- Federal Energy Regulatory Commission's Implementation of the Federal Information Security Management Act

Statement of Costs Incurred and Claimed (SCIC)

- Sandia National Laboratories- Lockheed Martin 2013
- Los Alamos National Laboratory- Los Alamos National Security 2013
- Lawrence Livermore National Laboratory- Lawrence Livermore National Security LLC 2013
- Oak Ridge National Laboratory- UT Battelle 2013
- Savannah River Site- Savannah River Nuclear Solutions 2010-2012
- Oak Ridge Y-12- Babcock & Wilcox Y-12 LLC 2013
- Naval Reactors- Bechtel Marine Propulsion Corporation 2013
- Pacific Northwest National Laboratory- Battelle Memorial Institute 2013
- Idaho National Laboratory- Battelle Energy Alliance LLC 2013
- Lawrence Berkeley National Laboratory- Regents of University of California 2012
- Waste Isolation Pilot Plant- Washington TRU Solutions 2012
- Argonne National Laboratory - UChicago- Argonne 2010-2013
- Princeton Plasma Physics Laboratory- Princeton University 2011-2012
- East Tennessee Technology Park- Bechtel Jacobs 2011

Government Management Reform Act (GMRA)

- Department of Energy's Consolidated Financial Statement Audit Fiscal Year 2014
- Federal Energy Regulatory Commission's Financial Statement Audit Fiscal Year 2014
- Southwestern Power Administration Financial Statement Audit Fiscal Year 2014
- Nuclear Waste Fund Fiscal Year 2014
- Information Technology Management Letter Fiscal Year 2014
- Financial Management Letter Fiscal Year 2014

Inspection Work Plan for FY 2014

Eastern Inspections Region

- Safety Risks to Workers and the Environment at a Selected Department Site
- Department Lockout/Tagout Processes at Selected Department Sites
- Protection of Classified Information at Offsite Department Facilities
- Review of the Department's Management of Contract Transition at a Department Site
- Severance Payments at a Selected Department Site
- Follow-up Inspection on Ammunition Control
- Review of a Department Site's Emergency Response Capability
- Review of Radio Frequency Identification Device Technology at a Selected Department Site
- Follow-up Inspection of Chemical Safety Protocols at a Department Site
- Review of Aviation Operational Readiness at a Department Site
- Review of Purchase Card Administration at the Department
- Review of the Department's Recruitment, Relocation, and Retention Incentives at Selected Sites
- Review of the Office of Economic Impact and Diversity's Implementation of Title IX Compliance Reviews

Western Inspections Region

- Review of Corrective Actions Concerning Technetium-99 Incident at the Los Alamos National Laboratory
- Nuclear Weapons Quality Control/Succession Planning at a Selected Site
- Inventory of Government Firearms at a Selected Site
- Review Security of National Nuclear Security Administration Aviation Assets
- Safety at the Liquid Waste Treatment Facility at a Selected Site
- Use of Waste Characterization Strategy at Selected Department Site
- Follow-up Inspection on Joint Technical Operations Team
- Follow-up Inspection on Human Reliability Program at a Selected Department Site
- Review of Excess Property at a Selected Department Site
- Disposition of Licensing and Royalty Income at a Selected Department Site

Appendix B

Investigative Work Plan Priorities for FY 2014

Contract and Grant Fraud

A majority of the Department's budget is expended on contracts and grants; therefore, the opportunity for fraud to occur or exist within various Department programs is significant. Given the continuing potential for significant fraud, to include the Department's Loan Guarantee Program, in FY 2014 Investigations will continue to: (1) expand fraud awareness briefings throughout the Department, including NNSA; (2) prioritize contract and grant fraud investigations, placing emphasis on cases with a potential high dollar recovery to the Department; (3) coordinate and pursue leads referred by the OIG Office of Audits and Inspections; and (4) proactively identify and pursue contract and grant fraud investigations.

Environment, Safety, and Health (ES&H)

The Department's program for cleaning up the environmental contamination caused by nuclear weapons research, production and testing is estimated to cost over \$250 billion over the next several decades. The OIG has identified environmental cleanup as a Department Management Challenge that is likely to persist well into the future. In FY 2014, Investigations will: (1) pursue investigations involving potential ES&H violations; (2) continue liaison efforts with ES&H contacts in the Department, NNSA, and other Government agencies; and (3) provide ES&H awareness briefings throughout the Department complex.

Issues Impacting the Integrity of Government Officials

Government officials have a responsibility to maintain the public's trust and confidence in the integrity of the Federal Government programs and operations. In FY 2014, based on information received through the OIG Hotline and other sources, the OIG Office of Investigations will continue to work with the Department of Justice to address allegations of criminal misconduct and ethical lapses on the part of government officials. The Office of Investigations will also continue to investigate related activities that may have resulted in fraud, waste, abuse and mismanagement.

Technology Crimes

Information technology, another of the Department's major issue areas, received a significant amount of Office of Investigations' resources and attention during FY 2013. The Office of Investigations' Technology Crimes Section (TCS) is staffed by investigators with the specialized skills necessary to proactively and reactively investigate the expanding number of complex

technology crimes that are allegedly occurring within many of the Department's programs. TCS further strengthens the Office of Investigations' support to the Department, including NNSA, in detecting, preventing and investigating illegal network intrusions. During FY 2014, TCS will: (1) continue to proactively support fraud investigations through consultations and forensic media analysis; (2) investigate incidents of technology crimes and non-compliance with applicable regulations involving protection of the information infrastructure throughout the Department; (3) extend the Office of Investigations' role in technology incident response and investigations in the Department; and (4) provide technology crimes awareness briefings throughout the Department complex.