

FY 2011 OIG Recovery Act Plan Overview

OIG Name:	Department of Energy Office of Inspector General
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OIG Broad Recovery Act Goals:	The primary objective of the Office of Inspector General's oversight strategy involves the implementation of a review, evaluation, and investigation protocol designed to assist the Department of Energy in: (1) maximizing the performance and effectiveness of activities related to the Recovery Act; (2) preventing and detecting the fraudulent misuse of Recovery Act funds; and (3) identifying opportunities for cost savings in Recovery Act-related programs.
OIG Broad Training and Outreach Recovery Act Goals:	Since the passage of the Recovery Act, the Office of Inspector General has initiated an aggressive schedule to provide targeted fraud awareness briefings to Departmental operations that are most vulnerable to fraud involving Recovery Act funds. These briefings serve to heighten awareness of fraud indicators and to discuss anticipated fraud schemes. Provided to groups of Federal employees, contractor officials, and fund recipients, these briefings serve as an invaluable educational tool and aid significantly in preventing fraud, waste, and abuse.
OIG Recovery Act Risk Assessment Process:	The Office of Inspector General is taking a number of actions to alert Department officials of risks and recommend cost effective controls to help prevent fraud, waste, and abuse; and ensure program goals are achieved and stimulus funds are accurately tracked and reported. As part of that strategy, the Office of Inspector General has developed a risk-based oversight approach that includes, among other things, evaluations of internal controls over funds management, examining the use of funds through transaction testing, reviewing Department developed metrics, initiating expanded whistleblower protection programs, and refining fraud awareness activities.

OIG Recovery Act Funds:	\$15,000,000
Expiration Date of OIG Recovery Act Funds:	2012

OIG Recovery Act Funds Allocated to Contracts:	\$4,520,328
Purpose of Recovery Act Contracts:	The Energy Efficiency and Conservation Block Grants Program, funded for the first time by the Recovery Act, represents a Presidential priority to deploy the cheapest, cleanest, and most reliable energy technologies available across the country. Under the Recovery Act, grantees will receive funding for energy-related improvement to homes and to educate residents about energy conservation. Contracted work will address grantees' accounting for and use of Weatherization Assistance Program funds and recipients' use of Conservation Block Grant funds.
Types of Recovery Act Contracts Awarded to Date:	Task Order, Time and Materials

Link to OIG Recovery Act Work Plan:	http://www.ig.energy.gov/recovery_act.htm
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OIG FY 2011 Recovery Act Work Plan

Agency	Program Area	Recovery Act Funds Associated w/Program Area	Type of Review	Entity Performing Review	Project Title	Background	Objective	Review Included on Prior Recovery Act Plan (Y/N)	Expected Quarter Work Begins	Expected Quarter(s) Reports Issued	Expected Number of Reports
Energy	State Energy	\$3.1 B	Administrative / Financial	OIG Staff	State Energy Program	Under the ARRA, grantees will receive funding to address energy priorities and program funding to deploy emerging renewable energy and energy efficiency technologies.	To determine whether grantees have the adequate resources, infrastructure, and internal controls to assure that the goals of the ARRA will be met.	Yes	1st Q FY2011	3rd Q FY2011	TBD
Energy	Office of Science	\$60M	Administrative / Financial	OIG Staff	Office of Science's Climate Program	The Office of Science's Climate and Environmental Sciences Program recently redefined its priorities and significantly increased its investments. The climate science research priorities are to integrate more rapidly existing and new knowledge into next-generation climate and Earth system prediction models. Scientists hope to reduce the uncertainties in predictions of climate change that span decades and even centuries. Scientists also want to increase the availability and usability of climate predictions. The Climate Program will continue to support the simulations and analyses needed for the Intergovernmental Panel on Climate Change Fifth Assessment.	To determine whether the Office of Science's Atmospheric System Research program is meeting its goals and objectives.	No	2nd Q FY2011	4th Q FY2011	1
Energy	Office of Science	\$115 M	Administrative / Financial	OIG Staff	Recovery Act Projects at LBNL	LBNL will be receiving \$115 million in Recovery Act funding to accelerate completion of the lab's Advanced Light Source, one of the world's most powerful sources of x-ray and ultraviolet light, as well as building new facilities, improving infrastructure, and performing seismic safety upgrades.	To determine if American Recovery and Reinvestment Act projects at Lawrence Berkeley National Laboratory are meeting program goals and objectives; and are within cost and schedule.	Yes	1st Q FY2011	3rd Q FY2011	1
Energy	Weatherization Assistance Program	\$5 B	Administrative / Financial	OIG Staff	Weatherization Assistance Program	Under the ARRA, grantees will receive funding for energy-related improvements to homes and to educate residents about energy conservation.	To determine whether grantees have adequate resources, infrastructure, and internal controls to assure that the goals of the ARRA will be met.	Yes	1st Q FY2011	3rd Q FY2011	TBD
Energy	Office of Electricity Delivery and Energy Reliability	\$80M	Administrative / Financial	OIG Staff	Management of the Interconnection Transmission Planning Program	The Office of Electricity Delivery and Energy Reliability received \$80 million from the Recovery Act to support transmission planning for three interconnection organizations: Eastern, Western, and Texas interconnections. The funding is to be used for long term planning and analysis. This activity involves a first-ever effort for collaboration between all three interconnections. The program involves numerous stakeholders such as industry, government, and third party organizations. The program also involves collaboration with government agencies from Canada and Mexico as the Eastern and Western Interconnections extend into those countries.	To determine whether the Department has implemented effective management controls over the Interconnection Transmission Planning Program.		2nd Q FY2011	4th Q FY2011	1

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Energy	Energy Efficiency and Renewable Energy	\$29.7M	Administrative / Financial	OIG Staff	Implementation of the Department of Energy's Concentrating Solar Power Program	Solar energy is a rapidly expanding industry with a double-digit annual growth rate in the United States. The Department is focused on supporting the U.S. industry's scaling up of manufacturing, production, and distribution so the technology can become cost competitive with conventional sources of energy. The CSP Program is a key element in achieving the Department's mission to accelerate widespread commercialization of clean solar energy technologies across America.	To determine whether the Department established effective controls over the cooperative agreements and contracts under the Concentrating Solar Power Program.		2nd Q FY2011	4th Q FY2011	1
Energy	Energy Efficiency and Renewable Energy	\$300 M	Administrative / Financial	OIG Staff	Appliance Rebate Program	Under the Recovery Act, the Office of Energy Efficiency and Renewable Energy received \$300 million in funding for the Appliance Rebate Program through formula based grants.	To determine whether the Department has implemented internal controls over the states and territories receiving funding through the Appliance Rebate Program.	Yes	2nd Q FY2011	4th Q FY2011	1
Energy	Office of Electricity Delivery and Energy Reliability	\$4.1B	Administrative / Financial	OIG Staff	Smart Grid Investment Grant and Demonstration Programs	As part of the Recovery Act, the Office of Electricity Delivery and Energy Reliability was appropriated \$4.5 billion, with a large portion dedicated to support modernization of the nation's electrical grid. As part of \$4.5 billion appropriated to the OE, the Smart Grid Investment Grant program will receive \$3.4 billion in funding. The Smart Grid Demonstration Program will receive \$615 million.	To determine whether internal controls were in place and operating as intended over the Smart Grid Investment Grant and the Smart Grid Demonstration Programs.	Yes	2nd Q FY2011	4th Q FY2011	1
Energy	Weatherization Assistance Program	\$5B	Administrative / Financial	OIG Staff	Quality of Workmanship in the Weatherization Assistance Program	Under the ARRA, grantees will receive funding for energy-related improvements to homes and to educate residents about energy conservation. Poor workmanship appears to exist as a major weakness in this program. Continuing to see final inspection failures at a high frequency and magnitude will tend to delay overall production, increase spending, place homeowners in possible hazardous conditions, and lead to more public scrutiny of the Department. Ultimately, the culmination of these factors reduces the likelihood that the program will meet its Recovery Act goals.	To determine the efficiency and effectiveness of the Department's overall Weatherization Assistance Program.		1st Q FY2011	3rd Q FY2011	1
Energy	Fossil Energy Research & Development	\$1 B	Administrative / Financial	OIG Staff	Management of the FutureGen Cooperative Agreement	The Office of Fossil Energy has received the \$1 billion in funding for Fossil Energy Research and Development. This funding will be used to demonstrate promising carbon capture and storage technologies that can be applied to coal-based power generation systems.	The objective of this audit is to determine whether the Department established internal controls over its Fossil Energy Research and Development cooperative agreements to ensure that Recovery Act goals were met.	Yes	2nd Q FY2011	4th Q FY2011	1
Energy	Office of Energy Efficiency and Renewable Energy	\$2 B	Administrative / Financial	OIG Staff	Follow-up of the Advanced Battery and Hybrid Components Program	Under the terms and conditions of the Recovery Act, the Department has been authorized to provide \$2 billion worth of financial assistance awards in the form of competitive grants to support the manufacturing of advanced batteries and hybrid components.	To determine whether the Department is monitoring grants and enforcing award conditions while ensuring the objectives of the Advanced Battery and Hybrid Components program are achieved.	Yes	3rd Q FY2011	1st Q FY2012	1
Energy	Office of Energy Efficiency and Renewable Energy	\$3.2 B	Administrative / Financial	OIG Staff	Energy Efficiency and Conservation Block Grant Program	The Energy Efficiency and Conservation Block Grants Program, funded for the first time by the Recovery Act, represents a Presidential priority to deploy the cheapest, cleanest, and most reliable energy technologies we have – energy efficiency and conservation – across the country.	To determine whether controls established under the Energy Efficiency and Conservation Block Grants Program are sufficient to ensure that grants are administered in an efficient and effective manner.	Yes	1st Q FY2011	3rd Q FY2011	TBD

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Energy	Department -wide	TBD	Administrative / Financial	OIG Staff	Small Businesses Awards under the Recovery Act	With the passage of the American Reinvestment and Recovery Act, added emphasis has been placed on awarding funding to support small businesses. As of March 10, 2010, small businesses have been selected to receive nearly \$5.4 billion in funding from the Department of Energy, including, grants, contracts, loans/loan guarantees and tax incentives (in partnership with the Department of the Treasury), available under the Recovery Act.	To determine whether the Department is making small business awards as required under the Recovery Act and whether the awards are being adequately managed.		3rd Q FY2011	1st Q FY2012	1
Energy	Environmental Management	\$200M	Administrative / Financial	OIG Staff	Recovery Act Activities at the Portsmouth and Paducah	The Department's Portsmouth and Paducah Project Office in Lexington, KY is responsible for overseeing the nearly \$200 million in Recovery Act activities at the plants. Specifically, the Portsmouth Gaseous Diffusion Plant was allocated \$118.2 million of EM's Recovery Act funds. The Department plans to use the funds to demolish 3 surplus building complexes, remediate 65 acres of contaminated soil, and dispose of excess uranium materials. The Paducah Gaseous Diffusion Plant was allocated \$78.8 million in Recovery Act funds to demolish 2 large chemical processing facilities and a smelter facility.	To determine if the Portsmouth and Paducah Recovery Act projects are being effectively managed to meet programmatic and Recovery Act goals.		2nd Q FY2011	4th Q FY2011	1
Energy	Environmental Management	\$300M	Administrative / Financial	OIG Staff	Small Site Environmental Management Recovery Act Projects	In selecting sites to allocate the Recovery Act funds to, Environmental Management pulled projects from current baselines that were shovel-ready and easily commenced. Not surprisingly, the larger Departmental sites had the most shovel-ready projects, and thus received the majority of the Recovery Act funding. In fact, \$4 billion of the \$6 billion in Recovery Act funds went to three operations offices. Specifically, the Richland Operations Office will oversee \$1.63 billion in Recovery Act cleanup projects; the Savannah River Operations will oversee \$1.62 billion; and the Oak Ridge Operations Office will oversee \$755 million in Recovery Act projects. The remainder of the funds was dispersed to various smaller Departmental sites across the complex.	To determine if EM's small site Recovery Act projects are being effectively managed to meet programmatic and Recovery Act goals.		2nd Q FY2011	4th Q FY2011	1
Energy	Department -wide	TBD	Administrative / Financial	OIG Staff	Managing Post-Recovery Act Workforce and Operational Activities	The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law on February 17, 2009. It was an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges. The Department of Energy (Department) received over \$38 billion to distribute among its programs as directed in the Recovery Act. One of the primary objectives of the Recovery Act was to put Americans back to work by creating jobs.	To determine whether the Department had developed an effective plan to transition its Recovery Act workforce as Recovery Act funds are expended.		3rd Q FY2011	1st Q FY2012	1

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Energy	Environmental Management	\$118M	Administrative / Financial	OIG Staff	Demolition and Disposition of the K-33 Building	In February, the Department decided to remove \$118 million in ARRA funds from the preparation work being performed on the K-27 facility located in the Oak Ridge Reservation's East Tennessee Technology Park and instead demolish and dispose of the K-33 facility, which the Department deemed to be more shovel-ready. K-33, also located in ETPP, is a partially decontaminated multi-story building that is more than 1.4 million square feet of concrete and steel. The facility was constructed in 1954 and operated until 1985 as a uranium enrichment facility. As part of a reindustrialization effort begun in 1997, the majority of the decontamination and decommissioning of K-33 has been performed. However, the remaining facility still contains radiological and chemical contamination, hazardous waste, asbestos and polychlorinated biphenyls contamination.	To determine if the K-33 Recovery Act project is being effectively managed to meet programmatic and Recovery Act goals.		2nd Q FY2011	4th Q FY2011	1
Energy	Weatherization Assistance Program /Conservation Block Grants	\$8.2 B	Administrative / Financial	Both OIG Staff and Contractor	Subgrantees and Recipients Receiving Weatherization Assistance Program and Conservation Block Grants Funds.	The Energy Efficiency and Conservation Block Grants Program, funded for the first time by the Recovery Act, represents a Presidential priority to deploy the cheapest, cleanest, and most reliable energy technologies we have – energy efficiency and conservation – across the country. Under the ARRA, grantees will receive funding for energy-related improvement to homes and to educate residents about energy conservation.	To perform agreed upon procedures addressing subgrantees' accounting for and use of Weatherization Assistance Program funds and recipients' use of Conservation Block Grant funds.	Yes	1st Q FY2011	3rd Q FY2011	TBD
Energy	Department -wide	TBD	Administrative / Financial	OIG Staff	Department Efforts to Utilize Small Business Contracts During Recovery Act Implementation	To ensure that small businesses are provided a fair amount of federal contracts, Congress enacted government-wide statutory goals for federal executive agencies.	To determine whether the Department is providing sufficient opportunities for small businesses to compete for contracts awarded under the Recovery Act funding.		2nd Q FY2011	4th Q FY2011	1
Energy	Environmental Management	TBD	Administrative / Financial	OIG Staff	Safety of Decommissioning and Demolition Projects at Department Sites	With the influx of ARRA money, Department operations has set up a potential clash of cultures between traditional conservative nuclear industry and the more aggressive D&D mindsets.	To determine whether internal controls are in place to ensure that Decommissioning and Demolition (D&D) work is completed safely.		3rd Q FY2011	2nd Q FY 2012	1
Energy	Environmental Management	TBD	Performance	OIG Staff	Recovery Act Medical Screening at a Department Site	Department regulations require that individuals in certain positions must be certified that they are medically suitable for the assignment.	To determine whether medical certification for Recovery Act contractors is adequate to ensure the safety of the individual and the public.		1st Q FY2011	3rd Q FY2011	1