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Description of document: Closing documents for forty five (45) of Department of Energy (DOE) Office of Inspector General (OIG) closed Investigations, 2011-2013

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Source of document: FOIA Requester Service Center
Department of Energy
1000 Independence Avenue, SW
Mail Stop MA-90
Washington, DC 20585
Fax: (202) 586-0575
[DOE Online FOIA Request Form](#)

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Department of Energy
Washington, DC 20585

APR 16 2014

Re: Freedom of Information Act Requests HQ-2013-01061-F and HQ-2014-00638-F

This is the Office of Inspector General (OIG) response to the requests for information that you sent to the Department of Energy (DOE) under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. In FOIA request HQ-2013-01061-F, you asked for a “copy of the Report of Investigation, the Final Report, the Closing Memo, the Referral Letter, and the Referral Memo for each of the following DOE OIG closed Investigations”:

I11CH005	I10DN005	I11HQ010	I12RR100
I10IF005	I04HQ002	I13RR023	I12RR097
I12RL002	I12SR010	I13RR026	I12RR105
I12PT002	I12HQ003	I12RR045	I12RR143
I09AL007	I02OR005	I12RR032	I12RR153
I11TC002	I03OR006	I12RR072	I13RR021
I10TC004	I10HQ006	I12RR089	I12RS053
I12TC002	I11HQ006	I12RR088	I12RS055
I12OR002	I10AL005	I12RR090	I12RS073
I12LL004	I12TC001	I12RR085	I12RS083

In FOIA request HQ-2014-00638-F, you asked for a copy of the following documents from DOE OIG Investigation Case Number I12RS055 (Fisker Automotive; questionable Business Practice):

1. Final Report,
2. Report of Investigation,
3. Closing Memo,
4. Referral Memo; and
5. Referral Letter

The OIG has completed the search of its files and identified 48 documents responsive to your request. A review of the responsive documents and a determination concerning their release have been made pursuant to the FOIA, 5 U.S.C. § 552. Based on this review, the OIG determined that certain material has been withheld from the responsive documents pursuant to subsections (b)(6) and (b)(7)(C) (referred to as Exemptions 6 and 7(C), respectively).



- Documents 1 through 9, 11 and 12, 14 through 37, 40 - 41, 44 and 45 are released to you with certain material being withheld pursuant to Exemptions 6 and 7(C) of the FOIA. Document 13 is released in its entirety.
- Document 10 originated with DOE's Oak Ridge Office (ORO). The document has been forwarded to ORO for a determination concerning its releasability. The ORO will respond directly to you concerning the document. In addition, the OIG has withheld material from the document pursuant to Exemptions 6 and 7(C).
- Document 29-A originated with the Office of Health, Safety and Security (HSS). Document 32-A originated with the Office of Management (MA). Document 38 originated with the National Nuclear Security Administration (NNSA). Documents 39 and 43 originated with the Office of Loan Programs (LP). Document 42 originated with the Office of Fossil Energy (FE). These documents have been forwarded to those offices for a determination concerning their releasability. The HSS, MA, NNSA, LP, and FE will respond directly to you concerning their document.
- Document 35-A originated with the US Nuclear Regulatory Commission (NRC). The document has been forwarded to NRC for a determination concerning its releasability. The NRC will respond directly to you concerning its document.

If you have any questions about the processing of Documents 10, 29-A, 32-A, 35-A, 38, 39, and 42 you may contact the following:

1. Ms. Amy Rothrock, ORO FOIA Officer, US DOE, Oak Ridge Office, P.O. Box 2001, Oak Ridge, TN 37831, or on 865-576-1216,
2. Ms. Robyne Johnston, HSS FOIA Liaison, 1000 Independence Avenue, SW, Washington, DC 20585, or on (202) 586-5385,
3. Ms. Daphne Tilly, MA FOIA Liaison, 1000 Independence Avenue, SW, Washington, DC 20585, or on (202) 586-1756,
4. Ms. Delilah Perez, NNSA FOIA Officer, P.O. Box 5400, Albuquerque, NM 87185, or on (505) 845-5862,
5. Ms. Angelia Bowman, LP FOIA Liaison, 1000 Independence Avenue, SW, Washington, DC 20585, or on (202) 586-3112,
6. Ms. Pamela Gentel, FE FOIA Specialist, 19901 Germantown Road, Germantown, MD 20874-1290, or on (301) 903-1856; and
7. Mr. Mark H. Graff, Acting FOIA Officer, NRC, Mail Stop-T5-F09, Washington, DC 20555-0001, or on (301) 415-7169

Exemption 6 protects from disclosure "personnel and medical and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. . . ." Exemption 7 (C) provides that "records or information compiled for law enforcement purposes" may be withheld from disclosure, but only to the extent the production of such documents "could reasonably be expected to constitute an unwarranted invasion of personal privacy. . . ."

Names and information that would tend to disclose the identity of certain individuals have been withheld pursuant to Exemptions 6 and 7(C). Individuals involved in OIG investigations, which in this case include subjects, witnesses, sources of information, and other individuals, are entitled to privacy protections so that they will be free from harassment, intimidation, and other personal intrusions.

To the extent permitted by law, the DOE, in accordance with Title 10, Code of Federal Regulations (C.F.R.) § 1004.1, will make available records it is authorized to withhold pursuant to the FOIA unless it determines such disclosure is not in the public interest.

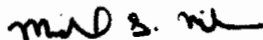
In invoking Exemptions 6 and 7(C), we have determined that it is not in the public interest to release the withheld material. In this request, we have determined that the public interest in the identity of individuals whose names appear in investigative files does not outweigh these individuals' privacy interests. Those interests include being free from intrusions into their professional and private lives.

As required, all releasable information has been segregated from the material that is withheld and is provided to you. See 10 C.F.R. § 1004.7(b)(3).

This decision may be appealed within 30 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to the Director, Office of Hearings and Appeals, HG-1/L'Enfant Plaza Building, U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585-1615.

Thereafter, judicial review will be available to you in the Federal district court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where the Department's records are situated, or (4) in the District of Columbia.

Sincerely,



Michael S. Milner
Assistant Inspector General
for Investigations
Office of Inspector General

Enclosures

Document Number 1

DOE F 1325.8

(08-93)

United States Government
Memorandum

Department of Energy

DATE: December 14, 2011

REPLY TO

ATTN OF: IG-24

(b)(6)(b)(7)(C)

Special Agent)

SUBJECT: Case Closing Recommendation (OIG Case No. I10IF005)

TO:

(b)(6)(b)(7)(C)

Technology Crimes Section

The purpose of this memorandum is to recommend the closing of OIG Case Number I10IF005.

ALLEGATION

On Sep 21, 2010, (b)(6)(b)(7)(C) FBI, met with SA (b)(6)(b)(7)(C) Department of Energy (DOE), Office of Inspector General (IG), at the Idaho Falls OIG field office to report (b)(6)(b)(7)(C) a doe contractor who works at the Idaho National Laboratory (INL) Naval Reactor Facility was under investigation for possession/distribution of child pornography. The FBI advised that (b)(6)(b)(7)(C) may be using peer to peer software and potentially distributing child pornography. Over 16,000 computer files indicative to child pornography have been linked to an account under the name of (b)(6)(b)(7)(C) registered to (b)(6)(b)(7)(C)

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on a potential criminal violation of Title 18 U.S.C. § 1030; (Fraud and related activity in connection with computers) and Title 18 U.S.C. § 2252; (Possession of Child Pornography).

INVESTIGATIVE FINDINGS

The investigation did not substantiate allegations of a criminal nature against (b)(6)(b)(7)(C). The investigation revealed the (b)(6)(b)(7)(C) Christopher Kremer, no DOE affiliation, was responsible for the possession and distribution of child pornography. A confession from Mr. Kremer indicated no one in the resident had knowledge of his child pornography collection. Forensic Analysis of the computer system (b)(6)(b)(7)(C) amount of child pornography. Forensic analysis of the computer systems belonging to (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) revealed no child pornography and (b)(6)(b)(7)(C) been subsequently exonerated of all allegations. Mr. Kremer was indicated and arrested on one count of possession of child pornography. Mr. Kremer entered a guilty plea and was subsequently sentenced to 6 years of incarceration, 10 years of probation and a \$100.00 special assessment. Mr. Kremer was order to register as a sexual offender before release from prison.

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Case Number: I10IF005

Summary Date: 27-JAN-12

Title:

(b)(6)(b)(7)(C) CHILD PORNOGRAPHY; INL

Executive Brief:

PREDICATION:

ON 21-SEP-2010, (b)(6)(b)(7)(C) FBI MET WITH SA (b)(6)(b)(7)(C) AT THE IDAHO FALLS OIG FIELD OFFICE TO REPORT (b)(6)(b)(7)(C) A DOE CONTRACTOR WHO WORKS AT THE IDAHO NATIONAL LABORATORY (INL) NAVAL REACTOR FACILITY WAS UNDER INVESTIGATION FOR POSSESSION/DISTRIBUTION OF CHILD PORNOGRAPHY. THE FBI ADVISED THAT (b)(6)(b)(7)(C) MAY BE USING PEER TO PEER SOFTWARE AND POTENTIALLY DISTRIBUTING CHILD PORNOGRAPHY. OVER 16,000 COMPUTER FILES INDICATIVE TO CHILD PORNOGRAPHY HAVE BEEN LINKED TO AN ACCOUNT UNDER THE NAME OF (b)(6)(b)(7)(C) REGISTERED TO (b)(6)(b)(7)(C)

SA (b)(6)(b)(7)(C) REQUESTED DOE OIG ASSISTANCE IN COLLECTING ADDITIONAL INFORMATION REGARDING (b)(6)(b)(7)(C) ADVISED THAT THE DEPARTMENT OF HOMELAND SECURITY IMMIGRATION CUSTOMS ENFORCEMENT (ICE) IS ALSO ASSISTING IN THE INVESTIGATING AND MAY PROVIDE COMPUTER SUPPORT ALONG WITH THE FBI'S CART TEAM. THE CASE IS BEING COORDINATED WITH ASSISTANT UNITED STATES ATTORNEY MICHELE MALLARD, LOCATED IN POCATELLO, ID.

ACCORDING TO SA (b)(6)(b)(7)(C) CURRENT RESIDENCE IS (b)(6)(b)(7)(C) IDAHO FALLS, ID 83404. (b)(6)(b)(7)(C) MAY BE RESIDING WITH (b)(6)(b)(7)(C) HAS A CRIMINAL HISTORY (NO FURTHER INFORMATION PROVIDED). (b)(6)(b)(7)(C) MAY ALSO BE LIVING WITH (b)(6)(b)(7)(C)

INVESTIGATIVE ACTIVITY:

<<<<<NOT ALL INVESTIGATIVE ACTIVITY IS ENCAPSULATED IN THIS NARRATIVE DUE TO THE SENSITIVE NATURE OF THE INVESTIGATION>>>>>

(b)(6)(b)(7)(C) NAVAL REACTOR FACILITY (NRF) ADVISED THE OIG IN AN INTERVIEW, THAT (b)(6)(b)(7)(C) A NRF CONTRACTOR EMPLOYEE. (b)(6)(b)(7)(C) GOES BY THE NAME (b)(6)(b)(7)(C) FOR THE INFORMATION TECHNOLOGY DIVISION, NRF. (b)(6)(b)(7)(C) INCLUDE (b)(6)(b)(7)(C) AT THE NRF. (b)(6)(b)(7)(C) ALSO (b)(6)(b)(7)(C) FOR EMPLOYEES. (b)(6)(b)(7)(C) HAS BEEN IN (b)(6)(b)(7)(C) POSITION FOR APPROXIMATELY (b)(6)(b)(7)(C) YEARS. (b)(6)(b)(7)(C) HOLDS A Q CLEARANCE AND HAS ACCESS TO THE NRF CLASSIFIED NETWORK AND UNCLASSIFIED.

THE FBI CONDUCTED SURVEILLANCE OPERATIONS. INDICATIONS ARE (b)(6)(b)(7)(C) NO LONGER RESIDES AT THE RESIDENCE. A (b)(6)(b)(7)(C) RESIDES AT THE RESIDENCE AND ATTENDS (b)(6)(b)(7)(C) HIGH SCHOOL. THERE HAS BEEN NO CONFIRMED INFORMATION ON ADDITIONAL PERSONS LIVING AT THE RESIDENCE.

MEMBERS OF THE TECHNOLOGY CRIMES SECTION (TCS) WERE NOTIFIED OF THE INVESTIGATION

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AND WERE REQUESTED TO ASSIST. TCS WILL ASSIST THE FBI IN THE COLLECTION AND ANALYSIS OF ANY DIGITAL EVIDENCE RECOVERED DURING THE INVESTIGATION. THE INITIAL CASE WAS CONVERTED TO A TCS INVESTIGATION DUE TO THE NATURE OF THE ALLEGED OFFENSE.

THE INVESTIGATION HAS REVEALED THE ACCOUNT LINKED TO (b)(6)(b)(7)(C) CURRENTLY CONTAINS OVER 55,000 COMPUTER FILES INDICATIVE OF CHILD PORNOGRAPHY. THE ACCOUNT REMAINS ACTIVE.

ON 14-DEC-2010, (b)(6)(b)(7)(C) REQUESTED AND OBTAINED A SEARCH WARRANT FOR (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) IDAHO FALLS, ID 83404, FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF IDAHO. DOE OIG TCS MEMBERS TRAVELLED TO THE REGION TO ASSIST IN THE EXECUTION OF THE SEARCH WARRANT.

ON 17-DEC-2010, MEMBERS OF THE DOE OIG, FBI, ICE AND THE IDAHO FALLS POLICE DEPARTMENT EXECUTED THE SEARCH WARRANT AT THE RESIDENCE. A SUSPECT, CHRISTOPHER W. KREMER, WAS DISCOVERED WITHIN THE RESIDENCE. MR. KREMER WAS INTERVIEWED BY THE FBI AND SUBSEQUENTLY CONFESSED TO DOWNLOADING AND DISTRIBUTING CHILD PORNOGRAPHY UTILIZING THE PEER TO PEER PROGRAM IN QUESTION. MR. KRAMER INDICATED NO ONE ELSE WITHIN THE RESIDENCE WAS AWARE OF HIS ACTIVITIES.

MEMBERS OF THE DOE OIG CONDUCTED AN INTERVIEW OF (b)(6)(b)(7)(C) AT THE NRF. (b)(6)(b)(7)(C) DENIED ANY KNOWLEDGE OR INVOLVEMENT IN THE DOWNLOADING OR DISTRIBUTION OF CHILD PORNOGRAPHY. (b)(6)(b)(7)(C) WAS COOPERATIVE AND (b)(6)(b)(7)(C) OFFICE COMPUTERS AND (b)(6)(b)(7)(C) GOVERNMENT ISSUED CELL PHONE WERE RECOVERED FOR ANALYSIS TO CONFIRM THE INFORMATION OBTAINED.

INVESTIGATION AND ANALYSIS REVEALED (b)(6)(b)(7)(C) IN FACT HAD NO IMAGES ON (b)(6)(b)(7)(C) COMPUTER SYSTEMS. ANALYSIS REVEALED (b)(6)(b)(7)(C) IMAGES OF CHILD PORNOGRAPHY ON HIS EXTERNAL HARD DRIVE WHICH WAS CONNECTED TO HIS COMPUTER. THE CONFESSION GIVEN BY MR. KRAMER MATCHES THE FORENSIC FINDINGS.

ON 25-MAR-2011, ASSISTANT UNITED STATES ATTORNEY (AUSA) MICHELLE MALLARD WAS ADVISED OF THE FACTS OF THE INVESTIGATION AND HAS ACCEPTED THE CASE FOR PROSECUTION.

A GRAND JURY DATE HAS BEEN SET FOR 24-MAY-2011. (b)(6)(b)(7)(C) WILL ATTEND THE GRAND JURY UTILYZING DATA RECOVERED DURING THE FORENSIC ANALYSIS OF THE DIGITAL MEDIA.

ON 24-MAY-2011, (b)(6)(b)(7)(C) APPEARED BEFORE THE US DISTRICT COURT FOR THE DISTRICT OF IDAHO, TO TESTIFY IN THIS INVESTIGATION. KREMER WAS SUBSEQUENTLY INDICTED ON ONE COUNT OF POSSESSION OF SEXUALLY EXPLOITATIVE MATERIALS IN VIOLATION OF 18 U.S.C. 2252(A)(4)(B). A WARRANT FOR ARREST WAS ISSUED AND IS PENDING EXECUTION

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SCHEDULED FOR 26-MAY-2011.

26-MAY-2011, KREMER WAS ARRESTED ON THE OUTSTANDING WARRANTS BY MEMBERS OF THE US MARSHALS, FBI, AND OIG REGION 6.

28-JUL-2011, KREMER PLEAD GUILTY TO POSSESSION OF SEXUALLY EXPLOITATIVE MATERIAL OF CHILDREN. SENTENCING IS SCHEDULED FOR OCTOBER 11, 2011.

21-NOV-2011, KREMER WAS SENTENCED TO SIX YEARS IN PRISON FOLLOWED BY TEN YEARS OF SUPERVISED RELEASE FOR POSSESSING SEXUALLY EXPLICIT IMAGES OF A MINOR AND ORDERED TO PAY \$100.00 SPECIAL ASSESSMENT. KREMER MUST REGISTER AS A SEX OFFENDER UPON RELEASE.

STAT ON 17-DEC-2010, MEMBERS OF THE DOE OIG, FBI, ICE AND THE IDAHO FALLS POLICE DEPARTMENT EXECUTED A SEARCH WARRANT AT (b)(6)(b)(7)(C) IDAHO FALLS, ID 83404. THE SEARCH WARRANT WAS SIGNED BY A JUDGE FOR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF IDAHO. ITEMS SEIZED INCLUDED COMPUTERS, COMPUTER DISKS, EXTERNAL HARD DRIVES, ETC.

STATON 25-MAR-11, THE INVESTIGATION WAS REFERRED AND ACCEPTED FOR PROSECUTION BY AUSA MICHELLE MALLARD (DATE OF 1-APR-11 IS BEING USED TO CAPTURE STATS SINCE SEMIANNUAL PERIOD COMPLETED.).

STATON 24-MAY-2011, KREMER WAS INDICTED ON ONE COUNT OF POSSESSION OF SEXUALLY EXPLOITATIVE MATERIALS IN VIOLATION OF 18 U.S.C. 2252(A)(4)(B).

STAT26-MAY-2011, KREMER WAS ARRESTED ON THE OUTSTANDING WARRANTS BY MEMBERS OF THE US MARSHALS, FBI, AND OIG REGION 6.

STAT28-JUL-2011, KREMER PLEAD GUILTY TO POSSESSION OF SEXUALLY EXPLOITATIVE MATERIAL OF CHILDREN. SENTENCING IS SCHEDULED FOR NOVEMBER 21, 2011.

STAT 21-NOV-2011, KREMER WAS SENTENCED TO SIX YEARS IN PRISON FOLLOWED BY TEN YEARS OF SUPERVISED RELEASE FOR POSSESSING SEXUALLY EXPLICIT IMAGES OF A MINOR AND ORDERED TO PAY \$100.00 SPECIAL ASSESSMENT. KREMER MUST REGISTER AS A SEX OFFENDER UPON RELEASE.

DISPOSITION:

CASE CLOSED

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Case Number: I11CH005

Summary Date: 24-JAN-12

Title:

ASTRONAUTICS CORP OF AMERICA; FS EECBG; WI

Executive Brief:

PREDICATION: ON 8/4/11, THE H/L RCVD RATB-2011-DOE-0318-L NOTIFYING THE OIG THAT RATB ANALYSIS DETERMINED THAT ASTRONAUTICS CORPORATION OF AMERICA FALSELY CERTIFIED IN ORCA THAT THEY HAD NOT BEEN TERMINATED FOR DEFAULT BY ANY FEDERAL AGENCY. SPECIFICALLY, A CHECK OF THE TERMINATION FOR CAUSE AND DEFAULT ACTIONS REPORTED TO THE FEDERAL PROCUREMENT DATA SYSTEM BETWEEN FISCAL YEARS 2006 AND 2011, DISCLOSED THAT ASTRONAUTICS WAS TERMINATED FOR DEFAULT FROM A GOVERNMENT CONTRACT ON JANUARY 27, 2010. ON SEPTEMBER 1, 2010, ASTRONAUTICS RECEIVED AN ARRA AWARD FROM THE U.S. DEPARTMENT OF ENERGY (AWARD NUMBER DE-AR0000128) TOTALING \$2,889,676.

BACKGROUND: THE OIG CONTACTED (b)(6)(b)(7)(C) FOR ARPA-E, DOE, REGARDING AWARD NUMBER DE-AR0000128 RECEIVED BY ASTRONAUTICS. (b)(6)(b)(7)(C) THAT ASTRONAUTICS RECEIVED AN ARPA-E AWARD, FUNDED THROUGH A COOPERATIVE AGREEMENT TOTALING \$2,889,767. PER THE TERMS OF THE AGREEMENT, ASTRONAUTICS AGREED TO FUND \$722,419 FOR THE PROJECT. THEREFORE, THE TOTAL FUNDS OBLIGATED FOR THE PROJECT EQUALS \$3,612,095. THE PERIOD OF PERFORMANCE IS FROM 09/01/2010 TO 08/31/2013. THE PROJECT ENTAILS ASTRONAUTICS DESIGNING AND CONSTRUCTING AN AIR CONDITIONING SYSTEM USING MAGNETIC REFRIGERATION TECHNOLOGY. THE PROJECT IS LOCATED IN MADISON, WISCONSIN AND IS LESS THAN 50% COMPLETED. TO DATE, ASTRONAUTICS HAS RECEIVED \$609,640 OF THE TOTAL \$2.9 MILLION PROJECT FUNDS FROM THE DOE.

ASTRONAUTICS IS HEADQUARTERED IN MILWAUKEE, WISCONSIN WITH ADDITIONAL LOCATIONS IN LITTLE FALLS NEW JERSEY, BLACK MOUNTAIN, NORTH CAROLINA AND MATAMOROS, MEXICO. FURTHER, ASTRONAUTICS WAS ESTABLISHED IN 1959 AND IS CONSIDERED A LEADER IN DESIGN AND EQUIPMENT FOR AIR, SPACE, LAND AND SEA APPLICATIONS. ASTRONAUTICS HAS RECEIVED NUMEROUS CONTRACTS FROM THE US AIR FORCE, US ARMY, US NAVY AND THE DEFENSE LOGISTICS AGENCY.

INVESTIGATIVE FINDINGS:

(b)(6)(b)(7)(C) WAS IDENTIFIED AS THE (b)(6)(b)(7)(C) FOR THE DEPARTMENT OF NAVY (b)(6)(b)(7)(C) AWARD NOO38307PB252 (ASTRONAUTICS). (b)(6)(b)(7)(C) THE OIG THAT AWARD NOO38307PB252 (ASTRONAUTICS) WAS NOT TERMINATED FOR DEFAULT BUT RATHER TERMINATED FOR CONVENIENCE, AND WAS AN ERROR IN REPORTING BY THE RATB TO THE OIG. (b)(6)(b)(7)(C) IT IS COMMON FOR CONTRACTS TO BE TERMINATED FOR CONVENIENCE. IN THIS SITUATION, THE NAVY REQUESTED A NO COST CANCELLATION (TERMINATION FOR CONVENIENCE) AND ASTRONAUTICS ACCEPTED, DUE TO EQUIPMENT THAT WAS NOT SHIPPED TO ASTRONAUTICS IN A TIMELY MATTER IN ORDER TO COMPLETE THE WORK. THE NAVY HAS ISSUED TWO ADDITIONAL PURCHASE ORDERS FROM ASTRONAUTICS SINCE THE CANCELLATION OF AWARD NOO38307PB252.

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PLANNED ACTIVITIES:

-CASE CLOSED

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RECOMMENDATION

This case is being recommended for closure as all prudent investigative measures were taken, the allegation was founded and all legal actions have been concluded.

Please contact me on 202-586-(b)(6)
(b)(7)
(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Technology Crimes Section
Office of Inspector General

Concur:

(b)(6)(b)(7)(C)

Technology Crimes Section
Office of Inspector General

Date

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Case Number: I12RL002

Summary Date: 17-APR-12

Title:

(b)(6)(b)(7)(C) CONFLICT OF INTEREST; HANFORD WTP PROJECT

Executive Brief:

PREDICATION:

ON 2-DEC-11, THE RICHLAND INVESTIGATIONS OFFICE WAS DIRECTED TO OPEN A STAGE 1 INVESTIGATION AND INTERVIEW DOE EMPLOYEES (b)(6)(b)(7)(C) REGARDING A COMPLAINT MADE TO THE HOTLINE BY (b)(6)(b)(7)(C) GENERAL LAW, DOE OFFICE OF GENERAL COUNSEL (OGC), WASHINGTON, DC, REGARDING CONCERNS THAT (b)(6)(b)(7)(C) THE DOE (b)(6)(b)(7)(C) AT THE HANFORD SITE WASTE TREATMENT PLANT (WTP), MAY HAVE A CONFLICT OF INTEREST IN THAT (b)(6)(b)(7)(C) MAY HAVE VIOLATED A RECUSAL STATEMENT. SPECIFICALLY, (b)(6)(b)(7)(C) THAT DOE EMPLOYEES (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) DOE OFFICE OF ENVIRONMENTAL MANAGEMENT (EM), AND (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) DOE OGC, MADE STATEMENTS AROUND (b)(6)(b)(7)(C) INDICATING THAT (b)(6)(b)(7)(C) MAY HAVE BEEN INVOLVED WITH BATTELLE MEMORIAL INSTITUTE'S (BATTELLE) WORK ON THE WTP JET PULSE MIXING PROJECT. (b)(6)(b)(7)(C) IS A BATTELLE EMPLOYEE ON AN INTERGOVERNMENTAL PERSONNEL ACT (IPA) ASSIGNMENT TO (b)(6)(b)(7)(C) CURRENT POSITION AND WAS SPECIFICALLY FORBIDDEN, ACCORDING TO (b)(6)(b)(7)(C) FROM ANY INVOLVEMENT IN THE JET PULSE MIXING PROJECT. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THAT THE PROHIBITION FROM ANY INVOLVEMENT IN THE JET PULSING MIXING PROJECT WAS ALSO SPECIFICALLY DISCUSSED DURING A TELEPHONIC ETHICS BRIEFING WITH (b)(6)(b)(7)(C) IN WHICH DOE RICHLAND OPERATIONS OFFICE (RL) (b)(6)(b)(7)(C) PARTICIPATED.

INVESTIGATIVE FINDINGS:

THE OIG COORDINATED WITH DOE-RL ETHICS (b)(6)(b)(7)(C) WHO HELPED (b)(6)(b)(7)(C) DRAFT A RECUSAL LETTER, DATED 12-JUL-10. A REVIEW OF THE LETTER INDICATED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) "ALTHOUGH I MAY PARTICIPATE IN CERTAIN MATTERS INVOLVING BMI [BATTELLE], I WILL NOT PARTICIPATE IN THE FOLLOWING MATTERS WHICH AFFECT BMI: (1) MATTERS DEALING WITH THE ASSIGNMENT OF WORK AND ISSUANCE OF TASK ORDERS TO PNNL OR ORNL; (2) MATTERS DEALING WITH PREPARING AND ISSUING COMMENTS REGARDING THE EVALUATION OF PERFORMANCE OF PNNL OR ORNL WITH REGARD TO ACTIVITIES THAT IT PERFORMS RELATED TO THE WTP, OR ANY OTHER FEE EVALUATION RELATED TO BMI, PNNL OR ORNL; OR (3) ANY OTHER NEW MATTER IN WHICH PNNL OR ORNL IS NOT NOW INVOLVED, BUT IN WHICH BMI MAY IN THE FUTURE BECOME A PARTY." THE RECUSAL LETTER DID NOT MAKE ANY REFERENCE TO BEING RECUSED FROM THE JET PULSE MIXING ASPECT OF THE PROJECT. (b)(6)(b)(7)(C) THAT, CONTRARY TO (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) STATEMENTS, (b)(6)(b)(7)(C) DID NOT RECALL ANY SPECIFIC DISCUSSION WITH (b)(6)(b)(7)(C) REGARDING THE PULSE JET MIXING PROJECT.

ON 18 & 19-JAN-11, DOE-OIG REGION 1 PERSONNEL INTERVIEWED (b)(6)(b)(7)(C) PURSUANT TO A LEAD REQUEST FROM THE RICHLAND INVESTIGATIONS OFFICE/REGION 6. BOTH STATED THEY HAD NO KNOWLEDGE OF ANY FINANCIAL BENEFITS RECEIVED BY (b)(6)(b)(7)(C) AS A RESULT OF ANY PROHIBITED CONDUCT DETAILED IN (b)(6)(b)(7)(C) RECUSAL LETTER. (b)(6)(b)(7)(C)

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WAS UNAWARE OF ANY (b)(6)(b)(7)(C) MATERIAL INVOLVEMENT WITH THE PULSE JET MIXING PROJECT.
(b)(6)(b)(7)(C) DID NOT HAVE ANY DIRECT KNOWLEDGE OF ANY CONFLICT OF INTEREST REGARDING THE PULSE JET MIXING PROJECT.

DISPOSITION:

THIS MATTER IS CLOSED. NO WITNESSES IDENTIFIED BY (b)(6)(b)(7)(C)
IN (b)(6)(b)(7)(C) CORROBORATED (b)(6)(b)(7)(C) ALLEGATION. FURTHER, (b)(6)(b)(7)(C) RECUSAL LETTER,
DRAFTED WITH THE ASSISTANCE OF THE DOE-RL (b)(6)(b)(7)(C) DOES NOT MENTION THE
PULSE JET MIXING PROJECT AND INDICATES (b)(6)(b)(7)(C) WILL ONLY BE RECUSED FROM CERTAIN MATTERS
INVOLVING BATTELLE (NONE OF WHICH APPEAR TO INVOLVE THE PULSE JET MIXING PROJECT).

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Case Number: I12PT002

Summary Date: 13-FEB-12

Title:

VARIOUS EMPLOYEES ; CONSPIRACY TO DEFRAUD THE GOVT; NETL

Executive Brief:

PREDICATION:

(b)(6)(b)(7)(C) JUSTICE OIG REFERRED AN ANONYMOUS COMPLAINT BY LETTER DATED 27-SEP-2011 STATING THAT SEVERAL FEDERAL AND CONTRACTOR EMPLOYEES FROM THE NATIONAL ENERGY TECHNOLOGY LABORATORY CONSPIRED TO DEFRAUD THE GOVERNMENT THROUGH THE FOLLOWING SCHEMES:

1. (b)(6)(b)(7)(C) NETL, (b)(6)(b)(7)(C) CONTRACTOR INVOICES WITH INCORRECT BILLING CODES, CONTAINING BILLABLE MAN HOURS FOR SERVICES NOT PERFORMED OR RECEIVED AND ENCOURAGED SUBORDINATE EMPLOYEES TO DO THE SAME.

2. (b)(6)(b)(7)(C) PROLOGIC EMPLOYEE (b)(6)(b)(7)(C) NETL MANAGEMENT OF FEDERAL EMPLOYEES RECEIVING GIFTS.

3. (b)(6)(b)(7)(C) EMPLOYED WITH DASSAULT SYSTEMS TO HAVE (b)(6)(b)(7)(C) TO NETL SERVERS TO WORK ON THE ENOVIA MATRIXONE SYSTEM.

4. PLATINUM SOLUTIONS CLAIMED IN THEIR PROPOSAL TO NETL THAT THE COMPANY HAD COMPUTER CERTIFICATIONS THAN WHAT THEY ACTUALLY HAVE.

THE CASE WAS COORDINATED WITH (b)(6)(b)(7)(C) OF THE PITTSBURGH TECHNOLOGY AUDITS GROUP.

BACKGROUND:

PLATINUM SOLUTIONS (PLATINUM) WAS AWARDED AN INFORMATION TECHNOLOGY AND ENGINEERING SERVICES (ITES) CONTRACT (DE-FE004005) BY THE NETL. PROLOGIC IS A SUBCONTRACTOR UNDER THE TES AWARD.

INVESTIGATIVE FINDINGS:

IN AN INTERVIEW WITH (b)(6)(b)(7)(C) PLATINUM EMPLOYEE (b)(6)(b)(7)(C) DID NOT AUTHOR ANY EMAILS CONCERNING FEDERAL EMPLOYEES IN THE INFORMATION TECHNOLOGY DIVISION AT THE NETL RECEIVING GRATUITIES, BRIBES OR KICKBACKS. (b)(6)(b)(7)(C) NO KNOWLEDGE OF SUCH. (b)(6)(b)(7)(C) THAT PLATINUM HAD VERY STRICT GUIDELINES CONCERNING EMPLOYEES PROVIDING ANYTHING OF VALUE TO FEDERAL EMPLOYEES. (b)(6)(b)(7)(C) THERE WERE RUMORS AND GOSSIP CONCERNING THE ENOVIA MATRIX ONE PROJECT AND DASSAULT SYSTEMS. (b)(6)(b)(7)(C) THE SOFTWARE PLATFORM WAS INCORRECT FOR THE FUNCTIONS AT THE NETL AND OPINED THAT IT

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SHOULD NOT HAVE BEEN PURCHASED. THAT IS WHERE THE RUMORS STARTED CONCERNING POTENTIAL BRIBES. EVERYONE AT PLATINUM THOUGHT THAT NETL SPENT A LOT OF MONEY FOR THE ENOVIA MATRIX ONE SYSTEM AND IT DID NOT WORK CORRECTLY. TO [REDACTED] KNOWLEDGE [REDACTED] PLATINUM WAS SEI CMMI CERTIFIED AND HAD ALL OF THE PROCESSES IN PLACE FOR THE CERTIFICATION. LASTLY, [REDACTED] WAS NOT AWARE OF ANY DOUBLE BILLING BY PLATINUM OR PROLOGIC. [REDACTED] THE FEDERAL IT EMPLOYEES OVERSEEING THE CONTRACT WERE VERY STRICT AND YOU COULD NOT WORK ANY OVERTIME WITHOUT PRIOR APPROVAL.

NETL EMPLOYEE [REDACTED] IS THE [REDACTED] THE ITES CONTRACT. IN AN INTERVIEW WITH THE OIG [REDACTED] HAS NOT EXPERIENCED ANY MAJOR PROBLEMS NOR DOES [REDACTED] HAVE ANY CONCERNS WITH THE PLATINUM CONTRACT. SOME BILLING PROBLEMS OCCURED DURING THE MONTHS OF APRIL AND JULY 2011. PLATINUM SOLUTIONS INADVERTENTLY DOUBLE BILLED THE NETL FOR WORK FOR ONE EMPLOYEE AND USED INCORRECT BILLING CODES. [REDACTED] THE ERRORS AND [REDACTED] THE INVOICES. [REDACTED] THAT THE BILLING ISSUES WERE NOT INTENTIONAL AND WERE THE RESULT OF A BACKUP EMPLOYEE FILLING IN THE THE PLATINUM EMPLOYEE THAT REGULARLY SUBMITTED THE INVOICES FOR PLATINUM. [REDACTED] ALL INVOICES. [REDACTED] WAS THE [REDACTED] THE ITES CONTRACT AND WOULD [REDACTED] INVOICES [REDACTED] INVOICES SUBMITTED BY PLATINUM AND PROLOGIC. [REDACTED] NEVER TOLD NOR ASK [REDACTED] INVOICES THAT WERE INCORRECT. [REDACTED] IS NOT AWARE OF ANYONE IN THE IT DIVISION RECEIVING GIFTS OR GRATUITIES FROM IT CONTRACTORS.

[REDACTED] FROM FEDERAL SERVICE ON [REDACTED]

THE ALLEGATIONS ARE DETERMINED TO BE UNFOUNDED. NO FURTHER INVESTIGATIVE ACTIVITY OR RESOURCES ARE WARRANTED.

INVESTIGATIVE RESULTS:

- COORDINATED THE MATTER WITH [REDACTED] NETL.
- CLOSE CASE.

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Case Number: I09AL007

Summary Date: 05-MAR-12

Title:

SNL; FALSE CLAIMS/STMTS - QUI TAM; SNL-NM

Executive Brief:

PREDICATION:

ON APRIL 6, 2009, (b)(6)(b)(7)(C) DEPT OF JUSTICE, CIVIL LITIGATION, WASHINGTON, DC TELEPHONICALLY CONTACTED SA (b)(6)(b)(7)(C) DOE/OIG. (b)(6)(b)(7)(C) THAT (b)(6)(b)(7)(C) OFFICE HAS A QUI TAM COMPLAINT, FILED UNDERSEAL, THAT INVOLVES SANDIA NATIONAL LABORATORIES (SNL).

(b)(6)(b)(7)(C) THAT RELATORS ARE: (b)(6)(b)(7)(C) THE QUI TAM ALLEGES THAT SANDIA WANTED TO REPLACE A B61 SPIN ROCKET MOTOR (SRM) WHEN IT WAS NOT NECESSARY TO DO SO. SNL THEN SELECTIVELY PROVIDED NEGATIVE TESTING/DATA TO DOE WHICH CAUSED DOE TO APPROVE THE REPLACEMENT OF THE SRM. THE AMOUNT APPROVED WAS APPROXIMATELY 60 MILLION AND, ONCE RECEIVED, SANDIA DID IN FACT REPLACE THE MOTOR.

BACKGROUND:

(b)(6)(b)(7)(C) HAS TELEPHONICALLY INTERVIEWED (b)(6)(b)(7)(C) REPORTED THE ABOVE ALLEGATIONS TO THE OIG AND IT RESULTED IN OIG AUDIT REPORT 0740. (b)(6)(b)(7)(C) HAS NOT SEEN THE REPORT AND HE DOESN'T KNOW IF (b)(6)(b)(7)(C) PROVIDED IT IN THE DISCLOSURES.

ON APRIL 6, 2009, THE OIG INVESTIGATIONS EMAILED (b)(6)(b)(7)(C) A COPY OF THE ABOVE OIG REPORT, WHICH IS AN OIG AUDIT REPORT DATED 9/26/2006.

(b)(6)(b)(7)(C) THE GOVERNMENT INITIALLY HAS TO DECIDE TO INTERVENE BY APRIL 22, 2009, BUT FILED FOR AND RECEIVED EXTENSIONS.

INVESTIGATIVE FINDINGS:

THE INVESTIGATION TO DATE FOUND INFORMATION, INCLUDING FROM DOE AND SNL THAT SUPPORTED THE DECISION MADE TO REPLACE THE B61 SRM, WHICH DOES NOT SUPPORT THE ALLEGATIONS MADE IN THIS MATTER. THE DEPARTMENT OF JUSTICE ULTIMATLEY DECLINED TO INTERVENE.

THE OIG INTERVIEWED (b)(6)(b)(7)(C) NNSA (b)(6)(b)(7)(C) INDICATED THAT OTHER FACTORS WERE INVOLVED IN THE DECISION TO RETROFIT THE B-61 SRM. (b)(6)(b)(7)(C) THAT THE NNSA AND THE NUCLEAR WEAPONS COUNCIL DID NOT SOLELY RELY ON SNL SRM TESTING DATA WHEN DECIDING TO MOVE FORWARD WITH THE B-61 SRM RETROFIT.

A CURSORY REVIEW OF THE OIG AUDIT REGARDING THE MATTER APPEARS TO BE SIMILIAR TO THE COMPLAINT AT ISSUE WITH THE RELATORS.

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DOJ ATTORNEY (b)(6)(b)(7)(C) CONTACTED THE OIG IN FEBRUARY 2010, REGARDING ARRANGEMENTS TO TDY TO ALBUQUERQUE TO INTERVIEW THE RELATOR (b)(6)(b)(7)(C) INITIAL THOUGHT WOULD BE NOT TO INTERVENE IN THE MATTER, BUT TO CONDUCT THE INTERVIEWS TO BE CERTAIN.

IN APRIL 2010, A MEETING WAS CONDUCTED WITH BOTH RELATORS, (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) CHANGED LAST NAME AND NOW (b)(6)(b)(7)(C) AND THEIR ATTORNEY (b)(6)(b)(7)(C) REGARDING THE MATTER. DOJ ATTORNEY'S (b)(6)(b)(7)(C) WERE PRESENT VIA VIDEO TELECONFERENCE.

IN AUGUST 2010, THE OIG INTERVIEWED (b)(6)(b)(7)(C) SNL. (b)(6)(b)(7)(C) WAS PREVIOUSLY A (b)(6)(b)(7)(C) THROUGH (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) JOB INVOLVES (b)(6)(b)(7)(C) IS RESPONSIBLE FOR (b)(6)(b)(7)(C) EVERYTHING WITHIN SNL AND OUTSIDE SNL.

(b)(6)(b)(7)(C) IN AUGUST 2001 (b)(6)(b)(7)(C) BECAME INVOLVED WITH THE SRM WITH THE B-61 FOLLOWING THE INITIAL DISCOVERY OF SRM PROBLEMS. IN THE PROCESS THEY DEVELOPED A SOLUTION TO THE PROBLEM. (b)(6)(b)(7)(C) OF SYSTEM LEVEL AND AGING STUDIES. WAS SUPPORTED AND BRIEFED BY VARIOUS AGENCIES AS IT MOVED INTO PRODUCTION. (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) THE B-61 IS THE OLDEST ACTIVE STOCKPILE WEAPON. THE ESTIMATED LIFE FOR THE SRM WAS 7 YEARS, YET IT WAS MADE APPROXIMATELY 40 YEARS AGO. WHEN ASKED ABOUT AN ALTERATION, (b)(6)(b)(7)(C) THIS IS A CHANGE TO THE WEAPON. THIS MAY INVOLVE IMPROVEMENTS IN RELIABILITY OR PERFORMANCE, NOT CAPABILITY. THE B-61 ISSUE INVOLVED CORRECTING DEFICIENCIES. (b)(6)(b)(7)(C) IN THE EARLY 1990'S THEY IMPROVED A SAFETY SUBSYSTEM. AS A RESULT TO ACCOMPLISH THIS THERE WAS A HIGHER THRESHOLD REGARDING THE SPIN SENSE ACCELERATION, WHICH NEEDED TO BE HIGHER THAN THE PREDECESSOR. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WAS INVOLVED WITH VARIOUS ALTERATIONS INCLUDING ALTERATION 354, REGARDING THE FIN CAN. THE B-61 ALSO INVOLVED ALTERATION 356 THE SPIN ROCKET APPLICATION AND ALTERATION 359.

(b)(6)(b)(7)(C) THERE WERE MANY FAILURES INVOLVING THE B-61 SRM CHANGING TO THE NEW SRM. THE PROCESS WAS LONG AND COMPLICATED. ALTERATION 335 INVOLVES A HIGHER LEVEL REQUIREMENT AS A RESULT. IN THE SYSTEM, SNL RECOGNIZED THE SRM HAD AGED AND NEEDED TO GET INITIAL SPIN PERFORMANCE TO REPLACE THE SPIN MOTOR. THIS FINDING WAS AS A RESULT OF INITIAL TESTING. THERE WERE A SERIES OF TESTS PERFORMED DURING A HANDFULL OF YEARS REGARDING THE PERFORMANCE OF THE SRM.

WHEN ASKED ABOUT WEAPON TEST FAILURES, (b)(6)(b)(7)(C) THERE WERE TWO TYPES, CATASTROPHIC

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FAILURE AND SECOND CATEGORY FAILURES, WHICH OCCURS ON A MORE FREQUENT BASIS. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THEY FOUND UNACCEPTABLE LEVELS IN THE TESTING. (b)(6)(b)(7)(C) THE TESTS AT ISSUE WERE DONE BETWEEN 2002 AND 2005. (b)(6)(b)(7)(C) REFERRED SA (b)(6)(b)(7)(C) TO THE OIG AUDIT REPORT FOR ADDITIONAL INFORMATION. (b)(6)(b)(7)(C) THERE HAS BEEN NOTHING OF SIGNIFICANCE FOUND REGARDING TEST FAILURES WITH THE B-61 SINCE THE OIG AUDIT REPORT. (b)(6)(b)(7)(C) THERE WERE APPROXIMATELY 20 TO 70 TEST FAILURES, WHICH OCCURRED ON A FEW HUNDRED TESTS OR MORE. (b)(6)(b)(7)(C) THIS WAS NOT NORMAL.

WHEN ASKED ABOUT THE COUNTER TORQUE PROBLEM WITH THE B-61, (b)(6)(b)(7)(C) THERE WAS A HIGHER THRESHOLD INVOLVING THE OLDER SRM. A LOWER SPIN RATE WAS OCCURRING AND THEY WERE NOT ABLE TO MEASURE DEFICIENCY. THEY INCORPORATED ROLOMITES, INTERNAL SWITCHES, WHICH ALLOWED IT TO SPIN AT A LOWER RATE. WHEN ASKED IF THERE WAS A SHORT TERM FIX TO THE COUNTER TORQUE PROBLEMS, (b)(6)(b)(7)(C) THAT ALT 354 INTRODUCED THE FIN CANT SOLUTION WHICH WAS A QUICK FIX INVOLVING COUNTER TORQUE. (b)(6)(b)(7)(C) THINKS ALT 354 INVOLVED RESTRICTIONS ON AIR SPEED.

IN FEBRUARY 2000 THE FIN CANT IDEA WAS DEVELOPED AND APPROVED. IN EARLY 2001 APPROVAL WAS GIVEN FOR PRODUCTION INVOLVING MODIFYING THE STOCKPILE. WHEN ASKED IF THERE WAS A LONG TERM SOLUTION FOR DEVELOPING A NEW SRM UNDERTAKEN BECAUSE OF MULTIPLE FACTORS, (b)(6)(b)(7)(C) YES. SA (b)(6)(b)(7)(C) UNDERSTOOD THE SHORT TERM FIX LIMITED SOME ACCEPTABLE VARIANCES AND COULD STRESS OTHER COMPONENTS ASSOCIATED WITH THE B-61 AND HE SAID YES.

(b)(6)(b)(7)(C) THE 6X IS A PROCESS TO REALIZE NUCLEAR WEAPONS AND INVOLVES THE DOD AND DOE. (b)(6)(b)(7)(C) THERE ARE THRESHOLDS THAT REQUIRE APPROVAL IN THE PROCESS AND THERE IS FUNDING INVOLVING A BROAD COMMUNITY. (b)(6)(b)(7)(C) THE 6X PROCESS ENTAILS STUDIES FOR COMPLETION, DESIGN, MANUFACTURING, AND IMPLEMENTATION OF THE COMPONENT AT ISSUE. (b)(6)(b)(7)(C) THE SRM RETROFIT ADHERED TO THE 6X PROCESS. (b)(6)(b)(7)(C) THE ISSUE HAD CHALLENGES WITH THE INTEGRITY OF AN AGED COMPONENT. THEY USED THIS TO GO THROUGH DEVELOPMENT AND PRODUCTION OF A NEW PART. (b)(6)(b)(7)(C) THAT ONE MIGHT ARGUE THAT TESTING AN OLD COMPONENT IS NOT PART OF THE 6X PROCESS. ULTIMATELY, THERE WAS JUSTIFICATION TO MAKE THE CHANGE.

WHEN ASKED IF THE SRMS THAT ARE USED FOR 6X TESTING NEEDED TO BE MAINTAINED IN A WAR RESERVE CONDITION (WRC), (b)(6)(b)(7)(C) THERE ARE EXCEPTIONS IN CONDUCTING TESTS THAT MIGHT NOT ADVERSELY IMPACT THEM. THE SAID THE DECISIONS ARE OFTEN JUDGMENT WHEN THEY MAKE ASSESSMENTS. (b)(6)(b)(7)(C) THEY NEEDED TO HAVE CONFIDENCE THE WEAPON WILL PERFORM IN A MANNER NOT AFFECTED BY THE ENVIRONMENT.

(b)(6)(b)(7)(C) THERE WERE JUDGEMENT CALLS MADE IN A NUMBER OF CASES REGARDING

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SURVEILLANCE COMPONENT TESTS. (b)(6)(b)(7)(C) THEY MAKE JUDGMENTS IN THE TESTING, TO INCLUDE STORAGE. (b)(6)(b)(7)(C) THERE WERE A HIGH NUMBER OF FAILURES. (b)(6)(b)(7)(C) THAT HYPOTHETICALLY TESTS WOULD SHOW THE SAME PROBLEMS WITH THE SRM IF THEY HAD BEEN CONDUCTED IN THE WAR RESERVE CONDITION.

WHEN ASKED ABOUT THE B-61 SRM REPLACEMENT/RETROFIT APPROVAL PROCESS, (b)(6)(b)(7)(C) A LARGE NUMBER OF APPROVALS WERE NECESSARY. THIS INCLUDED THE NWC SAFETY SUBCOMMITTEE APPROVAL (b)(6)(b)(7)(C) THE APPROVAL PROCESS WAS LONG AND INVOLVED MULTIPLE STAGES.

(b)(6)(b)(7)(C) THERE WERE APPROXIMATELY 10 TO 20 SIGNIFICANT FINDINGS INVESTIGATIONS INVOLVING THE B-61. (b)(6)(b)(7)(C) SNL PRESENTED COST INFORMATION ON THE REBUILDING OF THE B-61 OPTION TO NNSA IN JANUARY 2003 AND THE SNL COST INFORMATION SHOWED IT WOULD COST LESS TO REBUILD A NEW MOTOR.

ON MARCH 4, 2011, THE OIG INTERVIEWED (b)(6)(b)(7)(C) SNL. (b)(6)(b)(7)(C) WAS THE B-61 (b)(6)(b)(7)(C) FROM (b)(6)(b)(7)(C) POSITION INVOLVED ANY (b)(6)(b)(7)(C) B-61 (b)(6)(b)(7)(C) ROLE INCLUDED ENSURING THE B-61 (b)(6)(b)(7)(C) CLARIFIED THE B-61 WAS AN OLD WEAPON SYSTEM. GENERALLY PROPELLANT IN WEAPONS SYSTEMS IS USED MAYBE 8-10 YEARS, BUT THE PROPELLANT IN THE B-61 WAS 15 TO 30 YEARS OLD.

(b)(6)(b)(7)(C) PEER REVIEWS WERE PERFORMED REGARDING THE B-61. WHEN B-61 SRMS WERE FIRED THERE WERE SEVERAL FAILURES. RELIABILITY TESTING WENT FURTHER TO GIVE A BETTER NUMBER ON THE ISSUE, AND ADDITIONAL FAILURES OCCURED DURING THE RELIABILITY TESTING.

(b)(6)(b)(7)(C) THE SRM RETROFIT ADHERED TO THE 6X PROCESS. (b)(6)(b)(7)(C) THAT INTEGRITY ISSUES WERE RAISED (NOTE: APPEARS SAME ALLEGATIONS AS FILED IN QUI TAM). (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) PERFORMANCE AND AGING WERE REQUIREMENTS FOR THE NEW SRM. (b)(6)(b)(7)(C) THE PROPER PROCESS WAS FOLLOWED BY NNSA, AND NUMEROUS INDIVIDUALS, GROUPS, EXPERTS REGARDING THE DECISION. THERE WERE VARYING DEGREES OF TESTING PERFORMED, BUT THE DECISIONS MADE AROUND TESTING SUPPORT THE AGING PIECE OF REASONING FOR REPLACING THE SRM, EVEN WITH THE VARYING PEDIGREE OF TESTING.

(b)(6)(b)(7)(C) THAT CURRENTLY THERE ARE NO OLD SRMS IN THE STOCKPILE TODAY IN THE B-61S.

RELATORS IN THE MATTER PROVIDED APPROXIMATELY 122 DOCUMENTS INVOLVING THE MATTER TO THE DOJ. A REVIEW OF THE DOCUMENTS FOUND EMAIL MESSAGES, REPORTS, NOTES, ETC, INVOLVING SNL AND VARIOUS ISSUES INCLUDING THE B61 SRM. NOTHING SUBSTANTIAL WAS

Document Number 6

United States Government

Department of Energy

Memorandum

DATE: March 12, 2012

REPLY TO

ATTN OF: IG-24 (b)(6)(b)(7)(C) Special Agent)

SUBJECT: Case Closing Recommendation (OIG Case No. I11TC002)

TO: (b)(6)(b)(7)(C) Technology Crimes Section

The purpose of this memorandum is to recommend closing OI case I11TC002.

ALLEGATION

(b)(6)(b)(7)(C) an employee of CH2M Hill Plateau Remediation Company (CHPRC) at the Hanford Site in Richland, Washington, was in possession of child pornography.

POTENTIAL STATUTORY VIOLATIONS

Criminal violations of Title 18 U.S.C. § 2252; (Certain activities relating to material involving the sexual exploitation of minors.)

INVESTIGATIVE FINDINGS

(b)(6)(b)(7)(C) plead guilty in the Benton County Superior Court of Washington to one count of possession of depictions of minor engaged in sexually explicit conduct in the first degree. (b)(6)(b)(7)(C) was sentenced to 3 months in county jail, 3 years of community supervision/custody, and fined \$1,360.00.

RECOMMENDATION

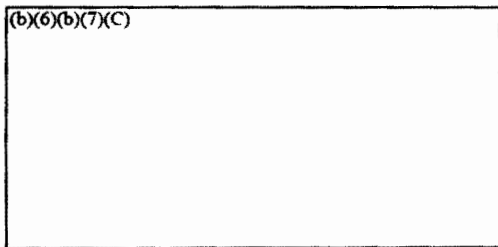
This case is being recommended for closure due to all judicial proceedings are complete.

Please contact me on 202-586-(b)(6)(b)(7)(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Technology Crimes Section
Office of Inspector General

(b)(6)(b)(7)(C)



Technology Crimes Section
Office of Inspector General

13 MAR 17
Date

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Case Number: I11TC002

Summary Date: 13-MAR-12

Title:

(b)(6)(b)(7)(C) CHILD PORNOGRAPHY; RICHLAND, WA

Executive Brief:

PREDICATION:

ON NOVEMBER 10, 2010, THE RICHLAND POLICE DEPARTMENT, RICHLAND, WASHINGTON (RICHLAND PD), REQUESTED ASSISTANCE FROM THE RICHLAND INVESTIGATIONS OFFICE IN EXECUTING AN ARREST WARRANT ON (b)(6)(b)(7)(C) AN EMPLOYEE OF CH2M HILL PLATEAU REMEDIATION COMPANY (CHPRC) ON THE DOE HANFORD SITE. THE RICHLAND PD WERE PRESSING LOCAL CHARGES OF POSSESSION OF DEPICTIONS OF A MINOR ENGAGED IN SEXUALLY EXPLICIT CONDUCT IN THE FIRST DEGREE, AND ALSO VIEWING DEPICTIONS OF A MINOR ENGAGED IN SEXUALLY EXPLICIT CONDUCT IN THE FIRST DEGREE.

INVESTIGATIVE FINDINGS:

ON NOVEMBER 10, 2010, SA (b)(6)(b)(7)(C) AND THE RICHLAND PD ARRESTED (b)(6)(b)(7)(C) AT THE HANFORD PLUTONIUM FINISHING PLANT. SA (b)(6)(b)(7)(C) WORK COMPUTER AS EVIDENCE. SA (b)(6)(b)(7)(C) INTERNET PROTOCOL (IP) LOG RECORDS, INTERNET BROWSING HISTORY, AND E-MAIL RECORDS FROM MISSION SUPPORT ALLIANCE (MSA) INFORMATION SYSTEM SECURITY OFFICE PERSONNEL AT THE HANFORD SITE.

ON JANUARY 25, 2011, THE FORENSIC EXAMINATION OF (b)(6)(b)(7)(C) DOE WORK COMPUTER WAS COMPLETED. FORENSIC EXAMINATION DID NOT REVEAL ANY EVIDENCE OF CHILD PORNOGRAPHY. REVIEW OF NETWORK LOGS ASSOCIATED WITH (b)(6)(b)(7)(C) DOE NETWORK ACCOUNT DID NOT REVEAL ANY EVIDENCE OF SEARCHES FOR CHILD PORNOGRAPHY.

ON FEBRUARY 23, 2011, SA (b)(6)(b)(7)(C) TALKED TO (b)(6)(b)(7)(C) RICHLAND POLICE DEPARTMENT. (b)(6)(b)(7)(C) HAD BEEN FORMALLY CHARGED WITH POSSESSION OF DEPICTIONS OF MINOR ENGAGED IN SEXUALLY EXPLICIT CONDUCT AND VIEWING DEPICTIONS OF MINOR ENGAGED IN SEXUALLY EXPLICIT CONDUCT.

ON (b)(6)(b)(7)(C) TO WASHINGTON STATE CHARGES OF ONE COUNT OF POSSESSION OF DEPICTIONS OF MINOR ENGAGED IN SECUALLY EXPLICIT CONDUCT IN THE FIRST DEGREE. (b)(6)(b)(7)(C) SENTENCED TO THREE MONTHS JAIL AND FINED \$1,360.00.

DISPOSITION:

CLOSED

Document Number 7

DATE: March 14, 2012

REPLY TO

ATTN OF: IG-24 (b)(6)(b)(7)(C) Special Agent)

SUBJECT: Case Closing Recommendation (OIG Case No. I10TC004)

TO: (b)(6)(b)(7)(C) Technology Crimes Section

The purpose of this memorandum is to recommend the closing of OIG Case Number I10TC004.

ALLEGATION

On March 30, 2010, (b)(6)(b)(7)(C) with Sandia National Laboratory (SNL), (b)(6)(b)(7)(C) SNL employee, (b)(6)(b)(7)(C) had brought a civil lawsuit for wrongful termination against SNL. During the lawsuit, SNL requested a forensic examination of (b)(6)(b)(7)(C) government issued computers by a private firm, Stroz Friedberg. The (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) for Stroz Friedberg, (b)(6)(b)(7)(C) produced a report indicating (b)(6)(b)(7)(C) government computers had been used to store and view sexually explicit material. The file names listed in (b)(6)(b)(7)(C) report and associated with this sexually explicit material indicate the material might be child pornography.

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on a potential criminal violation of Title 18 U.S.C. § 1030; (Fraud and related activity in connection with computers) and Title 18 U.S.C. § 2252; (Possession of Child Pornography).

INVESTIGATIVE FINDINGS

The investigation did not substantiate allegations of a criminal nature. The analysis of the media revealed no child pornography of any kind. The computer systems did contain numerous images of adult pornography with file titles that would suggest child pornography.

RECOMMENDATION

This case is being recommended for closure as all prudent investigative measures were taken, the allegation was unsubstantiated and further expenditure of resources is unwarranted.

Please contact me on 202-586-(b)(6)
(b)(7)
(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Technology Crimes Section
Office of Inspector General

(b)(6)(b)(7)(C)

Technology Crimes Section
Office of Inspector General

14 MAR 12

Date

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Case Number: I10TC004

Summary Date: 14-MAR-12

Title:

(b)(6)(b)(7)(C) CHILD PORNOGRAPHY; SNL

Executive Brief:

PREDICATION:

THIS CASE WAS ORIGINALLY OPENED UNDER CASE NUMBER I06TC009, AND SUBSEQUENTLY CLOSED FOR LACK OF EVIDENCE. IT HAS BEEN RE-OPENED UNDER THIS CASE NUMBER AFTER NEW EVIDENCE WAS DISCOVERED.

ON MARCH 30, 2010, (b)(6)(b)(7)(C) WITH SANDIA NATIONAL LABORATORY (SNL), (b)(6)(b)(7)(C) SNL EMPLOYEE, (b)(6)(b)(7)(C) HAD BROUGHT A CIVIL LAWSUIT FOR WRONGFUL TERMINATION AGAINST SNL. DURING THE LAWSUIT, SNL REQUESTED A FORENSIC EXAMINATION OF (b)(6)(b)(7)(C) GOVERNMENT ISSUED COMPUTERS BY A PRIVATE FIRM, STROZ FRIEDBERG. THE (b)(6)(b)(7)(C) STROZ FRIEDBERG, (b)(6)(b)(7)(C) PRODUCED A REPORT INDICATING (b)(6)(b)(7)(C) GOVERNMENT COMPUTERS HAD BEEN USED TO STORE AND VIEW SEXUALLY EXPLICIT MATERIAL. THE FILE NAMES LISTED IN (b)(6)(b)(7)(C) REPORT AND ASSOCIATED WITH THIS SEXUALLY EXPLICIT MATERIAL INDICATE THE MATERIAL MIGHT BE CHILD PORNOGRAPHY.

INVESTIGATIVE ACTIVITY:

ON MARCH 30, 2010, SA (b)(6)(b)(7)(C) RECEIVED THE COMPLAINT FROM (b)(6)(b)(7)(C) OVER THE TELEPHONE. (b)(6)(b)(7)(C) WOULD FORWARD THE FULL STROZ FRIEDBERG FORENSIC REPORT TO INCLUDE ALL ATTACHMENTS AND COMPUTER MEDIA, AND (b)(6)(b)(7)(C) WOULD FORWARD ALONG (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) GOVERNMENT ISSUED COMPUTERS FOR TCS ANALYSIS.

SA (b)(6)(b)(7)(C) REVIEWED THE FORENSIC REPORT FROM STROZ FRIEDBERG AND THE IMAGES FOUND DURING THE FORENSIC EXAMINATION. THE REPORT FAILED TO IDENTIFY ANY CHILD PORNOGRAPHY, BUT DID FIND ADULT PORNOGRAPHY.

REPORTS FROM FRIEDBERG WERE ANALYZED AND PORNOGRAPHY WAS DISCOVERED. THE PORNOGRAPHY HOWEVER WAS FOUND TO BE ADULT IN NATURE. THE COMPUTER SYSTEMS WERE ANALYZED AND FOUND TO CONTAIN PORNOGRAPHY BUT AGAIN WERE ADULT IN NATURE. NO IMAGES WERE DISCOVERED TO CONTAIN CHILD PORNOGRAPHY. THE CASE IS CLOSED.

DISPOSITION:

CLOSED

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Case Number: I12TC002

Summary Date: 04-JAN-12

Title:

(b)(6)(b)(7)(C) THEFT OR DESTRUCTION OF GOVT DATA; EM

Executive Brief:

PREDICATION:

ON 11/18/11 (b)(6)(b)(7)(C), (b)(7)(C) (PROTECT IDENTITY) (EM81) PHONED THE HOTLINE ALLEGING (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) EMPLOYEE, DESTROYED/ABSCONDED WITH EM'S PRIMA VERA PROGRAM SCHEDULING DATA AFTER (b)(6)(b)(7)(C) EMPLOYMENT WAS TERMINATED IN (b)(6)(b)(7)(C)

AN INTERVIEW OF (b)(6)(b)(7)(C) DOE, OFFICE OF PROCUREMENT PLANNING WAS CONDUCTED. THE INTERVIEW REVEALED THE SOFTWARE IN QUESTION WAS SCHEDULED TO BE REPLACED BY MICROSOFT PROJECT. THE INITIAL SOFTWARE PACKAGE WAS CUMBERSOME AND CENTRALIZED IN NATURE WHERE ONE CONTRACT OFFICIAL WAS RESPONSIBLE FOR MAINTAINING THE SOFTWARE AND MAKING CHANGES TO THE DATA. THE NEW MICROSOFT PROJECT SOFTWARE ALLOWED FOR A DECENTRALIZED SYSTEM WHERE MANAGERS COULD MAKE CHANGES WHEN NEEDED AND THE CONTRACT OFFICIAL WAS NO LONGER NEEDED. THE RECALL OF THE CONTRACT OFFICIAL BY THE CONTRACTOR WAS NOT DUE TO PERFORMANCE ISSUES RATHER THE OFFICIAL WAS NO LONGER REQUIRED TO MAINTAIN THE SYSTEM. (b)(6)(b)(7)(C) THERE WAS NO LOSS OF DATA ONLY A SHORT TRANSITION PERIOD WHEN THE SYSTEMS WERE UPDATING.

DUE TO THE INFORMATION OBTAINED IN THE FORE MENTIONED INTERVIEW THIS CASE IS UNFOUNDED AND WILL BE CLOSED.

PLANNED ACTIVITIES:

1) CLOSE CASE

DISPOSITION:

CASE CLOSED

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Case Number: I12OR002

Summary Date: 20-MAR-12

Title:

(b)(6)(b)(7)(C) TGP; ETPP

Executive Brief:

PREDICATION:

(b)(6)(b)(7)(C) URS/CH2M OAK RIDGE, LLC. (UCOR), EAST TENNESSEE TECHNOLOGY PARK (ETTP), INFORMED THE OIG THAT A PIECE OF ETPP PROPERTY, A "BOX STAND", WAS MISSING.

COORDINATION:

ON 18-NOV-11, THIS CASE WAS COORDINATED WITH FBI IN KNOXVILLE, TN.

SUMMARY:

ON 14-NOV-11, (b)(6)(b)(7)(C) UCOR, EMAILED THE OAK RIDGE OIG OFFICE WITH NOTIFICATION OF A MISSING BOX STAND FROM ORNL. FURTHER, (b)(6)(b)(7)(C) THE POSSIBLE LOCATION OF THE BOX STAND AS CHILTON TRACTOR COMPANY IN WARTBURG, TENNESSEE. THE INVESTIGATION DETERMINED THAT (b)(6)(b)(7)(C) THE BOX STAND FROM ORNL AND TRANSPORTED IT TO CHILTON TRACTOR COMPANY IN (b)(6)(b)(7)(C) PERSONALLY OWNED VEHICLE. IN ADDITION, THE INVESTIGATION DETERMINED THAT (b)(6)(b)(7)(C) DID NOT MALICIOUSLY TAKE THE PROPERTY BUT HAD RECEIVED PERMISSION FROM (b)(6)(b)(7)(C) TO TAKE THE BOX STAND FROM ORNL. ON 15-NOV-11, CASE AGENT RECOVERED THE BOX STAND VALUED AT \$8,691.33 FROM CHILTON TRACTOR COMPANY. ON 13-DEC-11, THE OIG REFERRED THIS INCIDENT TO THE DOE'S OAK RIDGE OFFICE (ORO) WITH SUGGESTIONS FOR CORRECTIVE ACTION.

ON 15-MAR-12, (b)(6)(b)(7)(C) ORO, PROVIDED A WRITTEN RESPONSE OF CONCURRENCE WITH THE THREE RECOMMENDATIONS THE OIG REFERRED TO (b)(6)(b)(7)(C) OFFICE. IN ADDITION, THE RESPONSE INCLUDED TWO ADDITIONAL CORRECTIVE MEASURES.

INVESTIGATIVE ACTIVITY:

ON 14-NOV-11, (b)(6)(b)(7)(C) URS/CH2M OAK RIDGE LLC, EMAILED THE OAK RIDGE OIG OFFICE WITH NOTIFICATION OF A MISSING BOX STAND FROM ORNL. FURTHER, (b)(6)(b)(7)(C) THE POSSIBLE LOCATION OF THE BOX STAND WAS CHILTON TRACTOR COMPANY IN WARTBURG, TENNESSEE. ATTACHED TO (b)(6)(b)(7)(C) EMAILS WERE PHOTOGRAPHS OF THE BOX STAND WHICH SHOWED THE NUMBER PO-23900-PO-TK090 REV. 0 ON THE SIDE OF THE ITEM.

ON 15-NOV-11, PURSUANT TO A REQUEST FROM CASE AGENT, (b)(6)(b)(7)(C) A COPY OF BECHTEL JACOBS CO., LLC, PURCHASE ORDER NUMBER: 23900-PO-TK090 REV.0, WHICH SHOWED THE PURCHASE OF ONE "SKID FOR CONTAINERS" VALUED AT \$8,961.33. (b)(6)(b)(7)(C)

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PROVIDED COPIES OF THE BECHTEL SPECIAL RECEIPT INSPECTION REPORT NUMBER: SRIR-TH090-001 FOR ONE "BOX SKID"; THE METAL SOLUTIONS DESIGN AND FABRICATION PACKING SLIP FOR ONE "SKID FOR CONTAINER"; AND BILL OF LADING FOR ONE "SKID PLATFORM(TK090)" TO BE SHIPPED TO ORNL.

(b)(6)(b)(7)(C)

ALSO ON 15-NOV-11, CASE AGENT TRAVELLED TO CHILTON TRACTOR COMPANY IN WARTBURG, TN. (b)(6)(b)(7)(C) CHILTON TRACTOR COMPANY, (b)(6)(b)(7)(C) WAS UNAWARE OF HOW THE "BIG BLUE BOX" SHOWED UP AT (b)(6)(b)(7)(C) BUSINESS. (b)(6)(b)(7)(C) HAD SEEN IT ON THE PREMISE FOR THE LAST "WEEK OR SO" AND JUST ASSUMED (b)(6)(b)(7)(C) THE ITEM IN TO BE WORKED ON. (b)(6)(b)(7)(C) IT WAS NOT UNCOMMON FOR FARMERS IN THE AREA TO DROP OFF LARGE PIECES OF EQUIPMENT AT THE BUSINESS AFTER THE HOURS. FURTHER, (b)(6)(b)(7)(C) EXPLAINED THAT FARMERS WERE OFTEN UNAVAILABLE TO DROP OF EQUIPMENT DURING NORMAL BUSINESS HOURS BUT WOULD CALL THE NEXT DAY TO REQUEST SERVICE OR REPAIR. (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) MAY HAVE MORE INFORMATION ON THE BOX STAND. (b)(6)(b)(7)(C) ESCORTED CASE AGENT TO THE WARTBURG POST OFFICE TO MEET WITH (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WAS UNAWARE TO HOW THE BOX STAND ENDED UP ON THEIR PROPERTY. IN ADDITION, (b)(6)(b)(7)(C) THAT A LARGE GOOSENECK TRAILER WAS ALSO ON THEIR PROPERTY AND (b)(6)(b)(7)(C) WAS UNAWARE OF HOW THAT PIECE OF EQUIPMENT ENDED UP AT THEIR LOCATION. CASE AGENT ADVISED BOTH INDIVIDUALS THAT THE BOX STAND BELONGED TO DOE AND RECOVERED THE ITEM FROM CHILTON TRACTOR COMPANY. THE ITEM WAS PICKED UP AND TRANSPORTED TO ETP, WHERE IT WAS BEING STORED IN A LOCKED BUILDING.

(b)(6)(b)(7)(C)

ON 15-NOV-11, CASE AGENT AND (b)(6)(b)(7)(C) PARTICIPATED IN A PHONE CALL FROM (b)(6)(b)(7)(C) IN WHICH (b)(6)(b)(7)(C) HAD BEEN CONTACTED BY (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) UCOR, AND (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) DEMCO, WHO REPORTED THAT A DEMCO EMPLOYEE, (b)(6)(b)(7)(C) WAS RESPONSIBLE FOR THE REMOVAL OF THE BOX STAND FROM ORNL.

ON 16-NOV-11, CASE AGENT AND (b)(6)(b)(7)(C) INTERVIEWED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) UCOR, AND (b)(6)(b)(7)(C) UCOR (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) A DEMCO EMPLOYEE HAD COME FORWARD AND REPORTED THAT (b)(6)(b)(7)(C) THE BOX STAND FROM ORNL.

(b)(6)(b)(7)(C) INTERVIEWED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THE BOX STAND BUT THAT (b)(6)(b)(7)(C) ONLY DID SO AFTER RECEIVING PERMISSION FROM (b)(6)(b)(7)(C) DEMCO. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) AT THE TIME THE BOX STAND WAS REMOVED AND HAD (b)(6)(b)(7)(C) BEEN MADE AWARE OF THE SITUATION (b)(6)(b)(7)(C) COULD NOT HAVE THE BOX STAND.

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AT THIS TIME SAS INTERVIEWED (b)(6)(b)(7)(C) WAS WORKING TO CLEAR UP SCRAP MATERIALS LEFT AT THE LAY DOWN YARD USED BY DEMCO AT ORNL. (b)(6)(b)(7)(C) DURING THE CLEANUP THE BOX STAND WAS DUE TO BE THROWN AWAY. INSTEAD OF THROWING THE BOX STAND AWAY (b)(6)(b)(7)(C) RECEIVED PERMISSION FROM (b)(6)(b)(7)(C) TO KEEP THE BOX STAND AND TAKE IT TO (b)(6)(b)(7)(C) IN WARTBURG, TN. (b)(6)(b)(7)(C) USED A FORKLIFT IN THE LAY DOWN YARD TO LOAD THE BOX STAND IN (b)(6)(b)(7)(C) PERSONAL PICKUP TRUCK AND EXITED ORNL. (b)(6)(b)(7)(C) DID NOT HAVE EQUIPMENT TO UNLOAD THE BOX STAND AT (b)(6)(b)(7)(C) UNLOADED THE ITEM AT CHILTON TRACTOR SUPPLY WITH THE INTENTION OF PICKING IT UP AT A LATER DATE. (b)(6)(b)(7)(C) COULD USE THE BOX AT (b)(6)(b)(7)(C) INSTEAD OF IT JUST BEING THROWN AWAY AS SCARP. WHEN SAS INFORMED (b)(6)(b)(7)(C) OF THE VALUE OF THE BOX STAND (b)(6)(b)(7)(C) WAS SHOCKED. (b)(6)(b)(7)(C) HAD NOT HAD ANY TYPE OF TRAINING IN REFERENCE TO REMOVAL OF PROPERTY FROM ORNL. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) AFTER INTERVIEWING (b)(6)(b)(7)(C) SAS INTERVIEWED (b)(6)(b)(7)(C) HAD GIVEN (b)(6)(b)(7)(C) PERMISSION TO TAKE THE BOX STAND FROM ORNL. (b)(6)(b)(7)(C) THOUGHT THE BOX STAND WAS GOING TO THE DUMP AND THAT INSTEAD OF THROWING IT AWAY (b)(6)(b)(7)(C) DECIDED TO ALLOW (b)(6)(b)(7)(C) TO HAVE THE ITEM. IN ADDITION, (b)(6)(b)(7)(C) WAS UNAWARE OF THE PROCEDURES FOR REMOVAL OF PROPERTY FROM ANY DOE SITE AND THAT (b)(6)(b)(7)(C) HAD NOT RECEIVED ANY TRAINING IN REFERENCE TO THE REMOVAL OF PROPERTY. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C)

INVESTIGATIVE RESULTS:

****STAT**** ON 15-NOV-11 SA (b)(6)(b)(7)(C) RECOVERED GOVERNMENT PROPERTY IN THE FORM OF A BOX STAND VALUED AT \$8961.33 FROM CHILTON TRACTOR COMPANY IN WARTBURG, TN. THE BOX STAND WAS COLLECTED AND TRANSPORTED TO ETTP WHERE IT WAS TO BE STORED IN A LOCKED BUILDING. ****NOTE**** THIS MATTER WAS PREDICATED ON 15-NOV-11, AND THE PROPERTY WAS RECOVERED THAT DAY. HOWEVER, THE INVESTIGATION WAS OFFICIALLY OPENED ON 17-NOV-11, AND THEREFORE THE DATE OF RECOVERY IN THE ACTIONS SCREEN WAS RECORDED AS 17-NOV-11.

****STAT**** ON 13-DEC-11, THIS MATTER WAS REFERRED TO (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ORO, WITH RECOMMENDATIONS THAT ORO

- 1) DETERMINE THE COST TO THE DEPARTMENT ASSOCIATED WITH THE ACTIONS OF (b)(6)(b)(7)(C)
- 2) DETERMINE IF (b)(6)(b)(7)(C) ACTIONS SHOULD AFFECT APPLICABLE UCOR PERFORMANCE INCENTIVES; AND 3) DETERMINE IF UCOR'S TRAINING REGARDING PROPERTY MANAGEMENT IS IN COMPLIANCE WITH THEIR CONTRACT. THE OIG REQUESTED A WRITTEN REPLY FROM ORO REGARDING ACTIONS TAKEN. ORO REQUESTED TWO EXTENSIONS IN THIS MATTER IN ORDER TO APPROPRIATELY RESPOND TO THE OIG'S REFERRAL (13-DEC-11 AND 14-FEB-12).

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STAT ON 15-MAR-2012 THE OIG RECEIVED A WRITTEN RESPONSE FROM (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) ORO. IN RESPONSE TO THE FIRST RECOMMENDATION, ORO CONCURRED WITH THE RECOMMENDATION AND FOUND THAT THE RECOVERY OF THE PROPERTY COST THE DEPARTMENT LESS THAN \$500. IN RESPONSE TO THE SECOND RECOMMENDATION, ORO CONCURRED WITH THE RECOMMENDATION AND THIS INCIDENT WAS NOTED IN THE PERFORMANCE EVALUATION OF UCOR AND WILL BE CONSIDERED IN THE FEE DETERMINATION STAGE OF THE CONTRACT. IN RESPONSE TO THE THIRD RECOMMENDATION, ORO CONCURRED WITH THE RECOMMENDATION AND THAT THE TRAINING CONDUCTED BY UCOR WAS NOT EFFECTIVE AND SHOULD BE IMPROVED.

IN ADDITION, DURING THEIR INVESTIGATION ORO FOUND ADDITIONAL CONCERNS WITH SECURITY AND PROPERTY ACCOUNTABILITY AT ORNL. FIRST, ORO FOUND THAT SECURITY WAS NOT CONCERNED WITH PROTECTING DOE ASSETS AS IDENTIFIED IN DOE ORDER 470.3B, GRADED SECURITY PROTECTION POLICY. BASED ON THIS FINDING, ORO REQUESTED THE (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) NOTIFY APPROPRIATE SECURITY OFFICIALS OF THIS INCIDENT AND ASK THEY REVIEW THE PROCESS USED FOR GATE CHECKS.

SECOND ORO FOUND UCOR VIOLATED FEDERAL REQUIREMENTS AND THEIR OWN POLICY BY NOT PROPERLY ACCOUNTING FOR PROPERTY. BASED ON THIS FINDING, ORO RECOMMENDED THE (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) INSTRUCT UCOR TO IMPLEMENT CONTROLS TO ENSURE PROPER TRACKING OF ALL CONTAMINATED OR SENSITIVE PROPERTY AS REQUIRED.

ALSO RELATED TO THE IMPROPER ACCOUNTING OF CONTAMINATED OR SENSITIVE PROPERTY, ORO RECOMMENDED THE (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) CONSIDER THESE ISSUES AS PART OF THE UCOR FEE DETERMINATION.

DISPOSITION:

CASE CLOSED.

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Case Number: I12LL004

Summary Date: 25-JUN-13

Title:

(b)(6)(b)(7)(C) RESEARCH MISCONDUCT; UNLV

Executive Brief:

PREDICATION:

ON 1/23/12, THE HOTLINE RECEIVED AN EMAIL FROM (b)(6)(b)(7)(C) ALLEGING RESEARCH MISCONDUCT BY UNLV (b)(6)(b)(7)(C) ON A DOE FUNDED RESEARCH PROJECT.

INVESTIGATIVE ACTIVITY:

THE OIG OBTAINED PERTINENT DOCUMENTS AND RECORDS FROM GOLDEN FIELD OFFICE. THE OIG INTERVIEWED THE (b)(6)(b)(7)(C) FROM THE GOLDEN FIELD OFFICE.

THE OIG PERFORMED AN INDEPENDENT REVIEW OF THE PROGRESS REPORTS, PROPOSAL AND COMPLAINT ITEMS, INCLUDING THE COPIES OF THE LABORATORY NOTES.

INVESTIGATIVE RESULTS:

THE (b)(6)(b)(7)(C) THAT THIS IS A CONGRESSIONALLY EARMARKED GRANT AND NOT SUBJECT TO THE SAME STANDARD OF RESEARCH DIRECTION AS A NORMAL GRANT. THE (b)(6)(b)(7)(C) IS GIVEN GREAT LATITUDE IN IMPLEMENTING THE GRANT REQUIREMENTS.

THE (b)(6)(b)(7)(C) NOTED THAT THE (b)(6)(b)(7)(C) HAS NOT MADE ANY SIGNIFICANT CLAIMS ABOUT (b)(6)(b)(7)(C) WORK, ASIDE FROM BUYING EQUIPMENT AND OPENING A LAB. WITHIN THIS CONTEXT, THE (b)(6)(b)(7)(C) IS FULLY PERFORMING ON (b)(6)(b)(7)(C) GRANT AND THE (b)(6)(b)(7)(C) SAW NO REASON THAT (b)(6)(b)(7)(C) WOULD FABRICATE EXPERIMENTAL RESULTS.

THE OIG ANALYZED THE COMPLAINT AND ACCOMPANYING INFORMATION. THE INFORMATION IS CONSISTENT WITH THE PROGRESS REPORTS. NOTABLY, THE LABORATORY NOTES DID NOT SHOW ANY SIGNIFICANT ACCOMPLISHMENT; IT WAS PRIMARILY AN OVEN FUNCTIONALITY TEST ON A NEW OVEN. THERE WAS NO APPARENT REASON OR BENEFIT FROM FALSIFYING THE DATA.

PLANNED ACTIVITIES:

FINISH ANALYSIS.

DISPOSITION:

CASE CLOSED ON 23-APR-2012.

United States Government

Department of Energy

memorandum

Office of Inspector General

DATE: April 23, 2012

REPLY TO:
ATTN OF: IG-232 (b)(6)(b)(7)(C)

SUBJECT: Closing memorandum for OIG Case I12LL004

TO: (b)(6)(b)(7)(C) Western Investigation Operations

This memorandum serves to recommend closure of an investigation conducted by U.S. Department of Energy (Department), Office of Inspector General (OIG) investigation, Office of Investigations, Livermore, CA. The investigation originated from an allegation from a private citizen that (b)(6)(b)(7)(C) University of Nevada, Las Vegas, NV, engaged in misconduct by falsifying test records on glass annealed in an oven purchased with Department funds.

(b)(6)(b)(7)(C)

The investigation reviewed the copied pages from (b)(6)(b)(7)(C) laboratory notebook provided by complainant wherein (b)(6)(b)(7)(C) claims there are falsified results. A review of these pages showed significant inconsistencies with what was claimed by the complainant, and, even if true, were not evidence of any sort of misconduct. The OIG reviewed this matter with (b)(6)(b)(7)(C) Golden Field Office. (b)(6)(b)(7)(C) that this is a congressionally earmarked grant and that (b)(6)(b)(7)(C) has performed as required by the grant. (b)(6)(b)(7)(C) that there is no evidence of misconduct and given that the grant has virtually no conditions, (b)(6)(b)(7)(C) has no incentive to embellish or falsify any data

All prudent investigative steps have been taken. Due to a lack of evidence of any wrongdoing, this case is resolved.

This case is closed.

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Case Number: I10DN005

Summary Date: 23-APR-12

Title:

ENERGY LABORATORIES; FALSE STATEMENTS; GOLDEN FIELD OFFICE

Executive Brief:

PREDICATION:

ON 1-FEB-10, THE EPA-CID INFORMED THE OIG THAT ENERGY LABORATORIES ALLEGEDLY FALSIFIED AND MANIPULATED DRINKING WATER ANALYSIS. ENERGY LABORATORIES IS A CONTRACTOR TO GOLDEN FIELD OFFICE, WAPA AND NREL.

SUMMARY:

THE OIG DETERMINED THAT DOE HAS UTILIZED ENERGY LABS FOR LABORATORY TESTING. THE OIG INVESTIGATION DETERMINED THAT ENERGY LABS RADIUM WATER TESTING RESULTS OBTAINED BY EPA CID INDICATED FALSIFIED RESULTS. THE EPA REVIEW DID NOT IDENTIFY ANY RADIUM WATER TESTING BY ENERGY LABS FOR DOE. IN ADDITION, EPA CID ADVISED THE US ATTORNEY'S OFFICE, DISTRICT OF WYOMING DEFERRED PROSECUTION IN THIS CASE.

FBI COORDINATION:

ON 03-FEB-10, AN FBI COORDINATION LETTER WAS SENT TO THE FBI - DENVER, CO FIELD OFFICE.

INVESTIGATIVE FINDINGS:

ON 1-FEB-10, THE OIG MET WITH (b)(6)(b)(7)(C) EPA-CID, AT THE DOE OIG DENVER FIELD OFFICE REGARDING AN EPA-CID INVESTIGATION RELATED TO ENERGY LABORATORIES, INC (ENERGY LABS). (b)(6)(b)(7)(C) EPA-CID RECEIVED AN ANONYMOUS COMPLAINT IN FEBRUARY 2007 THAT ENERGY LABS HAD MANIPULATED AND FALSIFIED DATA IN THEIR RADIOCHEMISTRY ANALYSIS OF DRINKING WATER. (b)(6)(b)(7)(C) THE DATA FALSIFICATION WAS OCCURRING IN THEIR RADIOLOGICAL LABORATORY LOCATED IN CASPER, WYOMING. (b)(6)(b)(7)(C) THAT THE EPA-CID INVESTIGATION REVEALED THAT THE (b)(6)(b)(7)(C) THE ENERGY LABS (b)(6)(b)(7)(C) EMPLOYEES TO MANIPULATE AND FALSIFY DATA THAT WAS UTILIZED IN THE RADIOCHEMISTRY ANALYSIS TESTING OF DRINKING WATER IN ORDER TO PROVIDE THEIR CLIENTS WITH FAVORABLE TEST RESULTS.

(b)(6)(b)(7)(C) THE COMPLAINANT ALSO ALLEGED THAT THE LABORATORY WAS NOT RECEIVING ENOUGH SAMPLE VOLUME IN ORDER TO CONDUCT ACCURATE TESTING; AND THE LABORATORY WAS SHORTCUTTING TESTS THAT SHOULD TAKE A LONGER TIME PERIOD IN ORDER TO EXPEDITE THE FINAL TEST RESULTS FOR THEIR CLIENTS.

(b)(6)(b)(7)(C) THAT A FEDERAL SEARCH WARRANT WAS EXECUTED AT THE ENERGY LABS FACILITY LOCATED IN CASPER, WY IN OCTOBER 2007. (b)(6)(b)(7)(C) EPA-CID RECOVERED SEVERAL ITEMS OF EVIDENCE TO INCLUDE: CLIENT LISTS, COMPUTER HARDDRIVES; LABORATORY RAW TEST

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DATA, AND OTHER LABORATORY DOCUMENTS. (b)(6)(b)(7)(C) THAT EPA SCIENTISTS ARE CURRENTLY EVALUATING ALL OF THE LABORATORY RAW DATA AND THE RADIOCHEMISTRY ANALYSIS FINAL TEST RESULTS THAT WERE OBTAINED FROM THE SEARCH WARRANT.

(b)(6)(b)(7)(C) THAT A REVIEW OF THE CLIENT LISTS INDICATED THAT DOE HAS BEEN A CLIENT OF ENERGY LABS. (b)(6)(b)(7)(C) A COPY OF THE CLIENT LIST THAT INDICATED DOE - GRAND JUNCTION OFFICE; AND DOE - CASPER OFFICE HAD BEEN A CLIENT OF ENERGY LABS FOR THE RADIOCHEMISTRY ANALYSIS OF DRINKING WATER.

ON 2-FEB-10, THE OIG TELEPHONICALLY INTERVIEWED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) DOE OFFICE OF LEGACY MANAGEMENT (OLM). (b)(6)(b)(7)(C) THAT ENERGY LABS DID CONDUCT LABORATORY TESTS FOR OLM. (b)(6)(b)(7)(C) OLM HIRED ENERGY LABS TO CONDUCT LABORATORY TESTING ON URANIUM ORE SAMPLES OBTAINED FROM THE CANYON CITY, CO URANIUM MILLS. (b)(6)(b)(7)(C) THAT LABORATORY WORK BY ENERGY LABS WAS REQUESTED BY DOE TO EVALUATE THE URANIUM CONCENTRATION OF THE URANIUM ORE THAT WAS OBTAINED FROM THE URANIUM MILLS.

(b)(6)(b)(7)(C) THAT OLM MAY HAVE REQUESTED ENERGY LABS TO TEST WATER SAMPLES, BUT (b)(6)(b)(7)(C) WAS UNSURE. (b)(6)(b)(7)(C) WOULD REVIEW OLM RECORDS TO DETERMINE WHAT TESTS WERE COMPLETED BY ENERGY LABS FOR OLM.

(b)(6)(b)(7)(C) HAD SPOKEN WITH ENERGY LABS (b)(6)(b)(7)(C) ON A FEW DIFFERENT OCCASIONS. (b)(6)(b)(7)(C) COMMUNICATION WITH (b)(6)(b)(7)(C) TO (b)(6)(b)(7)(C) INTEREST IN HAVING ENERGY LABS DOING MORE LABORATORY WORK FOR DOE. (b)(6)(b)(7)(C) WAS INTERESTED IN THE PROCESS OF HOW ENERGY LABS COULD BE HIRED BY DOE TO CONDUCT MORE LABORATORY WORK. (b)(6)(b)(7)(C) ENERGY LABS ALSO ATTENDED THE DOE CONSOLIDATED AUDIT PROGRAM MEETINGS IN ORDER TO OBTAIN MORE LABORATORY WORK FROM DOE. (b)(6)(b)(7)(C) HIRED BY ENERGY LABS REGARDING THE PROCESS WHICH ENERGY LABS HAD TO PARTICIPATE IN ORDER TO OBTAIN MORE LABORATORY WORK FROM DOE.

(b)(6)(b)(7)(C) THAT ENERGY LABS REPRESENTATIVES HAD SPOKEN TO (b)(6)(b)(7)(C) ABOUT HOW TO INCREASE LABORATORY WORK FOR ENERGY LABS BECAUSE OLM CURRENTLY HAD OVERSIGHT OF THE URANIUM MILLS THAT WERE RECENTLY TRANSITIONED TO OLM. (b)(6)(b)(7)(C) THAT ENERGY LABS PREVIOUSLY CONDUCTED LABORATORY TESTING FOR THE URANIUM MILLS PRIOR TO THEIR TRANSITION TO OLM. (b)(6)(b)(7)(C) ENERGY LABS WAS NOT HIRED FOR THE LABORATORY TESTING OF URANIUM ORE SAMPLES AFTER THEIR TRANSITION TO OLM WAS COMPLETED.

CONTINUING ON 2-FEB-10, (b)(6)(b)(7)(C) THE OIG A COPY OF EMAIL CORRESPONDENCE BETWEEN (b)(6)(b)(7)(C) ENERGY LABS, AND (b)(6)(b)(7)(C)

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REGARDING THE COST OF LABORATORY TESTING OF ORE SAMPLES; A COPY OF THE INVOICE AND LABORATORY TEST ANALYSIS PROVIDED TO DOE FROM ENERGY LABS FOR ORE SAMPLE TESTS THAT WERE RECEIVED BY ENERGY LABS ON SEPTEMBER 23, 2005; AND A COPY OF AN EMAIL FROM (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ENERGY LABS EMPLOYEE, TO (b)(6)(b)(7)(C) THE RECEIPT BY ENERGY LABS OF THE ORE SAMPLES RECEIVED BY ENERGY LABS ON SEPTEMBER 23, 2005.

ON 1-MAR-10, THE OIG TELEPHONICALLY INTERVIEWED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ROCKY MOUNTAIN OILFIELD TESTING CENTER (RMOTC). (b)(6)(b)(7)(C) RMOTC MANAGES THE NAVAL PETROLEUM RESERVE NO. 3 (NPR-3) RESOURCES AND FACILITIES TO ASSIST THE UNITED STATES OIL AND GAS INDUSTRY IN THE FIELD TESTING OF NEW TECHNOLOGIES.

(b)(6)(b)(7)(C) WAS NOT FAMILIAR WITH THE LABORATORY IDENTIFIED AS ENERGY LABS. (b)(6)(b)(7)(C) THAT RMOTC MAY HAVE USED ENERGY LABS IN THE PAST, BUT WAS UNCERTAIN. (b)(6)(b)(7)(C) WOULD HAVE TO REVIEW RMOTC RECORDS TO DETERMINE IF ENERGY LABS WAS UTILIZED BY RMOTC FOR LABORATORY TESTING. (b)(6)(b)(7)(C) THAT ENERGY LABS MAY HAVE POSSIBLY CONDUCTED LABORATORY TESTING OF WATER SAMPLES PROVIDED BY RMOTC, BUT REITERATED THAT (b)(6)(b)(7)(C) WOULD HAVE TO REVIEW RMOTC RECORDS TO BE CERTAIN.

ON 3-MAR-10, THE OIG TELEPHONICALLY INTERVIEWED (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WESTERN AREA POWER ADMINISTRATION (WAPA). (b)(6)(b)(7)(C) THAT ENERGY LABS HAD BEEN CONTRACTED BY WAPA TO COMPLETE LABORATORY SAMPLE TESTS FOR SAMPLES PROVIDED BY WAPA. (b)(6)(b)(7)(C) WAPA RECORDS AND DETERMINED THAT ENERGY LABS HAD COMPLETED SOIL SAMPLE TESTS, AND CONTAMINATED OIL SAMPLE TESTS FOR WAPA. (b)(6)(b)(7)(C) THAT ENERGY LABS ALSO COMPLETED ANOTHER TYPE OF SAMPLE TEST FOR WAPA, BUT WAS UNAWARE OF THE SPECIFIC TYPE OF SAMPLE TEST COMPLETED. (b)(6)(b)(7)(C) WOULD REVIEW WAPA RECORDS AND IDENTIFY ALL OF THE SAMPLE TESTS COMPLETED BY ENERGY LABS FOR WAPA.

ON 4-MAR-10, THE OIG RECEIVED DOCUMENTS FROM (b)(6)(b)(7)(C) REGARDING THIS INVESTIGATION. (b)(6)(b)(7)(C) A COPY OF A SPREADSHEET CONTAINING THE SAMPLE TESTS CONDUCTED BY ENERGY LABS FOR WAPA FROM JUNE 1996 TO NOVEMBER 2009; COPIES OF ENERGY LABS INVOICES TO WAPA (INVOICE NUMBERS 270951157 AND 27095155), DATED SEPTEMBER 25, 2007; A COPY OF ENERGY LABS ANALYTICAL SUMMARY REPORT, DATED SEPTEMBER 21, 2009, AND LABORATORY ANALYTICAL REPORTS FOR WATER SAMPLE TESTS, WORK ORDER NUMBER: C09090236, COMPLETED FOR WAPA; AND A COPY OF ENERGY LABS ANALYTICAL SUMMARY REPORT, DATED DECEMBER 15, 2009, AND LABORATORY ANALYTICAL REPORTS FOR WATER SAMPLE TESTS, WORK ORDER NUMBER: C09120046, COMPLETED FOR WAPA.

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ON 4-MAR-10, THE OIG TELEPHONICALLY INTERVIEWED (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) NATIONAL RENEWABLE ENERGY LABORATORY
(NREL). AND (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) NREL. (b)(6)(b)(7)(C) THAT ENERGY LABS PARTICIPATED IN A COOPERATIVE
RESEARCH AND DEVELOPMENT AGREEMENT (CRADA) WITH NREL IN AUGUST 1996. (b)(6)(b)(7)(C)
THAT THE CRADA WITH ELI EXISTED FOR APPROXIMATELY 18 MONTHS. (b)(6)(b)(7)(C) THAT THE
PURPOSE OF THE CRADA WAS FOR NREL AND ENERGY LABS TO WORK TOGETHER IN EVALUATING THE
PRODUCT DESIGN OF ENERGY LABS SOLAR COLLECTOR SYSTEM. (b)(6)(b)(7)(C) IS
UNAWARE OF THE RESULTS OF THE CRADA WITH ELI. (b)(6)(b)(7)(C) WOULD HAVE TO
REVIEW ADDITIONAL NREL RECORDS TO CONFIRM THE CRADA RESULTS.

(b)(6)(b)(7)(C) THAT NREL WORKED JOINTLY WITH ENERGY LABS TO ASSIST THEM IN DEVELOPING
IMPROVEMENTS WITH THEIR COLLECTION OF SOLAR ENERGY FOR THE HEATING OF HOT WATER.
(b)(6)(b)(7)(C) THAT A DATABASE SEARCH OF NREL RECORDS INDICATED THAT THIS IS THE ONLY
JOINT AGREEMENT IN WHICH NREL HAS PARTICIPATED WITH ENERGY LABS.

ON 04-MAR-10, THE OIG INTERVIEWED (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) WESTERN AREA POWER ADMINISTRATION (WAPA), ROCKY MOUNTAIN REGION (RMR).
(b)(6)(b)(7)(C) THAT ENERGY LABS DOES CONDUCT POLYCHLORINATED BIPHENYLS (PCB)
LABORATORY TESTING OF WAPA RMR WATER SAMPLES. (b)(6)(b)(7)(C) THE TESTS ARE CONDUCTED TO
ENSURE THAT NO PCB IS CONTAMINATING LOCAL WATER WELLS AROUND WAPA ELECTRICAL
SUBSTATIONS. (b)(6)(b)(7)(C) THAT PCB IS USED IN A CHEMICAL FORM FOR INSULATION OF
TRANSFORMERS AT THE SUBSTATIONS.

(b)(6)(b)(7)(C) TWO WATER WELLS ARE LOCATED BESIDE WAPA SUBSTATIONS IN ORDER FOR PCB
TESTING TO OCCUR. (b)(6)(b)(7)(C) THAT WATER SAMPLES ARE EXTRACTED FROM THE TWO WELLS
AND TESTED FOR PCB. (b)(6)(b)(7)(C) THE TESTS ARE COMPLETED TO DETERMINE IF PCB HAS
ESCAPED FROM THE SUBSTATIONS AND CONTAMINATED THE WAPA WATER WELLS. (b)(6)(b)(7)(C) THE
LABORATORY TESTING WOULD DETERMINE IF PCB IS IN THE WATER SAMPLES. (b)(6)(b)(7)(C)
CONTINUOUS TESTING ASSISTED WAPA IN ENSURING THAT PCB IS NOT ESCAPING FROM THE
SUBSTATIONS AND CONTAMINATING LOCAL WATER WELLS IN THE LOCAL AREA.

(b)(6)(b)(7)(C) MOST OF THE PCB LABORATORY TESTING FOR WAPA RMR SUBSTATIONS OCCURRED AT
THE ENERGY LABS SITE LOCATED IN BILLINGS, WYOMING. (b)(6)(b)(7)(C) THAT THE WAPA PCB
TESTING REQUESTED BY WAPA DID NOT INCLUDE ANY TYPE OF RADIOLOGICAL TESTING OF THE
WATER SAMPLES.

ON 20-DEC-10, SA (b)(6)(b)(7)(C) COORDINATED WITH SA (b)(6)(b)(7)(C) THAT
ANOTHER EPA SCIENTIST IS REVIEWING THE ENERGY LAB TEST RESULTS PREVIOUSLY OBTAINED
IN AN EPA CID SEARCH WARRANT EXECUTED ON ENERGY LABS IN 2007. (b)(6)(b)(7)(C) THE

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REVIEW BY THE EPA SCIENTIST SHOULD ASSIST IN THE DETERMINING IF ANY LAB RESULTS COMPLETED BY ENERGY LABS FOR DOE WERE FALSIFIED AND/OR MANIPULATED.

ON 18-MAR-11, SA (b)(6)(b)(7)(C) COORDINATED WITH SA (b)(6)(b)(7)(C) THAT THE EPA SCIENTIST WAS CONTINUING TO REVIEW ENERGY LAB TEST RESULTS. (b)(6)(b)(7)(C) THAT THE REVIEW OF THE RESULTS WERE FORENSICALLY CHALLENGING TO OBTAIN FROM THE APPROXIMATE 3 TERABYTE DATA STORAGE.

ON 17-JUN-11, SA (b)(6)(b)(7)(C) COORDINATED WITH SA (b)(6)(b)(7)(C) THAT THE EPA SCIENTIST WAS CONTINUING TO REVIEW ENERGY LAB TEST RESULTS. SA (b)(6)(b)(7)(C) REITERATED THAT THIS EVALUATION SHOULD DETERMINE IF DOE TEST RESULTS WERE MANIPULATED AND/OR FALSIFIED. (b)(6)(b)(7)(C) THAT THE SUBJECT OF THIS INVESTIGATION HAD COMPLAINED TO (b)(6)(b)(7)(C) CONGRESSMAN AND/OR SENATOR ABOUT THE EPA CID INVESTIGATION WHICH HAS RESULTED IN A CONGRESSIONAL INQUIRY INTO THEIR INVESTIGATION.

ON 20-JUN-11, SA (b)(6)(b)(7)(C) COORDINATED WITH SA (b)(6)(b)(7)(C) REGARDING THE CONGRESSIONAL INQUIRY IN THIS INVESTIGATION. (b)(6)(b)(7)(C) THAT A LETTER, DATED 11-APR-11, FROM UNITED STATES SENATOR MIKE ENZI (AGENT NOTE: SENATOR ENZI IS THE US SENATOR FOR WYOMING) WAS SUBMITTED TO THE EPA CID REQUESTING THE STATUS OF THE EPA CID INVESTIGATION RELATED TO (b)(6)(b)(7)(C) SA (b)(6)(b)(7)(C) PROVIDED THE UPDATED RESULTS OF THIS INVESTIGATION TO EPA CID HEADQUARTERS WHO WAS UTILIZING THAT INFORMATION FOR A RESPONSE. (b)(6)(b)(7)(C) THAT THIS INQUIRY HAS NOT IMPACTED THE INVESTIGATION AND THAT THE EPA CID CASE IS CONTINUING AS PLANNED.

ON 16-SEP-11, SA (b)(6)(b)(7)(C) COORDINATED WITH SA (b)(6)(b)(7)(C) REGARDING THIS CASE. (b)(6)(b)(7)(C) THAT THE SCIENTIST'S REVIEW IS STILL ON-GOING AND THAT IT SHOULD BE COMPLETED BY THE END OF OCTOBER 2011. COORDINATION WAS ALSO MADE REGARDING THE REVIEW OF FINAL ENERGY LABS TESTING REPORTS BY SA (b)(6)(b)(7)(C) OBTAINED DURING THIS CASE.

ON 13-OCT-11, THE OIG, EPA CID, AND AUSA HOWARD STEWART INTERVIEWED (b)(6)(b)(7)(C) ENERGY LABS EMPLOYEES IDENTIFIED AS (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) AT THE US ATTORNEY'S OFFICE LOCATED IN CHEYENNE, WY. THE INDIVIDUALS DISCUSSED THEIR POSITIONS WITH ENERGY LABS AND DISCUSSED THEIR INVOLVEMENT WITH ENERGY LABS LAB TESTING DATA.

ON 13-OCT-11, SA (b)(6)(b)(7)(C) CONTACTED THE AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION (AALA) IN AN ATTEMPT TO OBTAIN PREVIOUS AUDIT REPORTS FOR ENERGY LABS. THEY ADVISED A SUBPOENA WOULD BE NEEDED IN ORDER TO OBTAIN THE PREVIOUS AUDIT REPORTS. SA (b)(6)(b)(7)(C) AUSA STEWART REGARDING THEIR RESPONSE.

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ON 18-OCT-11, A GRAND JURY SUBPOENA WAS OBTAINED FOR AALA. ON 19-OCT-11, THE SUBPOENA WAS EXECUTED ON AALA FOR THE PREVIOUS AUDIT REPORTS FOR ENERGY LABS.

ON 07-MAR-12, SA (b)(6)(b)(7)(C) CONTACTED THE OIG AND ADVISED THAT THE EPA CID INVESTIGATION AGAINST ENERGY LABS WAS DEFERRED FOR PROSECUTION.

ON 16-APR-12, SA (b)(6)(b)(7)(C) COORDINATED WITH THE OIG. (b)(6)(b)(7)(C) THE EPA SCIENTIST'S FINAL REVIEW RESULTS DID IDENTIFY FALSE REPORTING BY ENERGY LABS ASSOCIATED WITH RADIUM 226 AND 228 WATER TESTING. (b)(6)(b)(7)(C) THE REVIEW DID NOT IDENTIFY ANY RADIUM 226 AND 228 TESTING COMPLETED BY ENERGY LABS FOR DOE.

INVESTIGATIVE RESULTS:

STATS ON 19-OCT-11, A GRAND JURY SUBPOENA WAS EXECUTED ON AALA FOR THE PREVIOUS AUDIT REPORTS FOR ENERGY LABS.

DISPOSITION:

CASE CLOSED

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Case Number: I128R010

Summary Date: 07-JUN-12

Title:

QUI TAM; POSSIBLY FERC RELATED; SC

Executive Brief:

PREDICATION: USAO FOR DISTRICT OF SOUTH CAROLINA REFERRED QUI TAM ACTION FILED UNDER SEAL ALLEGING UNSPECIFIC INDISCERNIBLE ALLEGATIONS THAT MAY BE RELATED TO FERC

INVESTIGATIVE ACTIVITY:

[FBI NOTIFICATION: THIS MATTER DID NOT INCLUDE ANY APPROPRIATE SUBJECT INFORMATION OR ALLEGATIONS FOR FORWARDING TO THE FBI.]

ON MAY 22, 2012, THE OIG REVIEWED THE COMPLAINT AND DETERMINED IT TO BE UNSPECIFIC AND TO CONTAIN NO DISCERNIBLE ALLEGATIONS. THE TEXT DID MENTION IN VERY UNCLEAR TERMS THE LOCATION OR PROPOSED LOCATION OF TWO FUTURE NUCLEAR POWER PLANTS.

ON MAY 22, 2012, THE OIG CONTACTED THE NRC GENERAL COUNSELS OFFICE AND PROVIDED A COPY OF THE COMPLAINT. THE NRC CONCURRED THAT THE ISSUE WAS AN NRC ISSUE AND NOT A FERC ISSUE AND FURTHER COORDINATED WITH THE USAO BY PROVIDING AGENCY (NRC) APPROVAL FOR THE USAOS INTENTION TO INTERVENE IN THE SUIT FOR THE PURPOSES OF REQUESTING DISMISSAL.

ON MAY 22, 2012, THE OIG COORDINATED WITH THE USAO AND THE USAO CONCURRED THAT THE NATURE OF THE COMPLAINT AND THE LIKELIHOOD THE CASE WOULD BE DISMISSED MEANT THE USAO DID NOT REQUIRE THE OIG TO MAINTAIN AN OPEN CASE AND NO FURTHER COORDINATION WITH THE FERC WAS NECESSARY.

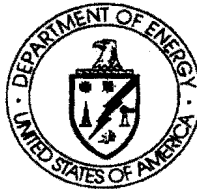
ON MAY 23, 2012, THE FERC GENERAL COUNSEL CONTACTED THE OIG AND WAS NOTIFIED THE MATTER WAS DETERMINED TO BE AN NRC MATTER AND NO FURTHER COORDINATION WAS NECESSARY WITH THE FERC.

DISPOSITION: CASE CLOSED

POST CLOSING NOTE: ON MAY 31, 2012 THE USAO NOTIFIED THE OIG THAT THE QUI TAM COMPLAINT WAS NOT PROPERLY FILED WITH THE DISTRICT COURT AND THUS INTERVENTION WAS NOT NECESSARY.

Document Number 14

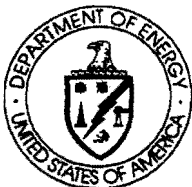
**Office of Inspector General
Office of Investigations
Case No. I04HQ002**



INVESTIGATIVE REPORT TO MANAGEMENT

July 23, 2008

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U.S. Department of Energy
Office of Inspector General
Office of Investigations

July 23, 2008

**MEMORANDUM FOR THE DIRECTOR, OFFICE OF PROCUREMENT AND
ASSISTANCE MANAGEMENT**

FROM:

(b)(6)(b)(7)(C)

Central Investigation Operations
Region 3 Investigations Group

SUBJECT:

Investigative Report to Management (OIG Case No. I04HQ002)

This report serves to inform you of the results of a joint investigation by the U.S. Department of Energy, Office of Inspector General, Office of Investigations and the Federal Bureau of Investigation.

The investigation focused on allegations that Gas Technology Institute, a non-profit organization located in Des Plaines, IL, mishandled research and development funds provided to it from the Federal Energy Regulatory Commission. The Federal Energy Regulatory Commission funds were revenues it had received from surcharges applied to interstate natural gas sales. Reportedly, GTI employees had created a false billings scheme which diverted Gas Technology Institute funds to multiple individuals for work that was not performed.

In summary the investigation found that Mr. Shyam Singh, and others, participated in a scheme to defraud Gas Technology Institute. As a result, on August 24, 2006, Mr. Singh was charged in a one count felony Information for a violation of Title 18 United States Code, Sections 1341, 1346 and 2 (Mail Fraud) in the United States District Court, Northern District of Illinois (Attachment A). On August 29, 2006, Mr. Singh plead guilty to the violation (Attachment B). On July 2, 2008, Mr. Singh was sentenced to two years probation and ordered to pay \$99,070 in restitution (Attachment C).

The report makes three recommendations for corrective action. If you have any questions, please contact me at (865) 576-^{(b)(6)(b)(7)(C)} or Special Agent ^{(b)(6)(b)(7)(C)} at (630) 252-^{(b)(6)(b)(7)(C)}

Enclosures

I. ALLEGATION

On March 4, 2004, the U.S. Department of Energy (Department), Office of Inspector General (OIG) received allegations that Gas Technology Institute (GTI), a non-profit organization located in Des Plaines, IL, mishandled research and development funds provided to GTI from the Federal Energy Regulatory Commission (FERC). The FERC funds were revenues it had received from surcharges applied to interstate natural gas sales. Reportedly, GTI employees had created a false billings scheme which diverted GTI funds to multiple individuals for work that was not performed.

II. POTENTIAL STATUTORY OR REGULATORY VIOLATIONS

This investigation focused on potential violations of Title 18, United States Code (U.S.C.), Sections 1341, 1346 and 2 (Mail Fraud).

III. BACKGROUND

GTI was created in April 2000, when Gas Research Institute (GRI) and the Institute of Gas Technology (IGT) merged, collectively referred to as GTI. GTI obtained funding from various public and private sources. In part, GTI received funds for research and development derived from a federally mandated tariff on natural gas pipelines collected and distributed by FERC. GTI also subcontracted with third party companies to conduct other research and development projects.

Mr. Shyam Singh was the co-owner and vice president of SS Energy Environmental International, Inc. (SSEI)¹ and Thermoplastec, Inc. (Thermoplastec)². Mr. Singh, in his official capacity, applied for and obtained research contracts from GTI. Mr. Saverio Barone³ was a GTI employee responsible for GTI contracts and subcontracts being awarded to Mr. Singh's companies.

This is a joint investigation with the Federal Bureau of Investigation.

IV. INVESTIGATIVE FINDINGS

The investigation substantiated the allegation. The investigation found that Mr. Singh and Mr. Barone participated in a scheme whereby Mr. Barone received kickbacks in exchange for awarding Mr. Singh's companies contracts from GTI. Mr. Barone and seven other individuals have been charged in the Northern District of Illinois as part of this scheme. Starting in 1993, SSEI received approximately 12 contracts from GTI valued at approximately \$3,000,000. The contracts involved research into combustion, emission control, waste heat application, and improved equipment efficiency.

In one example of the scheme to defraud GTI, Mr. Barone asked Mr. Singh if he would agree to invoice Unitel Technology (Unitel)⁴ for research work he (Barone) said he was doing as a consultant

¹ Referred to as Company A in Plea Agreement and Information

² Referred to as Company B in Plea Agreement and Information

³ Referred to as Individual A in Plea Agreement and Information

⁴ Referred to as Company D in Plea Agreement and Information

for Unitel. Unitel had previously been awarded a GTI contract valued at \$600,000.00. During the award, Unitel was told they would have to subcontract half of the contract to SSEI, and they agreed. Unitel did not know that SSEI was not going to perform any work.

As a result of the request, Mr. Singh created two false invoices. One invoice was from SSEI for \$210,000 and the other from Thermoplastec for \$70,000. Mr. Barone provided the description of work on the invoices to Mr. Singh. Mr. Singh then sent the invoices for payment to Unitel, knowing that neither SSEI nor Thermoplastec had performed the work and that the invoices would be used to deceive GTI. Mr. Singh subsequently received two checks from Unitel as payment for the falsified invoices. Mr. Singh kept \$15,500 and passed the remainder of the money to Mr. Barone in payments. One of the payments was on or about December 20, 2000, when Mr. Singh used the United States Postal Service to mail an envelope containing an SSEI check for \$9,985 to Mr. Barone.

On August 29, 2006, Mr. Singh plead guilty to a violation of Mail Fraud in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment B). On July 2, 2008, he was sentenced to two years probation and ordered to pay \$99,070 in restitution (Attachment C). Mr. Barone is deceased, and his case has been dismissed. The other individuals charged in the scheme are awaiting adjudication.

V. COORDINATION

The facts of the case were coordinated with the United States Attorney's Office (USAO) and the Department. On September 19, 2003, the USAO, Northern District of Illinois, accepted this case for criminal prosecution.

The recommendations in this report were also coordinated with (b)(6)(b)(7)(C) Department, Office of Procurement and Assistance Management.

VI. RECOMMENDATIONS

Based on the findings of this report, and other information which may be available to you, the OIG recommends that the Director, Office of Procurement and Assistance Management, Department, determine if suspension and/or debarment action is warranted against Mr. Singh, SSEI, and Thermoplastec.

For your reference, the following contact information is being made available:

1) Shyam Singh

SSAN: (b)(6)(b)(7)(C)

DOB: (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

Rockford, IL 61114

2) SS Energy Environmental, Inc.
4775 Colt Road
Rockford, IL 61109

3) Thermoplastec, Inc.
4755 Colt Road
Rockford, IL 61109

VII. FOLLOW-UP REQUIREMENTS

Please provide the OIG with a written response within 30 days concerning any action(s) taken or anticipated in response to this report.

VIII. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

This report, including any attachments and information contained therein, are the property of the OIG and are for ~~OFFICIAL USE ONLY~~. The original and any copies of the report must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior OIG written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the report, contractors, and individuals outside the Department. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).



**U.S. Department of Energy
Office of Inspector General
Office of Investigations**

Investigative Report to Management



U.S. Department of Energy
Office of Inspector General
Office of Investigations

August 26, 2010

MEMORANDUM FOR THE DIRECTOR, OFFICE OF PROCUREMENT AND
ASSISTANCE MANAGEMENT

FROM:

(b)(6)(b)(7)(C)

Eastern Investigation Operations
Region 2 Investigations Group

SUBJECT: Investigative Report to Management (OIG Case No. I04HQ002)

This report serves to inform you of the results of a joint investigation by the U.S. Department of Energy (Department), Office of Inspector General (OIG), Office of Investigations, and the Federal Bureau of Investigation (FBI), for your office to consider for suspension and debarment actions. This is the third Investigative Report to Management (IRM) for this investigation referring investigative findings for your suspension and debarment consideration.

The investigation focused on allegations that Gas Technology Institute (GTI), a nonprofit organization located in Des Plaines, Illinois, mishandled research and development funds provided to it from the Federal Energy Regulatory Commission (FERC). FERC funds were revenues it had received from surcharges applied to interstate natural gas sales. Allegedly, GTI employees created a false billing scheme which diverted GTI funds to multiple individuals for work that was not performed.

In addition to the previously reported investigative findings, we are providing your office with additional information that Mr. Minazali Rehmat participated in the GTI false billing scheme. Minazali Rehmat was charged in a Superseding Indictment on December 14, 2007 (Attachment A) and pled guilty to Mail Fraud charges on January 5, 2010 for his participation in the false billing scheme (Attachment B). As a result, on January 14, 2010, Minazali Rehmat was sentenced in the United States District Court, Northern District of Illinois to 6 months incarceration, supervised probation until his deportation to Canada, plus a \$100 special assessment (Attachment C).

The report makes one recommendation. If you have any questions, please contact me at (803) 725-
(b)(6)(b)(7)(C) or Special Agent (b)(6)(b)(7)(C) at (630) 252 (b)(6)(b)(7)(C)

Enclosure

I. ALLEGATION

On March 4, 2004, the Office of Inspector General (OIG) received allegations that employees of Gas Technology Institute (GTI), a nonprofit organization located in Des Plaines, Illinois, created a false billing scheme through which they diverted Federal Energy Regulatory Commission (FERC) research and development funds originating from interstate natural gas sales, to multiple individuals for work that was not performed.

II. POTENTIAL STATUTORY OR REGULATORY VIOLATIONS

This investigation focused on potential violations of Title 18, United States Code (U.S.C.), Sections 1341, 1346 and 2 (Mail Fraud) related to the diversion of natural gas surcharges through a false billings scheme to defraud FERC funds from GTI.

III. BACKGROUND

FERC is an independent regulatory executive agency within the Department. As part of its many regulatory responsibilities and jurisdictions, FERC regulates the transmission and sale of natural gas for resale in interstate commerce. FERC authorized GTI to collect and distribute surcharge funds for GTI to use for research and development. The funds GTI collected are from the (pipelines) users of natural gas. GTI collected and distributed the funds via the legal authority from a FERC order stemming from a 1998 Settlement Agreement.

GTI was created in April 2000 when Gas Research Institute (GRI) and the Institute of Gas Technology (IGT) merged, collectively referred to as GTI. GTI obtained funding from various public and private sources. GTI also subcontracted with third party companies to conduct other research and development projects.

The OIG has provided your office with two previous Investigative Reports to Management recommending suspension and debarment consideration for other subjects of this investigation. The first Investigative Report to Management was issued on July 23, 2008, which resulted in your office debaring Mr. Shyam Singh from contracting with the Department for 2 years. Mr. Singh was the co-owner and vice president for SS Environmental International, Inc. and Thermoplastec, Inc. Mr. Singh applied for and obtained research contracts from GTI. On December 17, 2009, a second Investigative Report to Management was issued to your office recommending consideration of suspension and debarment for investigative subjects; Messrs. Karl Lee, Lloyd Lee, Anthony Lee, and Amirali Rehmat. Karl Lee and Lloyd Lee owned companies that contracted with GTI. Karl Lee owned Olster Inc. and Glen Valley Inc. Lloyd Lee owned Molecular Thermo Engines, Inc. Anthony Lee was employed by GTI and served as GTI's Director of Research. In addition, Anthony Lee owned Reaction Kinetics Consultants. Amirali Rehmat was employed by GTI and served as GTI's Director of Commercialization and Investments. In addition, Amirali Rehmat owned Resource Recovery Consultants.

IV. INVESTIGATIVE FINDINGS

Summary

The investigation substantiated the allegation. The investigation found that Mr. Minazali Rehmat participated in a scheme with other employees to defraud GTI by falsely billing for services that were not rendered. Minazali Rehmat used companies he owned and operated to submit false invoices to GTI. For his participation in the scheme, Minazali Rehmat pled guilty to Mail Fraud charges in the Northern District of Illinois (Attachment B) and was sentenced on January 14, 2010 to 6 months incarceration and supervised probation until deportation to Canada (Attachment C).

Details

The investigation found that Mr. Minazali Rehmat participated in a scheme with other employees to defraud GTI by falsely billing for services that were not rendered. Minazali Rehmat, a resident of Canada, owned and operated several businesses to include TEFES Pure Tech, Inc. (TEFES), Energy and Environment Monitors, Inc. (EEM), Ultra Time Productions Inc. (Ultra Time), and Benvisa Technology Inc. (Benvisa). Minazali Rehmat used these companies to submit false invoices to GTI. The proceeds from these false invoices were converted in part to Minazali Rehmat's personal use.

In the 1990s, Minazali Rehmat and Amirali Rehmat established TEFES. Around 2001, Amirali Rehmat proposed to Minazali Rehmat that he (Amirali) could direct a \$500,000 GTI research contract to their company (TEFES). Amirali Rehmat said that in exchange for (b)(6)(b)(7)(C) of the contract price, TEFES would be expected to bill GTI for the entire amount of the research contract although the work would be done by Minazali Rehmat's company EEM, to which TEFES would pay over (b)(6)(b)(7)(C) of the contract proceeds. The investigation determined the work claimed by EEM was actually performed by GTI employees. Minazali Rehmat was aware that in exchange for a share of this contract and future contracts, he was expected to conceal the fact that TEFES, EEM, Ultra Time and Benvisa were not performing any work pursuant to their GTI contracts.

As a result of this scheme, Minazali Rehmat's companies fraudulently received approximately \$2.070 million from GTI. Minazali Rehmat paid the majority of these funds to his brother, Amirali Rehmat and two other GTI employees Messrs. Barone and Anthony Lee, retaining some of the funds for his own use.

On January 5, 2010, Minazali Rehmat pled guilty to Mail Fraud charges in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment B). On January 14, 2010, Minazali Rehmat was sentenced in the United States District Court, Northern District of Illinois, to 6 months incarceration (time served), supervised probation until his deportation to Canada, plus a \$100 special assessment (Attachment C).

V. COORDINATION

The facts of the case were coordinated with the United States Attorney's Office (USAO) and the Department. On September 19, 2003, the USAO, Northern District of Illinois, accepted this case for criminal prosecution.

The recommendations in this report were also coordinated with (b)(6)(b)(7)(C) Department, Office of Procurement and Assistance Management.

VI. RECOMMENDATIONS

Based on the findings of this report and the attached judicial documents, as well as other information which may be available to you, the OIG recommends that the Department Director, Office of Procurement and Assistance Management, determine if suspension and/or debarment action is warranted against Minazali Rehmat and the companies listed below:

For your reference, the following contact information is being made available:

- 1) Minazali Rehmat
SSAN: (b)(6)(b)(7)(C)
DOB: (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C)
Burnaby, British Columbia V5A 3B2
Canada
- 2) TEFES Pure Tech, Inc.
305-6411 Buswell Street
Richmond, British Columbia V6Y
Canada
- 3) Energy Environmental Monitor
1706 Front Street, Suite 606
Lynden, WA 98248
- 4) Ultra Time Productions, Inc.
PMB 204-1659 Birchwood Street
Bellingham, WA 98225
- 5) Benvisa Technology, Inc.
205-329 North Road, Mail Stop 268
Coquitlam, British Columbia V3K 6Z8
Canada

VII. FOLLOW-UP REQUIREMENTS

Please provide the OIG with a written response within 30 days concerning any action(s) taken or anticipated in response to this report.

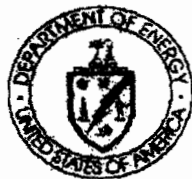
VIII. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

This report, including any attachments and information contained therein, are the property of the OIG and are for ~~OFFICIAL USE ONLY~~. The original and any copies of the report must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior OIG written approval is strictly prohibited and may subject the disclosing party to liability.

Unauthorized persons may include, but are not limited to, individuals referenced in the report, contractors, and individuals outside the Department. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

3 Attachments

**Office of Inspector General
Office of Investigations
Case No. I04HQ002**



INVESTIGATIVE REPORT TO MANAGEMENT

December 17, 2009

Information contained herein is the property of the Office of Inspector General



U.S. Department of Energy
Office of Inspector General
Office of Investigations

December 17, 2009

MEMORANDUM FOR THE DIRECTOR, OFFICE OF PROCUREMENT AND
ASSISTANCE MANAGEMENT

FROM:

(b)(6)(b)(7)(C)

Central Investigation Operations
Region 3 Investigations Group

SUBJECT:

Investigative Report to Management (OIG Case No. I04HQ002)

This report serves to inform you of the results of a joint investigation by the U.S. Department of Energy, Office of Inspector General, Office of Investigations and the Federal Bureau of Investigation.

The investigation focused on allegations that Gas Technology Institute, a nonprofit organization located in Des Plaines, Illinois, mishandled research and development funds provided to it from the Federal Energy Regulatory Commission. These Federal Energy Regulatory Commission funds were revenues it had received from interstate natural gas sales. Allegedly, Gas Technology Institute employees created a false billings scheme, which diverted Gas Technology Institute funds to multiple individuals for work that was not performed.

In summary, the investigation found that Messrs. Karl Lee, Anthony Lee, Lloyd Lee, Amirali Rehmat, and others participated in a scheme to defraud Gas Technology Institute. All were charged in a Superseding Indictment (Attachment A) and pled guilty to Mail Fraud. On May 12, 2009, Messrs. Karl Lee, Anthony Lee, Lloyd Lee, Amirali Rehmat were sentenced in the United States District Court, Northern District of Illinois.

The report makes one recommendation for corrective action. If you have any questions, please contact me at (865) 576 (b)(6) (b)(7) (C) or Special Agent (b)(6)(b)(7)(C) at (630) 252 (b)(6)(b)(7) (C).

Enclosures

I. ALLEGATION

On March 4, 2004, the U.S. Department of Energy (Department), Office of Inspector General (OIG) received allegations that Gas Technology Institute (GTI), a nonprofit organization located in Des Plaines, Illinois, mishandled research and development funds provided to GTI from the Federal Energy Regulatory Commission (FERC). These FERC funds were revenues it had received from interstate natural gas sales. Allegedly, GTI employees created a false billing scheme which diverted GTI funds to multiple individuals for work that was not performed.

II. POTENTIAL STATUTORY OR REGULATORY VIOLATIONS

This investigation focused on potential violations of Title 18, United States Code (U.S.C.), Sections 1341, 1346 and 2 (Mail Fraud).

III. BACKGROUND

FERC is an independent regulatory executive agency within the Department. As part of its many regulatory responsibilities and jurisdictions, FERC regulates the interstate transmission and sale of natural gas for resale in interstate commerce.

GTI was created in April, 2000, when Gas Research Institute (GRI) and the Institute of Gas Technology (IGT) merged, collectively referred to as GTI. GTI obtained funding from various public and private sources. In part, GTI received funding for research and development from a federally mandated tariff on natural gas pipelines, which was collected and distributed to GTI by FERC. GTI also subcontracted with third party companies to conduct other research and development projects.

The investigation identified seven subjects that participated in a scheme to defraud GTI. None of the subjects in this investigation owned GTI but were employees of or owned companies that contracted with GTI¹. Mr. Karl Lee owned Olster Inc. (Olster) and Glen Valley, Inc. (Glen Valley). Mr. Anthony Lee was employed by GTI and its predecessor companies in various management positions, to include GTI's director of research. In addition, Mr. Anthony also owned Reaction Kinetics Consultants (RKC). Mr. Anthony's brother, Mr. Lloyd Lee, was the owner and president of Molecular Thermo Engines, Inc. (MTE). Mr. Amirali Rehmat was employed by GTI and served as GTI's Director of Commercialization and Investments. He was also the owner of Resource Recovery Consultants (RRC). Mr. Amirali's brothers, Messrs. (b)(6)(b)(7)(C) and Minazali Rehmat, owned ANB Research Corporation. Mr. Peter Barone was the project manager for GTI's predecessor company, GRI, and in that position was responsible for approving funding for Mr. Anthony's research. Mr. Barone died during the investigation and as such, his case was closed.

¹ For clarity, the names provided and the company or companies they own will be synonymous with their first name once introduced in this report. If the last name is different, then the last name will be used synonymously.

IV. INVESTIGATIVE FINDINGS

The investigation substantiated that Messrs. Karl, Lloyd, Anthony, Amirali, and others participated in a scheme to defraud GTI. The investigation determined that the scheme was to create "shell" companies to bill GTI for services not rendered. The billings were approved by co-conspirator employees of GTI and paid. The aforementioned individuals were charged in a Superseding Indictment (Attachment A) and pled guilty to Mail Fraud.

Mr. Karl Lee

The investigation found that Mr. Karl participated in a scheme whereby he received \$608,459 from GTI between (b)(6)(b)(7)(C) to which he was not entitled. Mr. Anthony (b)(6)(b)(7)(C) Mr. Karl to have GTI award contracts to Mr. Karl. Mr. Anthony subsequently (b)(6)(b)(7)(C) Mr. Karl to fraudulently prepare and submit invoices to GTI for payment.

On January 22, 2008, Mr. Karl pled guilty to a violation of Mail Fraud in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment B). On May 12, 2009, Mr. Karl was sentenced to two years probation, 200 hours of community service, and ordered to pay a fine of \$10,000 plus a \$100 special assessment (Attachment C).

Mr. Anthony Lee

The investigation found that Mr. Anthony participated in a scheme whereby GTI paid Mr. Anthony approximately \$1,732,000 to which he was not entitled. Mr. Anthony (b)(6)(b)(7)(C) Mr. Lloyd to have GTI award contracts to Mr. Lloyd. Upon payment, Mr. Lloyd paid Mr. Anthony (b)(6)(b)(7)(C) of his receipts. Mr. Anthony stated he knew that Mr. Lloyd was not performing any research under the GTI contracts.

On October 9, 2008, Mr. Anthony pled guilty to a violation of Mail Fraud in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment D). On May 12, 2009, Mr. Anthony was sentenced to 24 months of imprisonment, two years of supervised release, and ordered to pay \$3,485,108.44 in restitution plus a \$100 special assessment fee (Attachment E).

Mr. Lloyd Lee

The investigation found that Mr. Lloyd participated in a scheme whereby GTI paid Mr. Lloyd \$1,813,000 between (b)(6)(b)(7)(C) to which he was not entitled. Mr. Lloyd (b)(6)(b)(7)(C) Mr. Anthony to have GTI award contracts to Mr. Lloyd. Mr. Lloyd subsequently submitted false claims to GTI. In furtherance of the fraud scheme, Mr. Anthony also had Mr. Lloyd (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) on GTI contracts wherein Mr. Lloyd appeared to GTI as the contracting party performing the contract work. In every instance, Mr. Lloyd (b)(6)(b)(7)(C) by Mr. Anthony to pay the majority of the contract proceeds to Mr. Anthony.

On April 22, 2008, Mr. Lloyd pled guilty to a violation of Mail Fraud in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment F). On May 12, 2009, Mr. Lloyd was sentenced to two years probation, 200 hours of community service, and ordered to pay a fine of

\$50,000 plus a \$100 special assessment (Attachment G).

Mr. Amirali Rehmat

The investigation found that Mr. Amirali recruited his two brothers, Messrs. (b)(6)(b)(7)(C) and Minazali to set up shell companies for the sole purpose of entering into contracts with GTI. Neither brother possessed the technical knowledge or resources necessary to perform any of the scientific work required on the GTI contracts. Between (b)(6)(b)(7)(C) Mr. Amirali (b)(6)(b)(7)(C) his brothers on how to apply for GTI contracts, (b)(6)(b)(7)(C) submission to GTI, (b)(6)(b)(7)(C) item on where to send the contract proceeds. As a result, GTI paid approximately \$3,200,000 to the brother's shell companies (b)(6)(b)(7)(C) of which was forwarded to Mr. Amirali, Mr. Barone and Mr. Anthony.

On June 10, 2008, Mr. Amirali pled guilty to a violation of Mail Fraud in the Northern District of Illinois for his role in the scheme to defraud GTI (Attachment H). On May 12, 2009, Mr. Amirali was sentenced to 12 months and one day of imprisonment, two years of supervised release, and ordered to pay \$2,039,431.44 in restitution plus a \$100 special assessment fee (Attachment I). Judicial action is still pending against (b)(6)(b)(7)(C) and Minazali.

V. COORDINATION

The facts of the case were coordinated with the United States Attorney's Office (USAO) and the Department. On September 19, 2003, the USAO, Northern District of Illinois, accepted this case for criminal prosecution.

The recommendations in this report were also coordinated with (b)(6)(b)(7)(C) Office of Procurement and Assistance Management.

VI. RECOMMENDATIONS

Based on the findings of this report, and other information which may be available to you, the OIG recommends that the Department Director, Office of Procurement and Assistance Management, determine if suspension and/or debarment action is warranted against the following individuals and companies listed below:

For your reference, the following contact information is being made available:

1) Karl Ostler Lee
SSAN: (b)(6)(b)(7)(C)
DOB: (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C)
Downers Grove, IL 60515

2) Ostler, Inc.
1312 Turvey Road
Downers Grove, IL 60515

3) Glen Valley, Inc.
1312 Turvey Road
Downers Grove, IL 60515

4) Anthony Lich Lee
SSAN: (b)(6)(b)(7)(C)
DOB: (b)(6)(b)(7)(C)
Glen Ellyn, IL 60134

5) Reaction Kinetics Consultants, Inc.
714 Pleasant Avenue
Glen Ellyn, IL 60134

6) Lloyd Liehsen Lee
SSAN: (b)(6)(b)(7)(C)
DOB: (b)(6)(b)(7)(C)
Fontana, CA 92336

7) Molecular Thermo Engines, Inc.
15654 N. Peak Lane
Fontana, CA 92336

8) Amirali Rehmat
SSAN: (b)(6)(b)(7)(C)
DOB: (b)(6)(b)(7)(C)
Darien, IL 60561

9) Resource Recovery Consultants
1413 Darien Club Drive
Darien, IL 60561

VII. FOLLOW-UP REQUIREMENTS

Please provide the OIG with a written response within 30 days concerning any action(s) taken or anticipated in response to this report.

VIII. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

This report, including any attachments and information contained therein, are the property of the OIG and are for ~~OFFICIAL USE ONLY~~. The original and any copies of the report must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior OIG

written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the report, contractors, and individuals outside the Department. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

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Investigations - Executive Brief Report (REB)

Report run on: June 18, 2013 10:46 AM

Page 1

Case Number: I12HQ003

Summary Date: 13-JUL-12

Title:

QUI TAM; U.S. EX REL. WILLIAM PORPHY V. CHEVRON CORPORATION

Executive Brief:

PREDICATION:

ON FEBRUARY 8, 2012, THE HOTLINE WAS NOTIFIED VIA EMAIL FROM THE DOJ OF A QUI TAM FILED UNDER SEAL BY WILLIAM PORPHY AGAINST CHEVRON CORPORATION AND CHEVRON USA INC. (CHEVRON), ALLEGING FALSE CLAIMS TO THE ARMY UNDER AN ENERGY SAVINGS PERFORMANCE CONTRACT IN NEW JERSEY.

INVESTIGATIVE ACTIVITY:

ON FEBRUARY 27, 2012, SPECIAL AGENT (b)(6)(b)(7)(C) OFFICE OF INSPECTOR GENERAL (OIG), DEPARTMENT OF ENERGY (DEPARTMENT), CONTACTED ASSISTANT UNITED STATES ATTORNEY (AUSA) ANDREW RUYMANN. AUSA RUYMANN INFORMED SA (b)(6)(b)(7)(C) HE SPOKE WITH (b)(6)(b)(7)(C) AND WILL PROVIDE THE OIG WITH A COPY OF THE REPORT ONCE IT IS FINALIZED. HIS OFFICE IS ACTIVELY PURSUING THE MATTER AND WILL CONTACT THE OIG FOR ASSISTANCE.

IN AN OIG INTERVIEW, (b)(6)(b)(7)(C) GOLDEN FIELD OFFICE, PROVIDED THE FOLLOWING INFORMATION:

THE DEPARTMENT MAINTAINS THE MASTER INDEFINITE DELIVERY, INDEFINITE QUANTITY (IDIQ) CONTRACTS FOR WHICH ENERGY SERVICE COMPANIES (ESCOS) COMPETE FOR ENERGY SAVINGS PERFORMANCE CONTRACTS (ESPCS). HOWEVER, THE DIFFERENT TASK ORDERS AWARDED TO ESCOS ARE MAINTAINED AT THE LEVEL OF THE FEDERAL AGENCY THAT REQUESTED THE TASK ORDER. ESPCS WORK DIFFERENTLY THAN NORMAL CONTRACTS AND ARE BASED ON ENERGY SAVINGS. FOR EXAMPLE, IF ABC COMPANY IS AWARDED A TASK ORDER, ABC HAS TO OBTAIN FINANCING TO COMPLETE THE WORK SET FORTH IN THE TASK ORDER. ONCE THE ENERGY SAVINGS ARE REALIZED, ABC REQUESTS REIMBURSEMENT FROM THE FEDERAL GOVERNMENT TO PAY FOR THE FINANCING THEY OBTAINED. THERE ARE CURRENTLY 16 CONTRACTORS UNDER THE ESPC IDIQ. UNDER THE STATUTE, THE DEPARTMENT IS THE ONLY FEDERAL AGENCY THAT CERTIFIES ESCOS.

CHEVRON HAS NO CURRENT TASK ORDERS WITH THE DEPARTMENT. THEREFORE, THE DEPARTMENT HAS NOT LOST ANY MONIES AS A RESULT OF CHEVRON'S ALLEGED FRAUD. CHEVRON'S ALLEGED FRAUD HAS NO DIRECT IMPACT ON THE DEPARTMENT. IF CHEVRON IS FOUND TO HAVE DEFRAUDED A FEDERAL AGENCY, THEY RISK DEBARMENT FROM THE PROGRAM.

ON JULY 12, 2012, SA (b)(6)(b)(7)(C) CONTACTED AUSA RUYMANN TO INFORM HIM THE DEPARTMENT WOULD BE CLOSING THIS INVESTIGATION.

THIS CASE IS BEING CLOSED AS ALL PRUDENT INVESTIGATIVE STEPS HAVE BEEN TAKEN.

CASE CLOSED

United States Government

Department of Energy

memorandum

DATE: July 12, 2012

REPLY TO

ATTN OF: IG-221 (b)(6)(b)(7)(C)

SUBJECT: Case Closing Recommendation (OIG Case No. I12HQ003)

TO: (b)(6)(b)(7)(C)

Region 1 Investigations

The purpose of this memorandum is to recommend the closing of OIG Case Number I12HQ003.

ALLEGATION

On February 9, 2012, the Department of Energy (Department) Office of Inspector General (OIG) hotline received a Qui Tam complaint filed by former Chevron Corporation and Chevron USA, Inc. (Chevron) employee, William Porphy. The Qui Tam alleges Chevron submitted false claims to the Army at Fort Picatinny Arsenal in New Jersey and other locations under several Energy Savings Performance Contracts (ESPCs). ESPCs are executed under the Federal Energy Management Program, which is administered by the Department. The false claims include double billing, cost shifting, billing for phantom cost savings, billing for phantom buildings, and undisclosed use of contractors.

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on potential criminal violations of Title 31 United State Code, Section 3729 (False Claims Act).

INVESTIGATIVE FINDINGS

The investigation did not substantiate allegations that Chevron submitted false claims to the Department. In an OIG interview with (b)(6)(b)(7)(C) Golden Field Office, the OIG was informed Chevron has no current task orders with the Department. Therefore, the Department has not lost any monies or been negatively impacted as a result of Chevron's alleged fraud.

RECOMMENDATION

This case is being recommended for closure as there was no negative impact on the Department.
Please contact me on 202-586-(b)(6)
(b)(7)
(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Region 1 Investigations
Office of Inspector General

Signature:
(b)(6)(b)(7)(C)

7/12/12
Date

Region 1 Investigations Office
Office of Inspector General

Document Number 16

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Case Number: I02OR005

Summary Date: 24-AUG-12

Title:

LMES, LMUS, USEC, M, MUS; QUI TAM; FALSE CLAIMS, PADUCAH GDP

Executive Brief:

PREDICATION:

ON 07-FEB-02, AUSA BILL CAMPBELL, WESTERN DISTRICT OF KENTUCKY, FORWARDED A SEALED QUI TAM FILED BY (b)(6)(b)(7)(C) UNITED STATES ENRICHMENT CORPORATION. (b)(6)(b)(7)(C) ALLEGED THAT IN PERFORMING WORK UNDER THE NUCLEAR SAFETY UPGRADE PROGRAM IN PADUCAH AND PORTSMOUTH FROM MID 1993 ONWARD, USEC, LOCKHEED MARTIN CORPORATION, LOCKHEED MARTIN UTILITY SERVICES, MARTIN MARIETTA CORPORATION AND MARTIN MARIETTA UTILITY SERVICES, FALSIFIED WORK MODULES AND OTHER DOCUMENTS, MISREPRESENTED WORK PERFORMED AND SUBMITTED FALSE STATEMENTS AND INVOICES FOR THE PURPOSE OF RECEIVING PAYMENT FOR SERVICES NOT PERFORMED OR PERFORMED NOT IN ACCORDANCE WITH CONTRACT REQUIREMENTS AND GOVERNMENT SPECIFICATIONS.

NOTE: ON 24-OCT-08, CASE REASSIGNED TO SA (b)(6)(b)(7)(C)
NOTE: ON 04-SEP-09, CASE RE-ASSIGNED TO SA (b)(6)(b)(7)(C)

SUMMARY:

THIS CASE IS BEING WORKED IN CONJUNCTION WITH I03OR006. DOJ WAS UNABLE TO SUBSTANTIATE THE RELATORS' CLAIMS IN THIS CASE. AS A RESULT, THE AUSA WILL TAKE NO FURTHER ACTION. FOR CASE I03OR006, ON 31-JUL-12, THE RELATORS AGREED TO A SETTLEMENT WITH BJC FOR \$230,000. ON 10-AUG-12, THE OIG WAS NOTIFIED THAT BJC PAID THE SETTLEMENT AMOUNT.

INVESTIGATIVE ACTIVITY:

IT SHOULD BE NOTED THAT THE RELATOR (b)(6)(b)(7)(C) IS ALSO A RELATOR IN QUI TAM CASE I99OR009. ON 20-JAN-03, AUSA CAMPBELL ADVISED THAT HE HAS SPOKEN WITH (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C) ATTORNEYS ABOUT THE ALLEGATIONS AND HAS INFORMED THEM THAT THIS MATTER WILL BE IN A PENDING STATUS UNTIL SUCH A TIME THAT DOJ BELIEVES THE MATTER IS URGENT OR UNTIL I03OR006 HAS BEEN SUFFICIENTLY RESOLVED. AUSA CAMPBELL ALSO ADVISED THAT SHOULD I03OR006 REACH A SETTLEMENT, IT IS LIKELY THIS MATTER WILL BE INCLUDED IN ANY SETTLEMENT.

THE CASE AGENT HAS CONTINUED, AT THE AUSA/DOJ REQUEST, TO REVIEW CLASSIFIED DOCUMENTS ASSOCIATED WITH THIS MATTER AT THE DOCUMENT CENTER IN OAK RIDGE. TO DATE, NO PERTINENT INFORMATION HAS BEEN OBTAINED FROM THE REVIEW OF THE VOLUMINOUS BOXES.

ON 11-FEB-09, SA (b)(6)(b)(7)(C) AND SA (b)(6)(b)(7)(C) MET WITH CIVIL AUSAS WILLIAM CAMPBELL AND L. JAY GILBERT, WESTERN DISTRICT OF KENTUCKY, AT THEIR OFFICE LOCATED IN LOUISVILLE, KY. AUSA CAMPBELL COORDINATED THE INVESTIGATION WITH SA (b)(6)(b)(7)(C) AUSA CAMPBELL ADVISED NO ADDITIONAL ACTION WOULD BE TAKEN ON THIS CASE AT THIS TIME

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Investigations - Executive Brief Report (REB)

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PENDING THE RESULTS OF CASE I03OR006.

PLANNED ACTION:
CASE CLOSED

Document Number 17

Office of the Inspector General (OIG)
Investigations - Executive Brief Report (REB)

Report run on: June 18, 2013 11:45 AM

Page 1

Case Number: I03OR006

Summary Date: 21-SEP-12

Title:

BECHTEL JACOBS; QUI TAM; FALSE CLAIMS; PDGC, PADUCAH, KY

Executive Brief:

PREDICATION: (WESKEM)

ON 26-NOV-02, BILL CAMPBELL, FIRST ASSISTANT, UNITED STATES ATTORNEY'S OFFICE, WESTERN DISTRICT OF KENTUCKY, ADVISED A SEALED QUI TAM WAS FILED (5:02CV-300-M) WITH THE U.S. DISTRICT COURT FOR THE WESTERN DISTRICT OF KENTUCKY, BY (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WESKEM, A SUBCONTRACTOR TO BECHTEL JACOBS COMPANY. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ALLEGED THAT THE BECHTEL JACOBS COMPANY KNOWINGLY FILED FALSE AND FRAUDULENT CLAIMS WITH THE UNITED STATES BY ASSERTING IT WAS IN FULL COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS. SPECIFICALLY, (b)(6)(b)(7)(C) ALLEGED THAT (1) FROM APRIL 1998 THROUGH NOVEMBER 1999, BECHTEL JACOBS KNOWINGLY DUMPED 4,000 FIFTY-FIVE GALLON DRUMS OF HAZARDOUS WASTE FROM THE PADUCAH GASEOUS DIFFUSION PLANT INTO A NON-HAZARDOUS WASTE LANDFILL (ALSO KNOWN AS THE U LANDFILL). (2) (b)(6)(b)(7)(C) ALSO ALLEGED THAT BECHTEL JACOBS INTENTIONALLY MISCLASSIFIED THESE WASTE MATERIALS AS CHARACTERISTIC HAZARDOUS WASTE MATERIAL RATHER THAN "SOURCE" LISTED WASTE MATERIALS, FURTHER VIOLATING FEDERAL LAWS AND ENVIRONMENTAL REGULATIONS. (b)(6)(b)(7)(C)

IN JUNE, 2003, (b)(6)(b)(7)(C) FILED ANOTHER QUI TAM (5:02CV-348-M) WITH SIMILAR ALLEGATIONS ACCUSING BJC OF MISCHARACTERIZING WASTE, INAPPROPRIATE DMSA WORK, AND MISCHARGING ON A SCRAP METAL PROJECT. AUSA CAMPBELL ADVISED FOR NOW THAT HE WILL WORK THE INVESTIGATIONS TOGETHER SINCE THE ALLEGATIONS ARE SIMILAR. AUSA CAMPBELL ALSO ADVISED THAT THE OIG COULD CONSOLIDATE THE TWO CASES AS ONE.

NOTE: ON 24-OCT-08, CASE REASSIGNED TO SA (b)(6)(b)(7)(C)
NOTE: ON 04-SEP-09, CASE RE-ASSIGNED TO SA (b)(6)(b)(7)(C)

SUMMARY:

PER AUSA CAMPBELL, INVESTIGATIVE ACTION IN THIS CASE IS TIED TO CASE I02OR005. DOJ WAS UNABLE TO SUBSTANTIATE THE RELATORS' CLAIMS, WITH THE EXCEPTION OF A BILLING ISSUE WITH WESKEM. ON 31-JUL-12, THE RELATORS AGREED TO A SETTLEMENT WITH BJC FOR \$230,000. PER THE AUSA, NO FURTHER ACTION WILL BE PURSUED PERTAINING TO THIS CASE. ON 10-AUG-12, THE OIG WAS NOTIFIED THAT BJC PAID THE SETTLEMENT AMOUNT.

INVESTIGATIVE ACTIVITY:

ON 24-JAN-03, THE COGNIZANT UNITED STATES ATTORNEY'S OFFICE ADVISED TO WITHHOLD PURSUING INVESTIGATING THIS MATTER UNTIL CASE I02OR005 WAS RESOLVED OR SETTLED. AT THAT TIME, THE U.S. ATTORNEY AND DEPARTMENT OF JUSTICE WILL MAKE A DETERMINATION ON INVESTIGATING THIS MATTER SEPARATELY, OR INCLUDING IT AS PART OF THE RESOLUTION OR

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Report run on: June 18, 2013 11:45 AM

Page 2

SETTLEMENT OF THE AFOREMENTIONED CASES.

ON 8-MAR-08, THE RELATOR FILED AN AMENDED COMPLAINT (5:02CV-300-M). THE ALLEGATIONS STILL PERTAIN TO:

- 1) F LISTED WASTE;
- 2) FAILURE TO DISPOSE OF NON-RADIOLOGICAL WASTE AT THE LANDFILL; AND,
- 3) FREE LIQUIDS ISSUES.

ON 13-OCT-09, THE RELATORS FILED AN AMENDED COMPLAINT (5:02CV-348-M). THE NEW ALLEGATIONS ARE:

- 1 AND 2) FAILURE TO IMPLEMENT REQUIRED WASTE CERTIFICATION: POLICY AND PROGRAM;
- 3) OVERBILLING FOR SAIC TIME;
- 4) WORKERS PAID TO DO NOTHING FOR DMSA;
- 5 AND 6) FALSE BILLINGS RELATED TO WESKEM'S OBTAINING THE WASTE OPERATIONS SUBCONTRACT;
- 7) FALSE BILLINGS RELATED TO WESKEM'S OBTAINING THE WASTE OPERATIONS SUBCONTRACT UNDER FALSE PRETENSES;
- 8) FALSE BILLINGS FOR PERFORMANCE BASED INCENTIVES UNDER SCRAP METAL REMOVAL PROJECT; AND,
- 9) WESKEM'S CLAIMS RELATING TO NONCOMPLIANCE WITH WHISTLEBLOWER PROTECTION REQUIREMENTS.

ON 1-MAR-10, A CONFERENCE CALL WAS HELD WITH DOJ AND DOE GENERAL COUNSEL TO DISCUSS DOJ'S POSSIBLE DECLINATION OF THIS QUI TAM. AT THIS POINT, DOJ DOES NOT HAVE ENOUGH, AND THE RELATORS HAVE NOT PROVIDED ENOUGH EVIDENCE TO SUPPORT THE ALLEGATIONS. THE CALL DISCUSSED DOJ'S AND DOE'S DRAFT DECLINATION LETTER STATING ITS REASONS AGAINST INTERVENTION. THE AUSA HAD ONE LAST ALLEGATION PERTAINING TO WESKEM TO INVESTIGATE BEFORE HE MADE A DETERMINATION OF DECLINATION.

ON 21-APR-10, AUSA BILL CAMPBELL REQUESTED AN IG SUBPOENA TO WESKEM BECAUSE ITS ATTORNEYS REFUSED TO PROVIDE HIM DATA HE REQUESTED.

ON 27-APR-10, (b)(6)(b)(7)(C) ISSUED AN IG REQUEST FOR INFORMATION TO WESKEM. BASED ON ITS CONTRACT WITH THE DEPARTMENT, ALL RECORDS ACQUIRED OR GENERATED BY WESKEM IN ITS PERFORMANCE OF THE CONTRACT ARE THE PROPERTY OF THE DEPARTMENT. WESKEM RESPONDED THAT IT WOULD BEGIN GATHERING THE DATA.

AS OF 25-JUN-10, WESKEM IS COOPERATING AND HAS PROVIDED DOCUMENTS TO AUSA BILL CAMPBELL. THE AUSA IS COORDINATING WITH WESKEM TO LOCATE SPECIFIC INFORMATION RELATED TO ALLEGATION IN THE QUI TAM.

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AS OF 17-NOV-10, THE AUSA AND WESKEM'S GENERAL COUNSEL ARE CORRESPONDING.

****STAT**** ON 10-AUG-12, THE AUSA NOTIFIED THE OIG THAT BJC PAID A \$230,000 SETTLEMENT. THE ACTUAL DATE OF THE SETTLEMENT AGREEMENT WAS 31 JUL 12 (WHICH IS THE DATE RECORDED IN THE ACTION SCREEN). NOTE: \$30,000 OF THIS RESTITUTION WAS DELINEATED TO COVER THE ATTORNEY'S FEES OF THE RELATORS, AND WAS NOT RETURNED TO THE GOVERNMENT (HENCE THE MONETARY DIFFERENCE BETWEEN THE MCR AND MRD ACTIONS).

DISPOSITION:
CASE CLOSED

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Case Number: I10HQ006

Summary Date: 29-AUG-12

Title:

QUI TAM: U.S EX REL. LINDLEY V. GALLUP ORGANIZATION;PNL

Executive Brief:

ON 2-DECEMBER-2009, THE HOTLINE RECIEVED FROM THE DEPARTMENT OF JUSTICE, A COPY OF A QUI COMPLAINT AND MATERIAL EVIDENCE REGARDING U.S. EX REL. LINDLEY V. GALLUP ORGANIZATION/INC, THAT WAS FILED UNDER THE QUI TAM PROVISION OF THE FALSE CLAIMS ACT (CASE IS UNDER SEAL). SPECIFICALLY, GALLUP INC SUBMITTED FALSE AND FRAUDULENT BUDGETARY INFORMATION AND ENGAGED IN FRAUDULENT "BACK-IN" PRICING IN CONNECTION WITH A SUBCONTRACT BETWEEN DEFENDANT AND PACIFIC NORTHWEST NATIONAL LABORATORY WORTH \$4 MILLION OVER FIVE YEARS.

INVESTIGATIVE FINDINGS:

AN ACQUISITIONS WEB REPORT SEARCH IDENTIFIED NINE CONTRACTS AWARDED TO GALLUP FOR THE PERIODS JANUARY 1, 2007 TO PRESENT.

THE OIG IDENTIFIED TWO DOE CONTRACTS AWARDED TO GALLUP RELATED TO THE INVOICE IDENTIFIED BY THE RELATOR AS HAVING "BACK IN " PRICING. CONTRACT NO. 63839 UNDER DOE CONTRACT DE-AC05-76RL01830 AND 63840 UNDER DOE CONTRACT DE-AC05-76RL01830.

A REVIEW OF CONTRACT FILE NO. 63839 BETWEEN DOE'S BATTELLE MEMORIAL INSTITUTE, PACIFIC NORTHEAST DIVISION AND GALLUP UNDER DOE'S PNNL DE-ACC05-76RL01830 REVEALED THAT THIS IS A SOLE SOURCE JUSTIFICATION AWARD AND FIRM FIXED PRICE OF \$210,739 DELIVERED ON APRIL 7, 2008. THE PERIOD OF PERFORMANCE WAS APRIL 22, 2008 THROUGH SEPTEMBER 12, 2008.

THE PROPOSAL LACKED A BASIS FOR COSTS IN SUPPORT OF THE FIXED PRICE APPROPRIATED TRAVEL COSTS APPLICATIONS AND AN ADDENDUM WAS SUBMITTED ON APRIL 11, 2008. THE TASKS AND LABOR AND MATERIAL MIXES DEEMED SIMILAR IN STRUCTURE TO PREVIOUS TASK. GALLUP MAINTAINS GENERAL SERVICE ADMINISTRATION (GSA) CONTRACT NO GS-OOR-0078M FOR ITS LABOR RATES ONLY. IT WAS ADVISED THAT MATERIALS MAY HAVE BEEN OVERSTATED FOR ONE OF THE PROPOSED TASKS. GS HAS PROVIDED PROPOSALS FOR YEARS 2006 & 2007, BUT ONLY AN ANALYSIS OF THE 2006 PROPOSAL HAS BEEN FOUND.

A REVIEW OF GSA CONTRACT NO GS-OOF-0078M, JULY 1, 2006 THROUGH JUNE 30, 2011 WITH GALLUP. GSA AWARDED TERMS AND CONDITIONS TO GALLUP: MARKET RESEARCH AND PUBLIC OPINION SERVICES, OTHER PROFESSIONAL SERVICES AND ADVERTISING SERVICES. ACCORDING TO THE COST ANALYSIS REQUEST FORM INFORMATION SHEET, THE FOLLOWING WAS PROVIDED: :

(b)(6)(b)(7)(C)

CONTRACT NO: 64966, DOLLAR AMOUNT MAX: \$210,739, PERIOD OF PERFORMANCE 4-22-08 THROUGH 9-12-08. ; FIRM FIXED PRICE, A-1830 DOE. THERE WAS NOT A DETERMINATION IF THE COST/PRICE REPORTS WERE COMPLETED. THIS IS THE 8TH YEAR OF THE WORKPLACE ENGAGEMENT ASSESSMENT SURVEY ADMINISTERED BY THE GALLUP FROM FY 2001 THROUGH 2007.

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ON 6-MAY-2010, THE OIG ATTENDED AN INTERVIEW WITH THE RELATOR IN THE PRESENCE OF (b)(6)(b)(7)(C) ATTORNEY, DOJ AND OTHER FEDERAL AGENICES INVOLVED IN THIS CASE.

ON 18-MAY-2010, DOJ PROVIDED THE OIG WITH THE RELATOR INTERVIEW WRITE-UP. ACCORDING TO THE RELATOR, GALLUP INFLATED HOURS ON THE BATELLE LABS CONTRACT DATED APRIL 11, 2008.

ON 9-AUG-2010, THE OIG WAS ADVISED BY DOJ THAT THEY ARE STILL WAITING FOR DOCUMENTS FROM GALLUP. ONCE A REVIEW IS CONDUCTED ON THE DOCUMENTS, A DECISION WILL BE MADE TO MOVE FORWARD WITH FULL INVESTIGATION OF TWO OR THREE OF THE CONTRACTS AND HOLD OFF ON THE OTHER AGENCIES FOR NOW.

PLANNED INVESTIGATIVE ACTIVITY:

- CONTINUE TO COORDINATE WITH DOJ AND AWAIT NEXT STEPS FOR THIS INVESTIGATION

CASE TRANSFERED TO SA (b)(6)(b)(7)(C) ON DECEMBER 20, 2010

SA (b)(6)(b)(7)(C) COORDINATED WITH MR. FRUCHTER, DOJ ON MARCH 9, 2011. AWAITING DOJ RESPONSE.

ON 17-JAN-2012, SA (b)(6)(b)(7)(C) CONTACTED AUSA FRUCHTER. AWAITING FURTHER ADVICE.

SA (b)(6)(b)(7)(C) AWAITING INFORMATION FROM DOJ ON WHETHER TO PROCEED.

ON 12-JUL-2012, AUSA FRUCHTER INDICATED TO SA (b)(6)(b)(7)(C) THAT AT THIS TIME, DOE WILL NOT BE INCLUDED IN DOJ'S SUIT/FILING.

SEVERAL OTHER FEDERAL AGENCIES ARE ARE NAMED IN THE SUIT.

***NO FURTHER INVESTIGATIVE RESOURCES ARE WARRANTED**

Document Number 19

United States Government

Department of Energy

Memorandum

DATE: July 16, 2012

REPLY TO

ATTN OF: IG-221 (b)(6)(b)(7)(C) Special Agent)

SUBJECT: Case Closing Recommendation (OIG Case No. I11HQ006)

TO: (b)(6)(b)(7)(C) Eastern Investigations Office

The purpose of this memorandum is to recommend the closing of OIG Case Number I12HQ006.

ALLEGATION

It was alleged that a District Department of Environment (DDOE) subgrantee, Chosen Contractors, schemed to pay kickbacks to a District of Columbia (DC) property owner for participation in an Energy Efficiency and Community Block Grant (EECBG) program. Specifically, A DC small business owner was approached by Chosen Contractors to list their properties on an EECBG program application. Little to no work would actually be completed and the property owner would receive a payment for allowing Chosen Contractors to list their properties on the EECBG program application. The DC property owner agreed to cooperate as a confidential source in the investigation.

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on a potential criminal violations of Title 18 United State Code, Section 287 (False Claims), 1001 (False Statements), 666 (Theft of Public Funds), and 371 (Conspiracy).

INVESTIGATIVE FINDINGS

The investigation did not substantiate allegations of a criminal nature involving Chosen Contractors. The confidential source decided not to be a cooperator and the kickback scheme was never completed. In addition, DDOE issued a stop work order to all properties in which Chosen Contractors was providing weatherization services.

RECOMMENDATION

This case is being recommended for closure as further expenditures of investigative resources are not warranted.

Please contact me on 202-586-(b)(6)(b)(7)(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Region 1 Investigations Office
Office of Inspector General

Concur:

(b)(6)(b)(7)(C)

Eastern Investigations Office
Office of Inspector General

Date

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Case Number: I11HQ006

Summary Date: 27-AUG-12

Title:

(b)(6)(b)(7)(C) POTENTIAL KICKBACK/MISUSE OF ENERGY FUNDS

Executive Brief:

PREDICATION:

ON 22-NOV-10, SPECIAL AGENT (SA) (b)(6)(b)(7)(C) REGION 1 INVESTIGATIONS, OFFICE OF INSPECTOR GENERAL (OIG), DEPARTMENT OF ENERGY (DEPARTMENT), RECEIVED AN EMAIL FROM SA (b)(6)(b)(7)(C) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), OIG, REGARDING POTENTIAL KICKBACK AND MISUSE OF DEPARTMENT OF ENERGY (DEPARTMENT) FUNDS. (b)(6)(b)(7)(C) A COOPERATING DEFENDANT, PROVIDED INFORMATION REGARDING A DIRECTOR AT DC DEPARTMENT OF ENERGY AND A HOME IMPROVEMENT CONTRACTOR DEFRAUDING AN ENERGY PROGRAM RELATING TO THE RENOVATION OF HOMES TO MAKE THEM MORE ENERGY EFFICIENT. (b)(6)(b)(7)(C) WAS SOLICITED FOR A DEAL WITH THE CONTRACTOR TO RECEIVE A KICKBACKS FOR AGREEING TO SIGN OFF ON RENOVATIONS THAT WERE APPEAR TO BE DONE "ON PAPER."

BACKGROUND:

(b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ON 23-NOV-10, SAS (b)(6)(b)(7)(C) REGION 1 INVESTIGATIONS, OIG, DEPARTMENT, INTERVIEWED (b)(6)(b)(7)(C) ATTORNEY'S OFFICE. (b)(6)(b)(7)(C) WAS APPROACHED (b)(6)(b)(7)(C) CHOSEN CONTRACTORS, ABOUT USING (b)(6)(b)(7)(C) BUSINESS PROPERTIES TO SUBMIT FALSE CLAIMS TO THE GOVERNMENT. (b)(6)(b)(7)(C) HAS A "CONTACT ON THE INSIDE" WHO HELPS (b)(6)(b)(7)(C) CARRY OUT THE PROCESS. (b)(6)(b)(7)(C) DID NOT KNOW THE NAME OF THE INDIVIDUAL, BUT IDENTIFIED (b)(6)(b)(7)(C) WILL MEET (b)(6)(b)(7)(C) AGREES TO THE ARRANGEMENT, BECAUSE (b)(6)(b)(7)(C) WILL PERSONALLY INSPECT (b)(6)(b)(7)(C) BUSINESS. THE MONEY WOULD BE DIVIDED BETWEEN EVERYONE. (b)(6)(b)(7)(C) WOULD PROFIT APPROXIMATELY \$10K. (b)(6)(b)(7)(C) THE CONTRACTORS WOULD DO NO ACTUAL WORK.

(b)(6)(b)(7)(C) AGREED TO CONSENSUAL MONITORING BETWEEN (b)(6)(b)(7)(C) RECENTLY PLED GUILTY TO MORTGAGE FRAUD IN A HUD INVESTIGATION AND IS FACING UP TO 36 MONTHS IN PRISON. (b)(6)(b)(7)(C) SPECIAL AGENTS (b)(6)(b)(7)(C) CLIENT IS WILLING TO FULLY COOPERATE WITH THE GOVERNMENT WITH HOPES OF LESSENING (b)(6)(b)(7)(C) SENTENCE. (b)(6)(b)(7)(C)

CASE ASSIGNED TO SA (b)(6)(b)(7)(C) ON DECEMBER 6, 2010

ALLEGATION:

ON DECEMBER 3, 2010, SPECIAL AGENTS (SAS) (b)(6)(b)(7)(C) OFFICE OF INSPECTOR GENERAL (OIG), U.S. DEPARTMENT OF ENERGY (DOE), (b)(6)(b)(7)(C) DOE OIG, (b)(6)(b)(7)(C)

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(b)(6)(b)(7)(C) DISTRICT OF COLUMBIA (DC) OIG, AND (b)(6)(b)(7)(C) FEDERAL BUREAU OF INVESTIGATION (FBI) MET WITH (b)(6)(b)(7)(C) ATTORNEY, (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) APPROACHED (b)(6)(b)(7)(C) AND OFFERED A \$10,000 "CUT" TO LIST (b)(6)(b)(7)(C) PROPERTIES ON A DDOE PROGRAM APPLICATION. THE APPLICATION WOULD BE SUBMITTED TO A DDOE PROGRAM THAT AWARDS GOVERNMENT MONEY TO CONTRACTORS PERFORMING ENERGY EFFICIENT UPGRADES TO HOMES AND BUSINESSES. (b)(6)(b)(7)(C) WOULD SUBMIT THE APPLICATION, RECEIVE A CHECK, AND SPLIT THE FUNDS BETWEEN (b)(6)(b)(7)(C) KNOWS. LITTLE TO NO WORK WOULD ACTUALLY BE PERFORMED ON THE PROPERTIES. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) CONSIDERS (b)(6)(b)(7)(C)

AUSA VIRGINIA CHEATHAM HAS BEEN CONSULTED IN REGARDS (b)(6)(b)(7)(C) COOPERATION

ON DECEMBER 20, 2010, (b)(6)(b)(7)(C) COMPLETED FOUR (4) SMALL BUSINESS ENERGY EFFICIENCY PROGRAM (SBEEP) APPLICATIONS FOR EACH OF (b)(6)(b)(7)(C) PROPERTIES.

INVESTIGATIVE STEPS/FINDINGS:

CONSENSUAL MONITORING:

ON JANUARY 6, 2011, (b)(6)(b)(7)(C) MET WITH DC (b)(6)(b)(7)(C) THE MEETING WAS MONITORED. THE PURPOSE OF (b)(6)(b)(7)(C) VISIT WAS TO INSPECT (b)(6)(b)(7)(C) PROPERTY TO DETERMINE IF THERE WAS A NEED FOR ENERGY EFFICIENCY UPGRADES.

ON JANUARY 28, 2011, SA (b)(6)(b)(7)(C) INDICATED THAT (b)(6)(b)(7)(C) WAS STILL TRYING TO SCHEDULE THE FOURTH AND FINAL ENERGY EFFICIENCY INSPECTION WITH (b)(6)(b)(7)(C)

SA (b)(6)(b)(7)(C) ALSO INDICATED THAT (b)(6)(b)(7)(C) HAS KEPT IN TOUCH WITH (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) HAS BEEN IDENTIFIED AS AN INDIVIDUAL PART OF THE SCHEME. (b)(6)(b)(7)(C) EMPLOYER AND (b)(6)(b)(7)(C) ROLE HAVE YET TO BE DETERMINED. (b)(6)(b)(7)(C) INDICATED THAT THE PROGRAM PAPERWORK IS SOMEHOW ROUTED THROUGH (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

PROPERTY WORK ORDER REVIEW:

THE WORK ORDER WAS FOR ONE OF (b)(6)(b)(7)(C) PROPERTIES (DAYCARE CENTER) LOCATED AT (b)(6)(b)(7)(C) WASHINGTON, DC. IT WAS EMAILED ON JANUARY 21, 2011 FROM (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) @H(b)(6)(b)(7)(C) COM TO (b)(6)(b)(7)(C) COM AND COPIED TO (b)(6)(b)(7)(C) @RCN.COM.

CHOSEN CONTRACTORS AND R.O. MCMILLAN AND ASSOCIATES BACKGROUND:

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*R.O. MCMILLAN AND ASSOCIATES IS ALSO KNOWN AS (DBA) PROSPERITY MEDIA ENTERTAINMENT.

CHOSEN CONTRACTORS; (b)(6)(b)(7)(C) IS IDENTIFIED AS ITS OWNER/REGISTERED AGENT. BUSINESS DOCUMENTATION INDICATES THAT (b)(6)(b)(7)(C) IS "RELATED" TO CHOSEN CONTRACTORS THROUGH PHONE RECORDS.

(b)(6)(b)(7)(C) R.O. MCMILLAN AND ASSOCIATES. EMAIL ADDRESS (b)(6)(b)(7)(C) @RCN.COM AND THE EMAIL EXTENSION, (b)(6)(b)(7)(C) COM" ARE LISTED AS RECIPIENTS OF THE PROPERTY WORK ORDER (b)(6)(b)(7)(C) WASHINGTON, DC) PROVIDED BY (b)(6)(b)(7)(C)

AWARD FUNDING:

ON APRIL 6, 2011, (b)(6)(b)(7)(C) DOE, EECBG (b)(6)(b)(7)(C) NOTIFIED SA (b)(6)(b)(7)(C) THAT DOE FUNDED DC ACTIVITIES INCLUDING THE SBEP PROGRAM THAT INCLUDED BOTH ENERGY AUDITS AND ENERGY EFFICIENCY RETROFIT WORK FOR A TOTAL AMOUNT OF \$1M.

ON 6-APR-2011, GJ SUBPOENAS WERE ISSUED FOR (b)(6)(b)(7)(C) BANK ACCOUNT AND TOLL (PHONE) RECORDS

EMAIL REVIEW:

ON 28-MAR-11, AN REVIEW OF EMAIL WAS CONDUCTED BY SA (b)(6)(b)(7)(C) ON DC-OIG OBTAINED MESSAGES CONTAINING (b)(6)(b)(7)(C) EMAIL MESSAGES SENT TO DDOE STAFF. THE REVIEW REVEALED NORMAL COURSE OF BUSINESS COMMUNICATIONS REGARDING THE CBOS AND DDOE.

AS OF APRIL 21, 2011, SA (b)(6)(b)(7)(C) INDICATED TO SA (b)(6)(b)(7)(C) THAT THE SOURCE WAS STILL AWAITING PAYMENT FOR THE "WORK" PROVIDED ON (b)(6)(b)(7)(C) PROPERTY. (b)(6)(b)(7)(C) ANTICIPATED THAT PAYMENT WOULD BE MADE FROM (b)(6)(b)(7)(C) WITHIN THE WEEK. THE AMOUNT WAS TO BE \$11,000.

ON 1-MAY-2011, PROSECUTION CONSIDERED - USA WASHINGTON, DC; AUSA LIONEL ANDRE

ON MAY 5, 2011, DDOE AUDITED TWO OF THE SOURCES FOUR PROPERTIES AND "DISCOVERED" THAT WORK HAD NOT BEEN DONE AFTER (b)(6)(b)(7)(C) REPORTED SHODDY WAP WORK. DDOE ISSUED A STOP WORK ORDER ON MAY 16TH, AND BANNED CHOSEN CONTRACTORS FROM PROVIDING WORK ON THE SOURCES PROPERTIES.

AS OF JUNE 1, 2011, THE PAYMENT STILL HAD NOT BEEN RECEIVED FROM THE SOURCE (THROUGH (b)(6)(b)(7)(C))

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ON 23-JUNE-2011, SAS (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C) INTERVIEWED (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) SBREP. ON JUNE 20, 2011, (b)(6)(b)(7)(C) ENTERED THE DDOE OFFICES AND MET WITH
(b)(6)(b)(7)(C) THEM THAT (b)(6)(b)(7)(C) WAS AN (b)(6)(b)(7)(C) AND PART OF AN
FBI INVESTIGATION INVOLVING PME (b)(6)(b)(7)(C) (b)(7)(C)

**ON 29-JUN-11, THE FBI REVOKED COOPERATOR'S (b)(6)(b)(7)(C) AUTHORITY TO PARTICIPATE IN
ANY ILLEGAL ACTIVITIES. **

***ON 10-NOV-11, A DC OIG SUBPOENA WAS ISSUED TO DDOE REGARDING PROSPERITY MEDIA
ENTERTAINMENT'S (PME) WAP TRANSACTION RECORDS***

THE SCHEME WAS NEVER COMPLETED DUE TO THE SOURCE DECIDING NOT TO COOPERATE FURTHER.
DOE ISSUED A STOP WORK ORDER ON PROPERTIES IN WHICH CHOSEN CONTRACTORS WAS PROVIDING
WEATHERIZATION SERVICES.

CASE WAS LEFT OPEN AFTER LAST INVESTIGATIVE ACTION TO WORK IN CONJUNCTION WITH
I12HQ021.

***ALLEGATIONS HAVE BEEN UNSUBSTANTIATED AND CASE HAS BEEN RECOMMENDED FOR
CLOSURE***

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Case Number: I10AL005

Summary Date: 28-AUG-12

Title:

(b)(6)(b)(7)(C) FC-FS, KICKBACKS; LANL

Executive Brief:

PREDICATION:

ON 19-MAR-10, THE HOTLINE RECEIVED AN ANONYMOUS EMAIL ALLEGING INFLATABLE PACKERS (MANUFACTURED BY BASKI, INC), INSTALLED IN THE REGIONAL CHARACTERIZATION WELLS AT LOS ALAMOS NATIONAL LABORATORY (LANL), WERE FAILING. THE EMAIL STATED THE PACKERS WERE INSTALLED TO SAVE MONEY ON WELL CONSTRUCTION COSTS AND TO KEEP THE UPPER AQUIFER ISOLATED FROM THE LOWER AQUIFER TO PREVENT THE SPREAD OF CONTAMINANTS. THE FAILURE OF THE PACKERS ALLOWED THE CONTAMINANTS A "FAST TRACK" TO THE REGIONAL AQUIFER. THE E-MAIL ALSO ALLEGED THAT (b)(6)(b)(7)(C) LANL (b)(6)(b)(7)(C) EMPLOYEE, RECEIVED KICKBACKS FROM BASKI, INC FOR "PUSHING" THE USE OF THE PACKERS TO LANL AND THE DEPARTMENT.

BACKGROUND:

ON 31-MAR-10 (b)(6)(b)(7)(C) LANL, (b)(6)(b)(7)(C) WAS INTERVIEWED. (b)(6)(b)(7)(C) THAT THE DEPARTMENT OF ENERGY AND THE STATE OF NEW MEXICO HAD TO "SIGN-OFF" ON THE DECISION TO UTILIZE BASKI PACKERS AT LANL. (b)(6)(b)(7)(C) IT WAS A GROUP OF INDIVIDUALS WHO CAME UP WITH THE DECISION TO USE BASKI PACKERS AT LANL, NOT ONE INDIVIDUAL. (b)(6)(b)(7)(C) LANL HAS CONTRACTS WITH TWO DRILLING COMPANIES (NORTHWIND AND TPMC) WHO HOLD A DIRECT CONTRACT WITH BASKI FOR THE PACKERS. (b)(6)(b)(7)(C) WORKED DIRECTLY FOR (b)(6)(b)(7)(C) KNEW MORE THAN ANYONE ELSE REGARDING GROUND WATER AT LANL. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) DID NOT HAVE ANY DIRECT CONTACT WITH BASKI. (b)(6)(b)(7)(C) VISITED THE BASKI FACILITY ALONG WITH OTHER LANL PERSONNEL BEFORE THE DECISION TO USE BASKI WAS MADE. (b)(6)(b)(7)(C) WAS NOT A PART OF THIS GROUP.

ON 01-JUL-10 THE OIG RECEIVED FROM LANL SO-4, ADDITIONAL ALLEGATIONS REGARDING (b)(6)(b)(7)(C) THE ALLEGATIONS INCLUDE (1) (b)(6)(b)(7)(C) MANIPULATING (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C) INTO TYING THE SERF AND SANDIA WETLANDS PROJECTS TOGETHER IN THE SAME EA/EIS, WHICH COULD RESULT IN A \$100K TO \$200K COST OVER-RUN, (2) (b)(6)(b)(7)(C) PROVIDING AN ENGINEER BAD INFORMATION FOR A COST ANALYSIS, AND (3) (b)(6)(b)(7)(C) APPROACHING NORTHWIND WITH THE POTENTIAL TO PERFORM MORE WORK WHILE HINTING TO (b)(6)(b)(7)(C) DESERVES A MONETARY BONUS FOR EACH TASK ORDER NORTHWIND IS AWARDED. THE ALLEGATIONS WILL BE ROLLED INTO THIS CURRENT CASE. ON 03-AUG-10 THE OFFICE OF INSPECTIONS AND SPECIAL INQUIRIES FORWARDED A MEMORANDUM CONTAINING THE SAME ALLEGATIONS.

INVESTIGATIVE ACTIVITY:

ON 13-APR-10 (b)(6)(b)(7)(C) LANL, WAS INTERVIEWED

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REGARDING THE CONTRACTS OF NORTHWIND AND TMPC. (b)(6)(b)(7)(C) THE CONTRACTS ARE MASTER TASK ORDER CONTRACTS AND THE WORK DONE IS BASED ON ISSUANCE OF INDIVIDUAL TASK ORDERS. (b)(6)(b)(7)(C) COULD NOT LOCATE THE REQUIREMENT TO UTILIZE BASKI, BUT REFERRED THE CASE AGENT TO (b)(6)(b)(7)(C) LANL, WHO WROTE THE SCOPE OF WORK FOR THE CONTRACTS AND TASK ORDERS.

ON-26-APR-10 (b)(6)(b)(7)(C) LANL WAS INTERVIEWED. (b)(6)(b)(7)(C) THAT BEFORE LANL TOOK THE WELL PROGRAM OVER, THE DEPARTMENT OF ENERGY WAS RESPONSIBLE FOR THE PROGRAM. (b)(6)(b)(7)(C) THE FIRST BASKI PACKER UTILIZED AT LANL WAS AROUND THE 2005 OR 2006 TIMEFRAME. (b)(6)(b)(7)(C) THE OLD SYSTEM, WESTBAY, DID NOT ALLOW FOR DUAL SCREEN PURGING, WHICH THE STATE OF NEW MEXICO ENVIRONMENTAL DEPARTMENT (NMED) REQUIRED. THE BASKI PACKER MEETS THIS REQUIREMENT. (b)(6)(b)(7)(C) DID NOT RECALL PUTTING IN THE SCOPE OF WORK THAT BASKI PACKERS MUST BE UTILIZED, BUT DID STATE THE REQUIREMENT MAY HAVE BEEN IN THE INDIVIDUAL TASK ORDERS.

ON 26-APR-10 (b)(6)(b)(7)(C) DEPARTMENT WAS INTERVIEWED. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THE DEPARTMENT HAD CONTRACTED WITH THE ARMY CORPS OF ENGINEERING TO RUN AND MANAGE THE WELL PROGRAM. (b)(6)(b)(7)(C) THE ARMY CORPS OF ENGINEERS CONTRACTED WITH KLEINFELDER CONSTRUCTION TO CARRY OUT THE WORK AS WELL. (b)(6)(b)(7)(C) BELIEVED IT WAS KLEINFELDER THAT ACTUALLY BROUGHT THE IDEA OF USING BASKI PACKERS TO LANL. (b)(6)(b)(7)(C) THE PREVIOUS MONITORING SYSTEM, WESTBAY, HAD PRESENTED ISSUES FOR SAMPLING PURPOSES AND THE NMED WANTED WATER SAMPLES CARRIED OUT A CERTAIN WAY. (b)(6)(b)(7)(C) IT WAS THE REQUIREMENTS OF THE NMED THAT CREATED THE NEED FOR A NEW SAMPLING SYSTEM, AND THUS KLEINFELDER KNEW THE BASKI PACKERS COULD MEET THESE REQUIREMENTS. (b)(6)(b)(7)(C) THE CONTINUED USE OF THE BASKI PACKER WAS A LABORATORY DECISION, BUT NEEDED THE APPROVAL OF MANY PEOPLE; NOT JUST ONE INDIVIDUAL.

ON 29-AUG-11 DOCUMENT LA-UR-07-4034, ENTITLED "EVALUATION OF SAMPLING SYSTEMS FOR MULTIPLE COMPLETION REGIONAL AQUIFER WELLS AT LOS ALAMOS NATIONAL LABORATORY", DATED AUGUST 2007, WAS REVIEWED. THE EVALUATION FOUND THAT "RESULTS OF THE EVALUATION AND RATING OF THE SYSTEMS INDICATE THAT THE BASKI PACKER SYSTEMS ARE THE MOST SUITABLE FOR MEETING THE DQOS AND REQUIREMENTS OF THE LABORATORY GROUNDWATER MONITORING PROJECT, PRIMARILY BECAUSE OF THE ABILITY TO ADEQUATELY PURGE THE WELLS BEFORE COLLECTING SAMPLES. THESE SYSTEMS ALSO RATE HIGHLY FOR THEIR DESIGN AND MATERIALS, MINIMAL MAINTENANCE, OPERATIONAL HISTORY, AND LONG-TERM OPERATIONAL ISSUES, BUT THEY LOST SOME POINTS FOR THE COMPLEXITY OF INSTALLATION AND MAINTENANCE AND FOR GROUNDWATER-LEVEL MONITORING."

ON 25-JULY-2012 (b)(6)(b)(7)(C) WAS INTERVIEWED. (b)(6)(b)(7)(C) HAD

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(b)(6)(b)(7)(C)

MINIMAL INVOLVEMENT IN THE CHARACTERIZATION WELL PROGRAM, BUT THAT THE DATA FROM THESE WELLS WAS VERY HELPFUL IN THE CANYON INVESTIGATIONS PROJECT [REDACTED] WAS A PART OF. (b)(6)(b)(7)(C) EXPLAINED THAT AROUND 2005 THERE WERE DISCUSSIONS ON HOW THE CHARACTERIZATION WELL PROGRAM COULD BE TURNED INTO A MONITORING WELL PROGRAM. (b)(6)(b)(7)(C) AT THE TIME (b)(6)(b)(7)(C) THE WATER STEWARDSHIP PROGRAM, SO (b)(6)(b)(7)(C) IN THE WELL PROGRAM BECAME MORE INVOLVED. (b)(6)(b)(7)(C) THAT (b)(6)(b)(7)(C) THE WELLS TO GET THE BEST DATA, WHILE OTHERS DETERMINED THE BEST APPROACH TO CONSTRUCTING THE WELLS. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WAS NOT INVOLVED DIRECTLY WITH THE SELECTION OF THE BASKI PACKER SYSTEM AT LANL. (b)(6)(b)(7)(C) WAS NOT AWARE OF THE DECISION BEING MADE TO USE THE BASKI SYSTEM TO SAVE MONEY, ONLY THAT IS WAS THE PREFERRED SYSTEM TO UTILIZE. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THERE WAS ALSO A SYSTEM CALLED WESTBAY AT LANL, BUT THIS SYSTEM DID NOT ALLOW FOR THE PURGING OF SAMPLING WATER. (b)(6)(b)(7)(C) THAT THE NMED REQUIRED A SYSTEM THAT ALLOWED FOR PURGING FOR BETTER SAMPLING. BASED ON THIS REQUIREMENT, THE FACT THAT THE DEPARTMENT HAD ALREADY UTILIZED THE SYSTEM AND THE BASKI SYSTEM ALLOWS FOR PURGING, THE DECISION WAS MADE TO USE THE BASKI SYSTEM. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THAT NOT ONE INDIVIDUAL MADE THE DECISION TO UTILIZE THE BASKI SYSTEM. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THAT ALL AFFECTED PARTIES WERE INVOLVED, WHICH INCLUDED LANL, THE DEPARTMENT AND THE NMED. (b)(6)(b)(7)(C) HAS NEVER VISITED THE BASKI PACKER FACILITIES AND HAS NEVER SAT IN ON MEETINGS ADVOCATING THE USE OF THE BASKI PACKER SYSTEMS. (b)(6)(b)(7)(C) HAS NEVER BEEN OFFERED ANYTHING OF VALUE FOR THE USE OF THE BASKI PACKERS AT LANL. (b)(6)(b)(7)(C) HAS NEVER REQUESTED PAYMENT FROM ANYONE FOR THE USE OF THE BASKI PACKERS AT LANL. (b)(6)(b)(7)(C) HAS NEVER BEEN GIVEN ANYTHING OF VALUE FOR THE USE OF THE BASKI PACKERS AT LANL.

(b)(6)(b)(7)(C) THERE HAVE BEEN ISSUES ASSOCIATED WITH SOME OF THE BASKI PACKER SYSTEMS INSTALLED AT LANL IN THAT SOME OF THE PACKERS WERE UNDER-INFLATING. (b)(6)(b)(7)(C) THE ISSUE WAS SELF IDENTIFIED BY LANL AND REPORTED TO BOTH THE DEPARTMENT AND THE NMED. (b)(6)(b)(7)(C) THAT THE ISSUE OCCURRED OVER TIME AND THAT THE FIRST BASKI PACKER SYSTEM WAS INSTALLED AT LANL IN 2006 BY THE DEPARTMENT. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) AFTER A REVIEW OF THE ISSUE, IT WAS DETERMINED THAT THE CONNECTORS TO THE PRESSURE SYSTEM THAT INFLATES THE PACKERS WERE NOT INSTALLED CORRECTLY. (b)(6)(b)(7)(C) FROM WHAT [REDACTED] COULD RECALL WAS THAT THE CONNECTORS WERE EITHER NOT TIGHTENED ENOUGH OR WERE OVER TIGHTENED AND THIS CAUSED THE LEAK IN THE PRESSURE OF THE PACKER.

(b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) THAT THE PACKERS ARE NOT MEANT TO SEPARATE THE ENTIRE UPPER AQUIFER AND THE LOWER AQUIFER; THEY ARE ONLY INTENDED TO ISOLATE THE UPPER SCREEN (SCREEN 1) FROM THE LOWER SCREEN (SCREEN 2) IN THE MONITORING WELLS. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THAT ONCE PLACED INTO THE GROUND, THE MONITORING WELLS AND PACKERS DO PROVIDE AN UNNATURAL AVENUE FOR WATER TO GO FROM THE UPPER AQUIFER TO THE LOWER AQUIFER, BUT

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THAT THERE ARE OTHER NATURAL AVENUES FOR THIS TO OCCUR OUTSIDE OF THE WELLS AND PACKERS. (b)(6)(b)(7)(C) THAT IF THE UPPER PACKER FAILS, THIS COULD CAUSE A FASTER TRACK FOR THE UPPER AQUIFER TO REACH THE LOWER AQUIFER. HOWEVER, IF THERE ARE FAILURES, THE LABORATORY TAKES STEPS TO MITIGATE THE UPPER AQUIFER WATER OUT OF THE LOWER AQUIFER.

(b)(6)(b)(7)(C) THERE WAS A COLLECTIVE LOOK BY LANL AND THE DEPARTMENT AT THE SCENARIO OF ONE WELL VERSUS TWO WELLS AND A COST ANALYSIS WAS PERFORMED. (b)(6)(b)(7)(C) DID NOT PROVIDE COST DATA TO THIS REVIEW, ONLY REQUIREMENTS NEEDED FOR THE DATA COMING FROM THE WELLS. (b)(6)(b)(7)(C) DOES NOT DEAL WITH COST TYPE INFORMATION AND ONLY THOSE PROJECT MANAGERS ASSIGNED TO THE WELL CONSTRUCTION WOULD HAVE COST TYPE INFORMATION.

(b)(6)(b)(7)(C) THAT THE SERF (SANITARY EFFLUENT RECLAMATION FACILITY) IS A PROJECT AT THE LANL THAT IS LOOKING TO TAKE LABORATORY WASTE WATER, CLEAN IT AND THEN PROVIDE THE CLEANED WATER BACK TO FACILITIES WITHIN THE LABORATORY. (b)(6)(b)(7)(C) THE SANDIA WETLANDS PROJECT IS AN ARTIFICIAL WETLAND THAT WAS USE LABORATORY WATER FOR ITS SUSTAINMENT. (b)(6)(b)(7)(C) THAT APPROXIMATELY EIGHT YEARS AGO, FOLKS STARTED DISCUSSING THE SERF PROJECT AND THEY CAME TO THE VARIOUS LANL FACILITIES/PROGRAMS/PROJECTS THAT REQUIRED THE USE OF WATER. THE SANDIA WETLANDS WAS ONE SUCH PROJECT. THE SERF PROJECT HAD ASKED THE WETLANDS PROJECT IF THEY WOULD BE INTERESTED IN WATER FROM THE SERF WHEN IT WAS COMPLETED. (b)(6)(b)(7)(C) THE WETLANDS PROJECT STATED THEY WOULD BE AND THE WETLANDS WERE THUS "EARMARKED" AS BEING A POTENTIAL CUSTOMER OF THE SERF. (b)(6)(b)(7)(C) THERE HAVE NOT BEEN ANY COST OVERRUNS ASSOCIATED WITH THE SERF PROJECT PROVIDING WATER TO THE SANDIA WETLANDS PROJECT.

(b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) HAS HAD NO ROLE IN ASSIGNING TASK ORDERS TO NORTH WIND. (b)(6)(b)(7)(C) ROLES AND RESPONSIBILITIES (b)(6)(b)(7)(C) TASK ORDERS. (b)(6)(b)(7)(C) MAY HAVE SPOKEN WITH (b)(6)(b)(7)(C) NORTH WIND ONCE ON THE PHONE, BUT OTHER THAN THAT (b)(6)(b)(7)(C) HAS HAD NO WORKING RELATIONSHIP WITH (b)(6)(b)(7)(C) HAS NEVER OFFERED (b)(6)(b)(7)(C) ANYTHING OF VALUE FOR THE ASSIGNMENT OF TASK ORDER TO THE NORTH WIND CONTRACT. (b)(6)(b)(7)(C) HAS NEVER REQUESTED ANYTHING OF VALUE FOR THE ASSIGNMENT OF TASK ORDERS TO THE NORTH WIND CONTRACT. (b)(6)(b)(7)(C) HAS NEVER BEEN PAID ANYTHING OF VALUE FOR THE ASSIGNMENT OF TASK ORDERS TO THE NORTH WIND CONTRACT. (b)(6)(b)(7)(C)

ON 6-AUG-2012, (b)(6)(b)(7)(C) NORTH WIND, WAS INTERVIEWED. (b)(6)(b)(7)(C) DID NOT DEAL WITH THE ASSIGNMENT OF TASK ORDERS ON CONTRACTS. (b)(6)(b)(7)(C) WAS FAMILIAR WITH (b)(6)(b)(7)(C) BUT HAD

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VERY LIMITED INTERACTIONS WITH (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) REGARDING A CORRECTIVE ACTIONS REPORT AND SOIL AND GAS MONITORING
ACTIVITIES AT LANL. (b)(6)(b)(7)(C) THAT OTHER THAN THESE TWO ITEMS THERE HAS
NOT BEEN ANY COMMUNICATION BETWEEN (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) LIMITED RELATIONSHIP WAS STRICTLY PROFESSIONAL AND THERE IS NO
NON-PROFESSIONAL RELATIONSHIP. (b)(6)(b)(7)(C) HAS NEVER BEEN ASKED BY (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) FOR ANYTHING OF VALUE FOR TASKS ORDERS BEING AWARDED TO NORTH WIND BY LANL.

ON 20-AUG-2012 (b)(6)(b)(7)(C) NATIONAL SECURITY MISSIONS, LOS
ALAMOS SITE OFFICE, DEPARTMENT WAS INTERVIEWED. (b)(6)(b)(7)(C) THE SERF
PROJECT'S ENVIRONMENTAL ASSESSMENT (EA) AND ENVIRONMENTAL IMPACT STATEMENT (EIS) DID
CONTAIN THE SANDIA WETLANDS PROJECT. (b)(6)(b)(7)(C) THE DECISION TO HAVE THE
WETLANDS PROJECT CONTAINED WITHIN THE SERF PROJECT'S EA/EIS WAS A GROUP DECISION,
NOT A ONE PERSON DECISION. (b)(6)(b)(7)(C) DID HAVE A VOICE IN THE DECISION,
BUT THAT IT WAS NOT SIMPLY (b)(6)(b)(7)(C) OR ONE INDIVIDUAL WHO DECIDED TO PUT THE
WETLANDS IN THE SERF EA/EIS. (b)(6)(b)(7)(C) THERE HAS NOT BEEN A COST OVERRUN
ASSOCIATED WITH CONTAINING THE WETLANDS INTO THE SERF PROJECT'S EA/EIS.

INVESTIGATIVE RESULTS:

THE INVESTIGATIVE ACTIVITIES DETERMINED: (1) (b)(6)(b)(7)(C) DID NOT RECEIVE ANY FORM OF
VALUE FOR THE USE OF THE BASKI PACKERS AT LANL, (2) (b)(6)(b)(7)(C) DID NOT MANIPULATED
ANYONE INTO TYING THE SERF AND THE SANDIA WETLANDS PROJECTS TOGETHER IN THE SAME
EA/EIS, (3) (b)(6)(b)(7)(C) DID NOT PROVIDE AN ENGINEER BAD INFORMATION FOR A COST
ANALYSIS RELATED TO THE BASKI PACKERS., AND (4) (b)(6)(b)(7)(C) DID NOT HINT TO (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) DESERVED A MONETARY BONUS FOR EACH TASK ORDER NORTHWIND
WAS AWARDED.

CASE AGENT CHRONOLOGY:

SA (b)(6)(b)(7)(C)

PLANNED ACTIVITY:

CLOSE CASE.

CASE DISPOSITION:

CASE CLOSED

Document Number 22



**U.S. Department of Energy
Office of Inspector General
Office of Investigations**

Investigative Report to Management

112TC001

January 24, 2012



U.S. Department of Energy
Office of Inspector General
Office of Investigations

January 24, 2012

**MEMORANDUM FOR THE CHIEF INFORMATION OFFICER,
NATIONAL NUCLEAR SECURITY ADMINISTRATION**

FROM:

(b)(6)(b)(7)(C)

Technology Crimes Section

SUBJECT:

Investigation of Unauthorized Disclosure of Information by an
Employee of the National Nuclear Security Administration (OIG Case
No. I12TC001)

This report serves to inform you of the results of an investigation by the U.S. Department of Energy (DOE), Office of Inspector General (OIG), Office of Investigations (Investigations). The investigation involved allegations of unauthorized release of sensitive cyber security information by (b)(6)(b)(7)(C) Incident Assurance Response Center (IARC), National Nuclear Security Administration (NNSA), Las Vegas, NV. Specifically, it was alleged that (b)(6)(b)(7)(C) publicly posted sensitive computer network security information to the Internet from August 3-8, 2011. This information included approximately 4,838 "proprietary intrusion detection signatures" which allow NNSA cyber security to detect known security threats to the Department's unclassified network.

In summary, prior to OIG involvement, an IARC internal investigation found that (b)(6)(b)(7)(C) did publicly post the identified sensitive information, and that (b)(6)(b)(7)(C) conduct was in violation of DOE policy regarding the handling of information classified as "Official Use Only." As a result, (b)(6)(b)(7)(C) the IARC contract by (b)(6)(b)(7)(C) The Assistant United States Attorney for District of Nevada, Las Vegas, NV declined to prosecute (b)(6)(b)(7)(C)

The OIG's subsequent investigation found that the NNSA was in violation of DOE policy regarding proper reporting of cyber incidents of this type. Specifically, DOE Order 205.1B, Department of Energy Cyber Security Program, states that this category of cyber security incident shall be reported to the Department's Joint Cybersecurity Coordination Center (JC3) within 4 hours after learning of an incident.

The NNSA never reported the above cited incident through official channels to the JC3. The JC3 independently learned of the incident through an anonymous source and published an incident report regarding the matter on October 17, 2011, 69 days after the incident was originally identified by the IARC (August 8, 2011).

OIG Case No. I12TC001

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This document is for ~~OFFICIAL USE ONLY~~ Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Additionally and for your information, the OIG is conducting an audit of the Department's incident response management program. The audit report, when completed, will be forwarded to the Department for review.

This report makes 3 recommendations for corrective action related to potential control deficiencies.

For questions or further information regarding this report please contact Special Agent (b)(6)(b)(7)(C) at 202-586-(b)(6)(b)(7)(C)

INVESTIGATIVE REPORT TO MANAGEMENT

I. ALLEGATION

On October 6, 2011 the U.S. Department of Energy (Department), Office of Inspector General (OIG), received an allegation from the DOE Chief Information Security Office, that (b)(6)(b)(7)(C) Incident Assurance Response Center (IARC), National Nuclear Security Administration (NNSA) posted approximately 4,838 sensitive computer intrusion detection signatures to a publicly accessible Internet website for a period of six days. According to a report provided by the complainant, this information was discovered by the DOE Computer Security Incident Response Team (CSIRT), Los Alamos National Labs (Los Alamos) on August 8, 2011. The CSIRT reported the incident to the IARC on August 8, 2011.

Additionally, the OIG is conducting an audit of the Department's incident response management program, titled "The Department's Cyber Security Incident Management Program". The audit's purpose is to determine whether the Department has developed and deployed an effective enterprise-wide cyber security incident management program. The audit report, when completed, will be forwarded to the Department for review.

II. POTENTIAL STATUTORY OR REGULATORY VIOLATIONS

The OIG investigation focused on potential violations of reporting and notification procedures regarding cyber security incidents in accordance with DOE Order 205.1B, Department of Energy Cyber Security Program, which states under section 4.(c)(13) that:

A defined process for incident reporting that requires all cyber security incidents involving information or information systems, including privacy breaches, under DOE or DOE contractor control must be identified, mitigated, categorized, and reported to the DOE Cyber Incident Response Capability (DOE-CIRC and now known as JC3) in accordance with DOE-CIRC procedures and guidance. This document outlines the referenced DOE-CIRC reporting procedures and guidance to facilitate your reporting and CIRC's response activity. CIRC should be informed of all reportable cyber security incidents as specified below. CIRC will work with your site management to determine the severity or significance of any cyber security incident.

Further guidance contained in the order states that:

Information Compromise is a type 1 low security incident which is defined as: Any unauthorized disclosure of information that is released from control to entities that do not require the information to accomplish an official Government function such as may occur due to inadequate clearing, purging, or destruction of media and related equipment or transmitting information to an unauthorized entity.

The incident in question falls under the category of a type 1 incident. JC3 requires type 1 incidents to be reported to them within 4 hours.

III. INVESTIGATIVE FINDINGS

Summary

The OIG investigation found the NNSA did not follow proper procedure, in accordance with DOE Order 205.1B, requiring the reporting of cyber security incidents to appropriate authorities within a specified timeframe.

Details

Unauthorized Posting of Sensitive Cyber Security Information to a Public Website

OIG review of an internal NNSA IARC report of investigation regarding the incident in question revealed that sensitive cyber security information in the possession of (b)(6)(b)(7)(C) Incident Assurance Response Center (IARC), National Nuclear Security Administration (NNSA), Las Vegas, NV was uploaded by (b)(6)(b)(7)(C) to a commercial Internet cloud storage service known as box[.]net, for a period of approximately 41 days. The sensitive information was in the form of "proprietary intrusion detection signatures" which allow NNSA cyber security to detect known security threats to the Department's unclassified network.

(b)(6)(b)(7)(C) After uploading these detection signatures to box[.]net, (b)(6)(b)(7)(C) then linked the information to (b)(6)(b)(7)(C) publicly available Internet blog for a period of six days. The unauthorized posting of this information to (b)(6)(b)(7)(C) personal Internet blog was discovered by the DOE Computer Security Incident Response Team (CSIRT), Los Alamos National Labs (Los Alamos) on August 8, 2011, and subsequently reported by CSIRT to the IARC on the same day.

(b)(6)(b)(7)(C) Additionally, as part of its internal investigation, IARC assessed (b)(6)(b)(7)(C) box[.]net account and found it to be a personal account accessible only to (b)(6)(b)(7)(C) and protected by a password known only to (b)(6)(b)(7)(C).

Failure to Properly Report a Cyber Security Incident

NNSA never reported the incident in question to the Department's Joint Cybersecurity Coordination Center (JC3). Instead, when the IARC learned of the incident from the CSIRT it reported the matter to NNSA and then conducted its own internal investigation from August 8, 2011 to August 10, 2011. At the end of its internal investigation IARC concluded no compromise, based on public disclosure of the cited information, occurred. It reached this conclusion despite specific regulatory language to the contrary as found in DOE Order 205.1B and as cited earlier in this report. The IARC (b)(6)(b)(7)(C) decided not to report the incident to JC3. They briefed (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) NNSA and (b)(6)(b)(7)(C) concurred with this decision. This position is contrary to the plain language of DOE Order 205.1B.

IV. COORDINATION

The OIG coordinated this matter with Michael Chu, Assistant United States Attorney (AUSA), District of Nevada, Las Vegas, NV. AUSA Chu declined criminal prosecution of (b)(6)(b)(7)(C) in this case.

V. RECOMMENDATIONS

Based on the information in this report, and other information that may be available to you, the OIG recommends that the Office of Chief Information Officer, NNSA:

1. Determine if the IARC has adequate controls in place to ensure compliance with DOE Order 205.1B, Department of Energy Cyber Security Program.
2. Determine if training is necessary regarding proper reporting procedures for incidents involving DOE Order 205.1B, Department of Energy Cyber Security Program.
3. Determine if periodic assessments should be conducted in the future to determine if events are being properly reported.

VI. FOLLOW-UP REQUIREMENTS

Please provide the Office of Inspector General with a written response within 30 days concerning any action(s) taken or anticipated in response to this report.

VII. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

This report, including any attachments and information contained therein, is the property of the Office of Inspector General (OIG) and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the report must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior OIG written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the report, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Memorandum

DATE: August 9, 2012

REPLY TO

ATTN OF: IG-24 (b)(6)(b)(7)(C) Special Agent)

SUBJECT: Case Closing Recommendation (OIG Case No. I12TC001)

TO: (b)(6)(b)(7)(C) Technology Crimes Section

The purpose of this memorandum is to recommend the closing of OIG Case Number I12TC001.

ALLEGATION

On October 7, 2011, Special Agent (SA) (b)(6)(b)(7)(C) Technology Crimes Section (TCS), Office of Inspector General (OIG), Department of Energy (DOE), was notified by (b)(6)(b)(7)(C) National Nuclear Security Administration (NNSA) of the alleged unauthorized disclosure of sensitive network security information by a contractor at the Information Assurance Response Center, NNSA, Las Vegas, NV.

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on a potential criminal violation of Title 18 U.S.C. § 1030; (Fraud and related activity in connection with computers).

INVESTIGATIVE FINDINGS

The investigation did not substantiate allegations of a criminal nature. However, based on investigative findings a DOE OIG Incident Report to Management (IRM) was submitted to Robert Osborn, Chief Information Officer (OCIO), NNSA on January 24, 2012. The IRM made the following three recommendations: 1) Determine if the IARC has adequate controls in place to ensure compliance with DOE order 205.1b, Department of Energy Cyber Security Program; 2) Determine if training is necessary regarding proper reporting procedures for incidents involving DOE order 205.1b, Department of Energy Cyber Security Program; and 3) Determine if periodic assessments should be conducted in the future to determine if events are being properly reported.

On April 9, 2012, a written response was received from the OICO of NNSA. According to the written response, NNSA management concurs with all OIG recommendations. NNSA has requested regular assessments by DOE Office of Health, Safety and Security (HSSs) of the IARC to determine if events are being properly reported and the staff is adhering to Department policies, national standards, accepted practices and procedures. NNSA will request that HSS place special emphasis on OIG findings for the foreseeable future to insure no systematic issues remain.

RECOMMENDATION

This case is being recommended for closure as all prudent investigative measures were taken, the allegation was substantiated and no further investigative activities remain.

Please contact me on 202-586-(b)(6)
(b)(7)
(C) should you have questions or require further information.

(b)(6)(b)(7)(C)

Special Agent
Technology Crimes Section
Office of Inspector General

(b)(6)(b)(7)(C)

Technology Crimes Section
Office of Inspector General

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Date

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Case Number: I11HQ010

Summary Date: 13-DEC-12

Title:

QUI TAM: ASPEN AEROGELS: SBIR FRAUD/ SUBSTANDARD PRODUCT(SC)

Executive Brief:

PREDICATION

ON 18-MAR-2011 NASA OIG CONTACTED DOE OIG REGARDING A QUI TAM COMPLAINT RECEIVED FROM DOJ (US ATTORNEY-MASSACHUSETTS) ABOUT ASPEN AEROGELS (ASPEN), A COMPANY THAT HAS ALLEGEDLY BEEN SUPPLYING BELOW STANDARD EQUIPMENT TO THE U.S. GOVERNMENT. ASPEN IS A PRIVATE COMPANY HEADQUARTERED IN NORTHBOROUGH, MA WHICH DESIGNS, DEVELOPS, AND MANUFACTURES AEROGEL INSULATION.

02NOV11 - CASE REASSIGNED FROM SA (b)(6)(b)(7)(C) TO SA (b)(6)(b)(7)(C)

INVESTIGATIVE ACTIVITY

DOE OIG COORDINATED WITH PROCUREMENT (b)(6)(b)(7)(C) AND DETERMINED DOE HAS AWARDED ASPEN \$6.8 MILLION SINCE 2004 IN THE FORM OF SBIR RESEARCH GRANTS AND ACTUAL PURCHASE ORDERS FROM THE COMPANY.

ON 27-APR-2011 DOE OIG ALONG WITH NASA OIG, NSF OIG, AND AUSA ZACHARY CUNHA (CIVIL, USAO MASSACHUSETTS) MET WITH RELATOR (IDENTITY SEALED) TO DISCUSS COMPLAINT. THE RELATOR HAS DIRECT KNOWLEDGE OF BELOW STANDARD EQUIPMENT WITH REGARD TO PRODUCT TESTING. RELATOR CLAIMS MATERIALS PRODUCED FOR GOVERNMENT CONTRACTS (SPECIFICALLY NASA) WERE SUBSTANDARD ACCORDING TO COMPANY STANDARDS. RELATOR COULD NOT SPEAK TO HOW PRODUCT RELATED TO GOVERNMENT STANDARDS. FURTHER, RELATOR HAD NO DIRECT KNOWLEDGE OF ATTEMPTED FRAUD AGAINST THE GOVERNMENT IN ORDER TO SECURE SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) FUNDING.

NASA OIG SA (b)(6)(b)(7)(C) THE USAO HAS EXTENDED THE SEAL UNTIL 22-OCT-12 TO ALLOW FOR FURTHER INVESTIGATIVE ACTIVITY. THERE IS AN ONGOING DOCUMENT REVIEW AS A RESULT OF ISSUANCE OF SEVERAL OIG SUBPOENAS TO APSEN AS WELL AS COMPANIES THAT HAVE CONTRACTS WITH ASPEN. THERE IS NO INDICATION OF SBIR DUPLICATION AND NONE OF THE QUESTIONABLE BLANKETS APPEAR TO HAVE GONE TO DOE FACILITIES. THE SUPPLY OF SUBSTANDARD BLANKETS APPEARS TO BE LIMITED TO NASA AND DOD - SPECIFICALLY THE US AIR FORCE AND US ARMY. INVESTIGATIVE ACTIVITY NOTES THERE APPEARS TO BE NO ADVERSE EXPOSURE TO DOE. QUALITY CONTROL PROCEDURES MAY HAVE BEEN CIRCUMVENTED IN ORDER TO INCREASE ASPEN'S PRODUCTIVITY.

NASA OIG REITERATED THERE APPEARS TO BE NO NEXUS BETWEEN DOE AND THE SUBSTANDARD BLANKETS. NASA OIG FURTHER ADVISED THE INVESTIGATION IS NO LONGER PURSUING ALLEGED

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VIOLATIONS OF THE SBIR PROGRAM.

ALTHOUGH THE SEAL HAS BEEN EXTENDED UNTIL JANUARY 22, 2013, AUSA CUNHA ADVISED THERE DOES NOT APPEAR TO BE A NEXUS REGARDING THE DEPARTMENT IN THE ONGOING INVESTIGATION.

ANTICIPATED INVESTIGATIVE ACTIVITY

PREPARE CASE FOR CLOSURE - ALLEGATION UNSUBSTANTIATED.

United States Government

Department of Energy

Memorandum

DATE: December 19, 2012

REPLY TO: IG-221 (b)(6)(b)(7)(C) Special Agent

SUBJECT: Case Closing Memorandum (OIG Case No. I11HQ010)

TO: (b)(6)(b)(7)(C) Region I Investigations Office

The purpose of this memorandum is to recommend the closing of (OIG Case No. I11HQ010).

ALLEGATION

On March 18, 2011, the Department of Energy (Department) Office of Inspector General (OIG) was contacted by National Aeronautics and Space Administration (NASA) OIG pursuant to a Qui Tam complaint filed under seal. The Qui Tam, which was received from the U.S. Attorney's Office for the District of Massachusetts (USAO-MA), alleged Aspen Aerogels (Aspen) knowingly provided substandard equipment to the U.S. government. Specifically, Aspen purportedly supplied thermal insulation blankets to federal agencies which failed to meet quality control standards.

POTENTIAL STATUTORY VIOLATIONS

The investigation focused on potential violations of Title 31 United State Code, Section 3730(b) (Civil actions for false claims).

INVESTIGATIVE FINDINGS

The investigation did not substantiate that Aspen supplied substandard equipment to the Department or engaged in any irregularities pertaining to the Small Business Innovative Research program. Investigative activity determined the alleged distribution of substandard thermal blankets from Aspen was limited to NASA and Department of Defense (DOD) facilities. The substandard products supplied by Aspen allegedly circumvented quality assurance standards at the expense of expedient production.

Although the Department does not have a nexus in the ongoing investigation, the Qui Tam remains under seal until January 22, 2013.

RECOMMENDATION

Subsequent to coordination with USAO-MA, this case is being recommended for closure as

all prudent investigative steps have been taken, all investigative activities are complete, and the complaint has been unsubstantiated.

Should you have any questions, please do not hesitate to call me on 202-586-

(b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

Special Agent
Region 1 Investigations Office
Office of Inspector General

Concur:

(b)(6)(b)(7)(C)

Assistant Special Agent-in-Charge
Region 1 Investigations Office
Office of Inspector General

20 Dec 12

Date

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Case Number: I13RR023

Summary Date: 10-JAN-13

Title:

(b)(6)(b)(7)(C) HOSTILE & RETALIATORY WORK ENVIRONMENT; NNSA

Executive Brief:

PREDICATION: ON 28-NOV-2012, THE HOTLINE RECEIVED AN ANONYMOUS FAX ALLEGING THAT (b)(6)(b)(7)(C) HAS CREATED A HOSTILE AND RETALIATORY WORK ENVIRONMENT WITHIN THE NATIONAL NUCLEAR SECURITY ADMINISTRATION'S OFFICE OF HUMAN CAPITAL MANAGEMENT.

DISPOSITION: ON 05-DEC-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR).

UPDATE: ON 10-JAN-2013, (b)(6)(b)(7)(C) THE HOTLINE TO FORWARD THIS COMPLAINT AS SUBSEQUENT INFORMATION RECEIVED TO A PREVIOUS REFERRAL SENT TO THE OFFICE OF INSPECTIONS. THIS MATTER HAS BEEN CLOSED WITHOUT REFERRAL (RR) TO DEPARTMENT MANAGEMENT AND INCORPORATED INTO OIG REFERRAL I13RI004 TO THE OFFICE OF INSPECTIONS.



Department of Energy
Washington, DC 20585

December 10, 2012

**MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION**

FROM: Michael S. Milner
Assistant Inspector General for Investigations

SUBJECT: Alleged Hostile Work Environment within the Office of Management
and Budget (OIG File No. I13RR023)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline (see attached). Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and for whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) for Investigations (b)(6)(b)(7)(C) at (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Attachment

OFFICIAL USE ONLY

Document Number 25



Department of Energy
Washington, DC 20585

January 18, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

OFFICE OF THE GENERAL COUNSEL

FROM:

John R. Hartman
John R. Hartman

Deputy Inspector General for Investigations

SUBJECT:

Questionable Use of Travel Monies by Department Attorneys
(OIG File No. I12RR026)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your respective office's programs and operations; therefore, we are referring this matter to your offices for information purposes and whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving any Department programs, operations, or personnel.

The details of the complaint as reported to the OIG are as follows:

In August and September 2011, attorneys for both the Department's Office of General Counsel and the National Nuclear Security Administration (Administration) permitted unidentified junior attorneys to accompany them to Santa Fe, NM, for meetings with representatives of the State of New Mexico's Environmental Department (State Environmental). During the August 2011 meeting, State Environmental officials complained about the number of Department attorneys in attendance. In response, (b)(6)(b)(7)(C) dismissed the junior attorney who had accompanied (b)(6)(b)(7) on the trip. The unidentified junior attorney spent the remainder of the day in Santa Fe, NM, and returned to Washington, DC, at the "originally scheduled time." (b)(6)(b)(7)(C) an attorney for the Department's Office of General Counsel was also present during the August 2011 meeting and was accompanied by one or more junior attorneys. There is concern that the logistics of the meeting, to include the number of attendees, should have been finalized prior to the trip occurring.

During a follow-up meeting with State Environmental officials in September 2011, (b)(6)(b)(7)(C) was accompanied by the same junior attorney as during the August 2011 trip. The junior attorney took notes during the September 2011 meeting but did not

OFFICIAL USE ONLY

contribute to the substance of the discussions. There is concern that senior level officials such as (b)(6)(b)(7)(C) exhibited a "disregard for frugality" associated with the travel costs for these trips.

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Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: March 6, 2014 10:56 AM

Page 1

Case Number: I12RR026

Summary Date: 24-JAN-12

Title:

QUESTIONABLE TRAVEL; OGC; DOE; NNSA

Executive Brief:

PREDICATION: ON 11/16/2011, THE HOTLINE RECEIVED AN ANONYMOUS LETTER ALLEGING THAT
(b)(6)(b)(7)(C) DOE OGC AND (b)(6)(b)(7)(C) NNSA OGC, ALLOWED JUNIOR ATTORNEYS TO
TRAVEL UNNECESSARILY TO MEETINGS IN SANTA FE, NM IN AUGUST/SEPTEMBER 2011.

DISPOSITION: ON 01-DEC-2011, THE CCC DECIDED TO REFER THIS MATTER TO GC-1 AND NA-1
FOR ACTION/ INFORMATION (RR).

FILE CLOSED

Document Number 26



Department of Energy
Washington, DC 20585

February 1, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

FROM:

John R. Hartman

John R. Hartman

Deputy Inspector General for Investigations

SUBJECT:

Abuse of Travel Funds by Contractor Employees for the Pantex Plant
(OIG File No. I12RR045)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of this complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel.

The details of the complaint as reported to the OIG are as follows:

(b)(6)(b)(7)(C) (b)(6)(b)(7)(C)
On January 16, 2012, (b)(6)(b)(7)(C) Babcock & Wilcox Technical Services Pantex, LLC (B&W Pantex), invited B&W Pantex (b)(6)(b)(7)(C) and B&W Pantex (b)(6)(b)(7)(C) to accompany (b)(6)(b)(7)(C) to Austin, TX, for a one-day Agreement in Principle meeting on January 19, 2012. (b)(6)(b)(7)(C) they would accompany (b)(6)(b)(7)(C) provided they could spend the day sightseeing instead of attending the meeting. (b)(6)(b)(7)(C) agreed.
(b)(6)(b)(7)(C)
This conversation was reportedly overheard by (b)(6)(b)(7)(C) B&W Pantex (b)(6)(b)(7)(C) and other unidentified B&W Pantex employees within the office. (b)(6)(b)(7)(C) the Department's (b)(6)(b)(7)(C) attended the January 19th meeting. There is concern that the Department was billed for (b)(6)(b)(7)(C) travel costs.

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~~OFFICIAL USE ONLY~~

Please contact (b)(6)(b)(7)(C) on (202) 586 (b)(6)(b)(7)(C) or at
(b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

~~OFFICIAL USE ONLY~~

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 2:45 PM

Page 1

Case Number: I12RR045

Summary Date: 03-FEB-12

Title:

(b)(6)(b)(7)(C) TRAVEL ABUSEL; PANTEX

Executive Brief:

PREDICATION: ON 1/19/12, THE HOTLINE RECEIVED AN ANONYMOUS CALL ALLEGING ABUSE OF TRAVEL FUNDS BY PANTEX BABCOCK & WILCOX EMPLOYEES (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

SPECIFICALLY, ON 1/16/12, IN FRONT OF THE COMPLAINANT'S OFFICE, (b)(6)(b)(7)(C) INVITED

(b)(6)(b)(7)(C) TO ACCOMPANY TO A ONE-DAY AGREEMENT IN PRINCIPAL

(AIP) MEETING IN AUSTIN, TX, TAKING PLACE ON 1/19/12. (b)(6)(b)(7)(C)

TOLD (b)(6)(b)(7)(C) THEY PLANNED TO GO SIGHT-SEEING INSTEAD OF ATTENDING THE AIP MEETING, TO WHICH (b)(6)(b)(7)(C) "SURE, WHY NOT." (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) ALSO OVERHEARD THE CONVERSATION.

(b)(6)(b)(7)(C) BOOKED THEIR FLIGHTS ON 1/17/12, AND DEPARTED FROM AMARILLO TO AUSTIN ON 1/18/12. THE COMPLAINANT SUSPECTS THAT THE DEPARTMENT OF ENERGY IS PAYING FOR THE TRIP BECAUSE THE THREE INDIVIDUALS USED THEIR COMPANY CREDIT CARDS, WHICH THE COMPLAINANT STATED IS REIMBURSED BY THE DEPARTMENT.

THE COMPLAINANT REPORTED THAT (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) ALSO ATTENDED THE AIP MEETING.

DISPOSITION: ON 25-JAN-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR).

Document Number 27



Department of Energy
Washington, DC 20585

March 19, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

FROM: *John R. Hartman*
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT: Potential Waste of Government Resources at the Y-12 Complex
(OIG File No. I12RR072)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations or personnel.

The details of the complaint as reported to the OIG are as follows:

Contractor Protective Force employees for the Y-12 National Security Complex are wasting Government resource by spending an inordinate amount of time on the Internet during official duty hours. Specifically, Wackenhut Security Incorporated, employees (b)(6)(b)(7)(C) spend several hours each day surfing the Internet. On February 18, and 19, 2012, these 3 individuals reportedly spent 8 to 12 hours each on the Internet.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

~~OFFICIAL USE ONLY~~

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: March 6, 2014 10:57 AM

Page 1

Case Number: I12RR072

Summary Date: 07-MAR-12

Title:

(b)(6)(b)(7)(C) WASTE OF GOVERNMENT RESOURCES; Y-12

Executive Brief:

PREDICATION: ON 24-FEB-2012, THE HOTLINE RECEIVED A TELEPHONE CALL FROM AN UNIDENTIFIED Y-12 EMPLOYEE ALLEGING THAT THREE EMPLOYEES FROM THE Y-12 GUARD DEPARTMENT HAVE WASTED GOVERNMENT RESOURCES BY SPENDING DUTY TIME SURFING THE INTERNET. SPECIFICALLY, WSI EMPLOYEES (b)(6)(b)(7)(C) BADGE NUMBER (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) BADGE NUMBER (b)(6)(b) AND (b)(6)(b)(7)(C) BADGE NUMBER UNKNOWN, SPEND SEVERAL HOURS OF THEIR DUTY TIME SURFING THE INTERNET, AND HAVE BEEN DOING SO FOR "WEEKS ON END." THE COMPLAINANT CITED 18 AND 19-FEB-2012, AS SPECIFIC DATES WHEN THE THREE INDIVIDUALS EACH SPENT EIGHT TO TWELVE HOURS ON THE INTERNET.

DISPOSITION: ON 07-MAR-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR).

Document Number 28

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:06 PM

Page 1

Case Number: I12RR089

Summary Date: 04-APR-12

Title:

(b)(6)(b)(7)(C) IMPROPER RELATIONSHIP; ABQ

Executive Brief:

PREDICATION: ON 27-MAR-2012, THE HOTLINE RECEIVED AN ANONYMOUS LETTER IN WHICH THE AUTHOR QUESTIONED THE HIRING AND CONTINUED EMPLOYMENT OF CONTRACTOR EMPLOYEE (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ACCORDING TO THE COMPLAINANT, (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C) A FEDERAL EMPLOYEE FOR THE EMERGENCY OPERATIONS TRAINING ACADEMY (EOTA), ALBUQUERQUE, NM, WITH WHOM (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C) ACCORDING TO THE LETTER, (b)(6)(b)(7)(C) RECEIVES PREFERENTIAL TREATMENT IN THE FORM OF GOVERNMENT PROPERTY ASSIGNMENTS, TRAINING AND TRAVEL OPPORTUNITIES AND UPGRADED LABOR CATEGORY DESCRIPTIONS. (b)(6)(b)(7)(C) REPORTEDLY (b)(6)(b)(7)(C) WORK. THE AUTHOR OF THE LETTER IMPLIES THAT CONTRACTS ARE AWARDED TO COMPANIES WILLING TO HIRE (b)(6)(b)(7)(C) SPECIFICALLY, THE COMPLAINANT ASKS, "WHO GETS TO PICK WHAT CONTRACTOR WINS THE CONTRACT - MAYBE THE CONTRACT THAT MAKES A JOB FOR (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

DISPOSITION: ON 04-APR-2012, THE CCC DECIDED TO VERBALLY REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR). ON 04-APR-2012, THE (b)(6)(b)(7)(C) FOR THE HOTLINE AND ANALYSIS SECTION (b)(6)(b)(7)(C) NNSA'S (b)(6)(b)(7)(C) OFFICE OF MANAGEMENT AND BUDGET (NA-MB-1.1) OF THE FACTS AND CIRCUMSTANCES OF THIS COMPLAINT. (b)(6)(b)(7)(C) WAS ASKED TO ADVISE THE OIG IF (b)(6)(b)(7)(C) OFFICE SHOULD CONFIRM WRONGDOING OR MISCONDUCT IN RESPONSE TO THIS VERBAL REFERRAL OR IDENTIFY FRAUD INVOLVING ANY DEPARTMENT PROGRAMS, OPERATIONS OR PERSONNEL.

(b)(6)(b)(7)(C)

FILE CLOSED.

Document Number 29

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:07 PM

Page 1

Case Number: 112RR088

Summary Date: 20-JUN-12

Title:

FEDERAL GOVERNMENT; CONCERNS WITH NUCLEAR FALL-OUT; HANFORD

Executive Brief:

PREDICATION:

ON MARCH 18, 2012, THE HOTLINE RECEIVED A 1 PAGE LETTER FROM OREGON RESIDENT (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) REPORTEDLY, (b)(6)(b)(7)(C) AND THAT OF (b)(6)(b)(7)(C) WERE ADVERSELY IMPACTED BY "FALL OUT" FROM THE HANFORD NUCLEAR BASE FROM NUCLEAR STUDIES CONDUCTED IN SMALL TOWNS SUCH AS OTHELLO, WA IN WHICH (b)(6)(b)(7)(C) WAS BORN IN (b)(6)(b)(7)(C)

DISPOSITION:

(b)(6)(b)(7)(C)
ON 04-APR-2012, THE CCC DECIDED TO REFER THIS MATTER TO HS-1 FOR ACTION/INFORMATION, AND REQUESTED THAT THE HOTLINE SEND A LETTER TO THE COMPLAINANT ADVISING (b)(6)(b)(7)(C) THAT THE OIG HAS REFERRED (b)(6)(b)(7)(C) CONCERNS TO THE OFFICE OF THE CHIEF HEALTH, SAFETY AND SECURITY OFFICER.

RESPONSE:

IN AN EMAIL DATED 17-APR-2012, THE OFFICE OF HEALTH, SAFETY AND SECURITY PROVIDED THE OIG WITH A COPY OF A 1-MAR-2012 LETTER FROM (b)(6)(b)(7)(C) OFFICE OF HEALTH AND SAFETY TO (b)(6)(b)(7)(C)

FILE CLOSED



Department of Energy
Washington, DC 20585

April 13, 2012

MEMORANDUM FOR THE CHIEF HEALTH, SAFETY AND SECURITY OFFICER

FROM:

John R. Hartman
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Request for Assistance from Victim of Radiation Exposure from the
Hanford Site (OIG File No. I12RR088)

This memorandum serves to forward to your office the attached complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and for whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact

(b)(6)(b)(7)(C)

on (202) 586

(b)(6)
(b)(7)
(C)

or at

(b)(6)(b)(7)(C)

@hq.doe.gov should you have questions regarding this matter.

Attachment

~~OFFICIAL USE ONLY~~

American Justice for fall-out victims of Hanford Nuclear Base

You would think that our country would protect the innocent. I was born in (b)(6)(b)(7)(C) just outside of Othello, Washington with a lot of health issues. My (b)(6)(b)(7)(C) received numerous toxic dust fall-outs from Hanford Nuclear Base; just down the road from us. Our government needed small towns to use for nuclear studies. All the medical records for that area were kept at the Moses Lake Hospital, Washington and destroyed in several suspicious fires in the 50's. I'm sure none of our government officials allowed their wives or children into these areas. I guess they felt that their families were worth more than ours and that our lives were of no consequence, and expendable, just as Hitler thought about the Jews in Germany; only our government has never had to answer to these atrocities.

Our government needs to make this right with me, if not, we are no better than Hitler or the other horrible leaders of the world. It is a good thing to fight for justice in other countries; however, we need to clean up our own back yards first. Let's act like our country is the best country in the world, by first making it right for our own people.

(b)(6)(b)(7)(C)

Klamath Falls, OR. 97601

Document Number 30

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:08 PM

Page 1

Case Number: I12RR090

Summary Date: 25-SEP-12

Title:

(b)(6)(b)(7)(C)

LEONARDO CORP; UNLICENSED NUCLEAR DEVICES; FL

Executive Brief:

PREDICATION: ON 13-MAR-2012, THE HOTLINE RECEIVED AN EMAIL FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY'S OFFICE OF INSPECTOR GENERAL HOTLINE, REFERRING AN EMAIL FROM (b)(6)(b)(7)(C) ALLEGED THAT FLORIDA RESIDENT (b)(6)(b)(7)(C) COMPANY, LEONARDO CORPORATION (LEONARDO), ARE PRODUCING AND SHIPPING SMALL NUCLEAR DEVICES WHICH "HAVE NOT BEEN CERTIFIED, INSPECTED, PERMITTED, OR REGISTERED BY ANY AGENCY."

DISPOSITION: ON 11-APR-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR). THE PURPOSE OF THE REFERRAL IS TO FORWARD THE SUPPORTING DOCUMENTATION RECEIVED BY THE DOE OIG FROM THE DHS OIG IN SUPPORT OF (b)(6)(b)(7)(C) COMPLAINT, AS THIS INFORMATION WAS NOT PROVIDED TO NA-1 PURSUANT TO THE EXEC-SEC. THE REFERRAL WILL REQUEST THAT NA-1 NOTIFY THE OIG AS TO THE FINAL DISPOSITION FO THE EXEC-SEC

FILE CLOSED.



Department of Energy
Washington, DC 20585

April 13, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

FROM:

John R. Hartman
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

EXEC-2012-002211: E-mail to Secretary Chu from (b)(6)(b)(7)(C)
(OIG File No. I12RR090)

This memorandum serves to advise you that the Office of Inspector General (OIG) is in receipt of the above mentioned correspondence from the Executive Secretariat that has been assigned to your office for appropriate action. The OIG is in receipt of supporting documentation from the complainant in this matter (b)(6)(b)(7)(C) via the Department of Homeland Security Office of Inspector General. This documentation was not included with the correspondence from the Executive Secretariat. We are therefore forwarding to your office the attached documentation for information purposes and for whatever action you deem appropriate. The OIG does not plan to initiate a review of this matter or take any further action at the present time. We would appreciate being notified in writing as to your office's final disposition of this matter. We have also referred this matter to the U.S. Federal Trade Commission. (b)(6)(b)(7)(C) the U.S. Nuclear Regulatory Commission of (b)(6)(b)(7)(C) concerns which, in turn, referred him to our office.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) on (202) 586 (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Attachments (via e-mail)

~~OFFICIAL USE ONLY~~



Department of Energy
Washington, DC 20585

April 13, 2012

Mr. John Seeba
Inspector General
U.S. Federal Trade Commission
600 Pennsylvania Avenue, N.W., NJ-1110
Washington, DC 20580

SUBJECT: Potential Deceptive Trade Practices in Florida (DOE OIG File No. I12RR090)

Dear Mr. Seeba:

This letter serves to advise you of a complaint received by the U.S. Department of Energy's (Energy) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint warrant a referral to the Federal Trade Commission (Commission). We are therefore referring this matter to your office for information purposes and whatever action you deem appropriate. We would appreciate being notified should your office or the Commission confirm wrongdoing or misconduct in response to this letter or identify fraud involving Department programs, operations or personnel. This matter was previously referred by the complainant, (b)(6)(b)(7)(C) to the Department of Homeland Security, Nuclear Regulatory Commission, and State of Florida officials.

The details of the complaint as reported to the OIG are as follows:

(b)(6)(b)(7)(C) company, Leonardo Corporation, may be fraudulently selling licenses and products that do not exist. (b)(6)(b)(7)(C) has purported to have invented an Energy Catalyzer (e-cat), Low Energy Nuclear Reaction, or "cold fusion" device. (b)(6)(b)(7)(C) through (b)(6)(b)(7)(C) company, Leonardo Corporation, is selling licenses world-wide to market (b)(6)(b)(7)(C) e-cat device. Additionally, (b)(6)(b)(7)(C) claims to have built a facility in Miami, Florida to produce his device; however, no evidence of the facility exists.

(b)(6)(b)(7)(C) (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) provided the following contact information:


E-mail: (b)(6)(b)(7)(C)@ (b)(6)(b)(7)(C) com

This letter, including any enclosures and information contained therein, is the property of the U.S. Department of Energy's Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. Appropriate safeguards should be provided and access should be limited to Commission officials who have a need to know. Public disclosure is determined by the Freedom of Information Act, Title 5, U.S.C. Section 552 and the Privacy Act, Title 5, U.S.C., Section 552a.

~~OFFICIAL USE ONLY~~

Please contact (b)(6)(b)(7)(C) on (202) 586 (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Sincerely,



John R. Hartman
Deputy Inspector General
for Investigations
Office of Inspector General

Document Number 31

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:10 PM

Page 1

Case Number: I12RR032

Summary Date: 08-FEB-12

Title:

(b)(6)(b)(7)(C)

PLAGIARISM

Executive Brief:

PREDICATION: ON 11/17/2011, THE HOTLINE RECEIVED AN EMAIL FROM (b)(6)(b)(7)(C)
(b)(6)(b)(7)(C) AT NC STATE UNIV. (b)(6)(b)(7)(C) ALLEGED THAT NSF AND WM KECK
GRANTS WERE PLAGIARIZED IN DOE PROPOSAL (b)(6)(b)(7)(C) BY (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

ON 12/1/2011, (b)(6)(b)(7)(C) EMAILED THE HOTLINE WITH ADDITIONAL DOCUMENTATION RELATED
(b)(6)(b)(7)(C) TO (b)(6)(b)(7)(C) PRIOR COMPLAINTS, I09RR078 AND I10RS073. (b)(6)(b)(7)(C) THAT THE
DOCUMENTATION PROVIDED WAS NOT USED BY THE OFFICE OF SCIENCE TO DECIDE HOW TO HANDLE
(b)(6)(b)(7)(C) COMPLAINTS. (b)(6)(b)(7)(C) THAT THE DOCUMENTATION PROVES THAT THE SUBJECTS OF (b)(6)(b)(7)(C)
PRIOR COMPLAINTS LIED ABOUT THE MATERIALS USED IN THEIR RESEARCH.

DISPOSITION: ON 12/14/11 THE CCC DECIDED TO REFER (RR) THIS MATTER TO SC-1.

FILE CLOSED



Department of Energy
Washington, DC 20585

February 3, 2012

MEMORANDUM FOR THE OFFICE OF SCIENCE

FROM: *John R. Hartman*
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT: Plagiarism of a Department of Energy Grant Proposal
(OIG File No. I12RR032)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline from (b)(6)(b)(7)(C) North Carolina State University (University). Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel.

The details of the complaint as reported to the OIG are as follows:

(b)(6)(b)(7)(C) plagiarized their December 29, 2004, Department grant proposal relating to Department award number (b)(6)(b)(7)(C) entitled (b)(6)(b)(7)(C) using Biological Evolution." Specifically, portions of (b)(6)(b)(7)(C) proposal were "copied verbatim" from the January 2004 proposal [reference number 0414527] (b)(6)(b)(7)(C) submitted to the National Science Foundation relating to (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) did not approve the use of these excerpts. Further (b)(6)(b)(7)(C) did not use palladium in their study as cited in the Department proposal and final report.

(b)(6)(b)(7)(C) previously reported (b)(6)(b)(7)(C) scientific misconduct concerns to the University. The University's investigation disproved wrongdoing. However, according to (b)(6)(b)(7)(C) the University based its conclusion on an erroneous errata sheet submitted by (b)(6)(b)(7)(C) indicating that palladium had been used. Further, (b)(6)(b)(7)(C) believes the University failed to consult (b)(6)(b)(7)(C) lab notebooks, which show that palladium was not used.

(b)(6)(b)(7)(C) provided the OIG with documentation that (b)(6)(b)(7)(C) indicated supports (b)(6)(b)(7)(C) concerns. Copies of the documentation are available upon request.

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Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

~~CONFIDENTIAL~~

(b)(6)(b)(7)(C)

From: (b)(6)(b)(7)(C)
Sent: Thursday, February 09, 2012 1:06 PM
To: (b)(6)(b)(7)(C)
Subject: RE: Referral of Information Received by the OIG - I12RR032
Attachments: I12RR032_SC-1.pdf

(b)(6)(b)(7)(C)

Our program office investigating the attached allegation would like a copy of the documentation referred to in the memo. They have done a very preliminary review and in order to fully evaluate the allegation, they need any additional documentation.

Thank you.

(b)(6)(b)(7)(C)

Office of Science
Office: 301-903-(b)(6)(b)(7)(C)
email: (b)(6)(b)(7)(C)@science.doe.gov

-----Original Message-----

From: (b)(6)(b)(7)(C) [mailto:(b)(6)(b)(7)(C)@hq.doe.gov]
Sent: Wednesday, February 08, 2012 1:59 PM
To: (b)(6)(b)(7)(C)
Subject: Referral of Information Received by the OIG - I12RR032

(b)(6)(b)(7)(C)

Please see the attached referral from the Office of Inspector General. You should receive a hard copy soon. Please let me know if you have any questions. Thanks.

(b)(6)(b)(7)(C)

(b)(6)(b)(7)(C)

Special Agent
U.S. Department of Energy
Office of Inspector General
Phone: 202-586-(b)(6)(b)(7)(C)
Fax: 202-586-4902
Email: (b)(6)(b)(7)(C)@hq.doe.gov



Department of Energy
Washington, DC 20585

April 18, 2012

MEMORANDUM FOR THE DIRECTOR, OFFICE OF SCIENCE

FROM:

John R. Hartman
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Transmittal of Documentation Relating to Office of Inspector General
Referral Nos. I10RS073 and I12RR032

This memorandum serves as a follow-up to this office's August 26, 2010, and February 3, 2012, referrals regarding allegations received from (b)(6)(b)(7)(C) North Carolina State University. In response to our February 3rd referral, (b)(6)(b)(7)(C) of your staff requested copies of the documentation (b)(6)(b)(7)(C) provided the Office of Inspector General in support of (b)(6)(b)(7)(C) concerns. Pursuant to (b)(6)(b)(7)(C) request, attached are copies of the documentation we received from (b)(6)(b)(7)(C). We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to our prior referrals or identify fraud involving Department programs, operations, or personnel.

(b)(6)(b)(7)(C)

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for (b)(6)(b)(7)(C). The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Attachments

~~CONFIDENTIAL~~

Document Number 32

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:11 PM

Page 1

Case Number: I12RR097

Summary Date: 07-SEP-12

Title:

BPA; UNRESPONSIVENESS TO A FOIA REQUEST

Executive Brief:

PREDICATION:

ON 17-APR-2012, THE OIG OFFICE OF INVESTIGATIONS OPERATION SECTION PROVIDED THE HOTLINE A FAX SENT TO DIGI HARTMAN, FROM ATTORNEY (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) FAX CONTAINED A LETTER ADDRESSED TO DEPUTY SECRETARY PONEMAN, ON BEHALF OF ELECTRONIC ID SERVICES, LTD. (EID), ALLEGING THAT THE BONNEVILLE POWER ADMINISTRATION (BONNEVILLE) HAS FAILED TO ADEQUATELY RESPOND TO A FREEDOM OF INFORMATION ACT (FOIA) REQUEST.

DISPOSITION:

ON 25-APR-2012, THE CCC DECIDED TO REFER THIS MATTER TO MA-1 FOR ACTION/INFORMATION (RR).

RESPONSE

ON 11-JUN-2012, THE DIRECTOR, OFFICE OF MANAGEMENT ADVISED THE OIG THAT WHILE IT DID TAKE A LENGTHY AMOUNT OF TIME TO PROCESS THE ABOVE MENTIONED REQUEST, THERE WAS NO WRONGDOING, MISCONDUCT OR FRAUD INVOLVED IN PROCESSING THIS REQUEST. SPECIFICALLY, AGENCIES ARE NOT REQUIRED BY LAW TO PROVIDE AN ESTIMATED COMPLETION DATE FOR REVIEWS CONDUCTED DURING THE PROCESSING OF A CASE BUT RATHER FOR THE COMPLETION OF THE CASE IN ITS ENTIRETY. THE BPA DID PROVIDE THE REQUESTER WITH AN ESTIMATED COMPLETION DATE FOR THE CASE ONCE THE EXEMPTION 4 REVIEW WAS COMPLETED. BPA HAS ALSO SINCE RESPONDED IN FULL TO THE REQUESTOR, MOREOVER, THE BPA DID NOT CHARGE APPLICABLE FEES TO THE REQUESTER DUE TO THE TIME IT TOOK TO PROCESS THE REQUEST.

FILE CLOSED



Department of Energy
Washington, DC 20585

May 16, 2012

MEMORANDUM FOR THE DIRECTOR, OFFICE OF MANAGEMENT

FROM:

John R. Hartman
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Failure by the Bonneville Power Administration to Respond to a
Freedom of Information Act Request (OIG File No. I12RR097)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and for whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel.

The details of the complaint as reported to the OIG are as follows:

(b)(6)(b)(7)(C)

The Bonneville Power Administration (Bonneville) has failed to adequately respond to a Freedom of Information Act (FOIA) request filed by Attorney (b)(6)(b)(7)(C) on behalf of (b)(6)(b)(7)(C) client, Electronic ID Services, Ltd. (EID). Specifically, on November 22, 2011 (b)(6)(b)(7)(C) requested documents pertaining to Bonneville funding solicitation DGP-7, for Passive Integrated Transponder tags, and the subsequent bid protest filed by EID with Bonneville. Bonneville responded to (b)(6)(b)(7)(C) that a FOIA Exemption 4 review has not been completed. Bonneville did not provide (b)(6)(b)(7)(C) with an expected completion date for the exemption review.

(b)(6)(b)(7)(C)

provided the following contact information:

Address:

(b)(6)(b)(7)(C)

- A Professional Law Corporation
841 Blossom Hill Road, Suite 206
P.O. Box 20698
San Jose, CA 95160-0698

Telephone: (408) 998-8900

E-mail:

(b)(6)
(b)(7)
(C)

@

(b)(6)(b)(7)(C)

.com

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Please contact (b)(6)(b)(7)(C) on (202) 586-(b)(6)
(b)(7)
(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

~~OFFICIAL USE ONLY~~

Document Number 33



Department of Energy
Washington, DC 20585

May 11, 2012

The Honorable David L. Hunt
Inspector General
Federal Communications Commission
445 12th Street, SW
Room 2-C762
Washington, DC 20554

SUBJECT: Adverse Health Effects from Smart Meters (DOE OIG File No. I12RR100)

Dear Mr. Hunt:

This letter serves to advise you of a complaint received by the U.S. Department of Energy's (Energy) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint warrant a referral to the Federal Communications Commission (Commission) for information purposes and appropriate action. We would appreciate being notified should your office or the Commission identify fraud involving Energy programs, operations or personnel, in response to this letter or our previous referral dated April 18, 2012, regarding similar concerns.

The details of the most recent complaint as reported to the Energy OIG are as follows:

(b)(6)(b)(7)(C) began experiencing adverse health effects in February 2010 from an "AMR electric utility meter." (b)(6)(b)(7)(C) is concerned about a "radiation problem" stemming from the switch mode power supply inside all transmitting AMR "smart" electric, water and gas meters.

(b)(6)(b)(7)(C) e-mail address is (b)(6)(b)(7)(C) @ (b)(6)(b)(7)(C) .net.

This letter, including any enclosures and information contained therein, is the property of the U.S. Department of Energy's Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. Appropriate safeguards should be provided and access should be limited to officials of the Commission who have a need to know. Public disclosure is determined by the Freedom of Information Act, Title 5, U.S.C. Section 552 and the Privacy Act, Title 5, U.S.C., Section 552a.

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Please contact (b)(6)(b)(7)(C) on (202) 586 (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Sincerely,



John R. Hartman
Deputy Inspector General
for Investigations
Office of Inspector General

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:13 PM

Page 1

Case Number: I12RR100

Summary Date: 08-MAY-12

Title:

ADVERSE HEALTH EFFECTS FROM AMR AND SMART METERS

Executive Brief:

ON 4/16/12, THE HOTLINE RECEIVED AN EMAIL FROM (b)(6)(b)(7)(C) PRIVATE CITIZEN WHO ALLEGED RADIATION DANGERS AND ILL HEALTH FROM THE 'SWITCH MODE POWER SUPPLY' INSIDE ALL TRANSMITTING AMR AND "SMART" ELECTRIC, WATER, AND GAS METERS.

DISPOSITION: ON 5/7/12, THE PRE CCC DECIDED TO REFER (RR) THIS MATTER TO FCC OIG.

Document Number 34

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:14 PM

Page 1

Case Number: I12RR105

Summary Date: 06-SEP-12

Title:

(b)(6)(b)(7)(C)

HARASSMENT OF FEMALE GUARDS; OAK RIDGE, TN

Executive Brief:

PREDICATION:

ON 22-APR-2012, THE HOTLINE RECEIVED A VOICEMAIL FROM AN UNIDENTIFIED FEMALE SECURITY GUARD AT OAK RIDGE NATIONAL LABORATORY (ORNL). ALLEGEDLY, (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) WACKENHUT SECURITY SERVICES, LLC (WACKENHUT) IS HARASSING THE FEMALE WACKENHUT GUARDS WHEN THEY ARE BOTH ON- AND OFF-DUTY. (b)(6)(b)(7)(C) HARRASSED THE COMPLAINANT AS RECENTLY AS APRIL 19TH AND 20TH, 2012. THE COMPLAINANT STATED THAT SEVERAL OTHER FEMALE SECURITY GUARDS HAVE BEEN HARASSED IN THE PAST AND HAVE WITNESSED THE HARASSMENT OF OTHERS ON NUMEROUS OCCASIONS. THESE FEMALE SECURITY GUARDS HAVE PREVIOUSLY TAKEN ACTION TO CORRECT THEIR CONCERNS. THE COMPLAINANT DID NOT PROVIDE ANY ADDITIONAL DETAILS RELATING TO THESE ALLEGED INCIDENTS OF HARASSMENT.

THE COMPLAINANT REQUESTED THAT THE OFFICE OF INSPECTOR GENERAL INVESTIGATE (b)(6)(b)(7)(C) AND TAKE CORRECTIVE ACTION. THE COMPLAINANT REQUESTED THAT THE OIG ASK ALL OF THE FEMALE SECURITY GUARDS TO REPORT TO THE "FEDERAL BUILDING" INSTEAD OF "HEADQUARTERS" TO DISCUSS THEIR CONCERNS AND AVOID RETALIATION. THE COMPLAINANT EXPRESSED THAT (b)(6)(b)(7)(C) DOES NOT WANT TO CAUSE TROUBLE OR FOR ANY FEMALE GUARDS TO BE TARGETED FOR REPORTING THESE CONCERNS.

DISPOSITION:

ON 16-MAY-2012, THE CCC DECIDED TO REFER THIS MATTER TO SC-1 FOR ACTION/INFORMATION (RR) WITH A CC TO ED-1.

FILE CLOSED



Department of Energy
Washington, DC 20585

May 30, 2012

MEMORANDUM FOR THE DIRECTOR, OFFICE OF SCIENCE

FROM:


John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Harassment of Contractor Security Guards at Oak Ridge National Laboratory (OIG File No. I12RR105)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and for whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations, or personnel. A copy of this memorandum has also been sent to the Office of Economic Impact and Diversity.

The details of the complaint as reported to the OIG are as follows:

(b)(6)(b)(7)(C)

Wackenhut Security Services, LLC (Wackenhut) is harassing the female Wackenhut guards at Oak Ridge National Laboratory during on-duty and off-duty hours. Several female guards have witnessed and/or experienced this harassment. These female security guards have previously taken action in an attempt to correct their concerns. However, there is concern that the female guards will be retaliated against for having taken corrective action.

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Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

cc: Director, Office of Economic Impact and Diversity

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Document Number 35



Department of Energy
Washington, DC 20585

September 24, 2012

The Honorable Arthur A. Elkins, Jr.
U.S. Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Avenue, N.W.
Room 2410T
Washington, DC 20460

SUBJECT: Improper Disposal of Radioactive Material in New Mexico
(DOE OIG File No. I12RR143)

Dear Mr. Elkins, Jr.:

This letter serves to advise you of a complaint received by the U.S. Department of Energy's (Energy) Office of Inspector General (OIG) Hotline from the U.S. Nuclear Regulatory Commission (see attached). Upon our review, we determined that the facts and circumstances of the complaint warrant a referral to the U.S. Environmental Protection Agency (EPA) for information purposes and appropriate action. We would appreciate being notified should the EPA identify fraud involving Energy programs, operations, or personnel, in response to this letter.

The allegations in the complaint reported to the OIG are as follows:

The Lovelace Respiratory Research Institute (LRRI) at Kirtland Air Force Base in New Mexico improperly disposed of radioactive materials. "Asbestos tiles and concrete at the LRRI were found to be contaminated with Sr-90 [Strontium-90]. The tiles were disposed of at an asbestos landfill rather than a radioactive waste landfill. The concrete (which came from the area behind building 209) was removed by a contractor and shipped offsite in March 2012."

This letter, including any enclosures and information contained therein, is the property of the U.S. Department of Energy's Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. Appropriate safeguards should be provided and access should be limited to EPA officials who have a need to know. Public disclosure is determined by the Freedom of Information Act, Title 5, U.S.C. Section 552 and the Privacy Act, Title 5, U.S.C., Section 552a.

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Please contact (b)(6)(b)(7)(C) on (202) 586 (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

Sincerely,

Michael S. Milner
Michael S. Milner
Assistant Inspector General
for Investigations
Office of Inspector General

Enclosure

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Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:16 PM

Page 1

Case Number: I12RR143

Summary Date: 29-AUG-12

Title:

LRRI; IMROPER DISPOSAL OF RADIOACTIVE MATERIAL; NM

Executive Brief:

PREDICATION: ON 31-JUL-2012, THE HOTLINE RECEIVED A LETTER DATED 18-JUL-2012, FROM (b)(6)(b)(7)(C) U.S. NUCLEAR REGULATORY COMMISSION (NRC) REGION IV. (b)(6)(b)(7)(C) LETTER CONTAINED NRC ALLEGATION RIV-2012-A-0080, FORWARDING AN ANONYMOUS COMPLAINT ALLEGING THAT THE LOVELACE RESPIRATORY RESEARCH INSTITUTE, KIRTLAND AFB, NM, IMPROPERLY DISPOSED OF RADIOACTIVE MATERIALS. THE TEXT OF THE ANONYMOUS COMPLAINT IS AS FOLLOWS:

"ASBESTOS TILES AND CONCRETE AT THE LOVELACE RESPIRATORY RESEARCH INSTITUTE WERE FOUND TO BE CONTAMINATED WITH SR-90 [STRONTIUM-90]. THE TILES WERE DISPOSED OF AT AN ASBESTOS LANDFILL RATHER THAN A RADIOACTIVE WASTE LANDFILL. THE CONCRETE (WHICH CAME FROM THE AREA BEHIND BUILDING 209) WAS REMOVED BY A CONTRACTOR AND SHIPPED OFFSITE IN MARCH 2012."

DISPOSITION: ON 20-AUG-2012, THE PRE-CCC DECIDED TO REFER (RR) THIS MATTER TO THE EPA OIG.

Document Number 36

Office of the Inspector General (OIG)
OIG Hotline - Executive Brief Report (HEB)

Report run on: June 25, 2013 3:16 PM

Page 1

Case Number: I12RR153

Summary Date: 20-MAR-13

Title:

CONCERNS WITH THE Y-12 PROTECTIVE FORCE

Executive Brief:

PREDICATION: ON 04-SEP-2012, THE HOTLINE RECEIVED AN EMAIL FROM (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) Y-12 PROTECTIVE FORCE EMPLOYEE. (b)(6)(b)(7)(C) ALLEGED THAT THE LACK OF LAW ENFORCEMENT AUTHORITY, TO INCLUDE THE AUTHORITY TO CARRY WEAPONS WHILE OFF-DUTY, HAS LED TO AN "INAPPROPRIATE MINDSET" WITHIN THE Y-12 PROTECTIVE FORCE. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) ALLEGED THAT THIS MINDSET CAUSED SECURITY POLICE OFFICER (SPO) (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) SPO TO THE RECENT Y-12 INCURSION INCIDENT, TO BE "MORE AFRAID OF PULLING (b)(6)(b)(7)(C) WEAPON OUT THAN ANY THREAT THE THREE PROTESTERS MAY HAVE POSED." FURTHER, SPO (b)(6)(b)(7)(C) EXPERIENCE (b)(6)(b)(7)(C) TO BELIEVE THAT (b)(6)(b)(7)(C) JOB WAS IN JEOPARDY [SIC] AND THE SAFEST THING FOR (b)(6)(b)(7)(C) TO DO WAS TO DO NOTHING. (b)(6)(b)(7)(C) (b)(6)(b)(7)(C)

DISPOSITION: ON 26-SEP-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/INFORMATION (RR).

NOTE: THE REFERRAL LETTER INADVERTENTLY REQUESTED A RESPONSE. ON 06-NOV-2012, SA (b)(6)(b)(7)(C) VERBALLY (b)(6)(b)(7)(C) THAT THE MATTER REQUIRED NO RESPONSE FROM NA.

ON MARCH 3, 2013, THE OIG RECEIVED A RESPONSE FROM THE DIRECTOR OF INTERNAL AFFAIRS, NNSA, REGARDING THE ABOVE REFERRED ALLEGATIONS. THE NNSA CONCLUDED THAT THE SPO'S DO NOT AND SHOULD NOT HAVE FIREARMS CARRY AUTHORITY OUTSIDE OF THEIR NORMAL DUTY HOURS. AS SUCH, THE FILE WILL REMAIN CLOSED.



Department of Energy
Washington, DC 20585

September 27, 2012

**MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION**

FROM: Michael S. Milner *Michael S. Milner*
Assistant Inspector General for Investigations

SUBJECT: Conflicting Duties and Responsibilities of Security Police Officers at
the Y-12 National Security Complex (OIG File No. I12RR153)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for appropriate action. The OIG would appreciate a written reply within 30 calendar days of your office's receipt of this memorandum. We will review your office's response, including any additional facts you develop, to determine if further OIG action is warranted.

The allegations in the complaint reported to the OIG are as follows:

Security Police Officers (SPO) at the National Nuclear Security Administration's Y-12 National Security Complex (Y-12) have statutory arrest authority under Section 161, Paragraph K, of the Atomic Energy Act and Title 10, Code of Federal Regulations, Part 1047, "Limited Arrest Authority and Use of Force by Protective Force Officers." In spite of this authority, they are not considered law enforcement officers. Further, Y-12 SPOs are not covered by the Law Enforcement Officers Safety Act, otherwise known as "H.R. 218," which expands off-duty firearms carrying authorities for active and retired law enforcement officers. As such, some SPOs consider themselves akin to "a bunch of mall guards," lacking proper powers, authorities, or training to effectively respond to and resolve real security threats to the Y-12 facility.

Y-12 SPOs cannot carry firearms while off-duty, but they are required to respond when a security incident occurs at Y-12, regardless of their duty status. There is concern that without proper law enforcement capabilities, to include the authority to carry a firearm while off-duty, SPOs cannot adequately protect themselves, their families, or Y-12 from a terrorist attack or other serious threats. The SPOs' lack of law enforcement authority also contributed to a risk-averse culture that caused the SPO responding to the recent Y-12 security incident to under-react when encountering the trespassers.

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Please contact (b)(6)(b)(7)(C) on (202) 586-(b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

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Document Number 37




Department of Energy
Washington, DC 20585

March 19, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

FROM:


John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Human Reliability Program Concerns at the Pantex Plant
(OIG File No. I12RS053)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for appropriate action. The OIG would appreciate a written reply within 30 calendar days of your office's receipt of this memorandum. We will review your office's response, including any additional facts you develop, to determine if further OIG action is warranted.

The details of the complaint as reported to the OIG are as follows:

Non-Human Reliability Program (HRP) certified Protective Force members have been assigned to HRP-required security posts in violation of Title 10, CFR, 712.10 and Pantex Site Office policy. Specifically, in a letter dated September 29, 2011, the Assistant Manager for Safeguards and Security for the Pantex Site Office advised the B&W Pantex Safeguards and Security (b)(6)(b)(7)(C) in part, that Q-cleared/non-HRP protective force personnel can be armed; however, "HRP [is] required for MK-19 positions." However, a B&W Pantex Policy letter dated October 5, 2011, appears to contradict the Site Office's September 29th guidance by allowing Q-cleared, HRP pending Protective Force members to serve as drivers on MK-19 equipped units. There is concern that that non-HRP certified individuals were posted to MK-19 required security positions, including RC3A and RC4A, on December 30 and 31, 2011, as well as on January 1 and 3, 2012. B&W Pantex and Pantex Site (b)(6)(b)(7)(C) are reportedly aware of these concerns; however, no corrective action has been taken to date.

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and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact

(b)(6)(b)(7)(C)

on (202) 586-

(b)(6)
(b)(7)
(C)

or at

(b)(6)(b)(7)(C)

@hq.doe.gov should you have questions regarding this matter.

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Case Number: I12RS053

Summary Date: 09-MAY-12

Title:

B&W PANTEX; NUCLEAR SECURITY VIOLATIONS; AMARILLO, TX

Executive Brief:

PREDICATION:

ON 13-FEB-2012, THE HOTLINE RECEIVED AN EMAIL FROM PANTEX GUARDS UNION (PGU) (b)(6)(b)(7)(C) ALLEGED THAT B&W PANTEX SECURITY MANAGEMENT HAS VIOLATED 10 CFR 712.10 BY POSTING NON-HUMAN RELIABILITY PROGRAM (HRP) CERTIFIED PERSONNEL TO POSITIONS WITH RESPONSIBILITY FOR PROTECTION ON CATEGORY 1 SPECIAL NUCLEAR MATERIAL, NUCLEAR EXPLOSIVES, NUCLEAR DEVICES, AND/OR SELECTED COMPONENTS. (b)(6)(b)(7)(C) FURTHER ALLEGED THAT THIS WAS AUTHORIZED BY (b)(6)(b)(7)(C) OF THE DEPARTMENT'S PANTEX SITE OFFICE (PXSO).

DISPOSITION:

ON 07-MAR-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR ACTION/RESPONSE (RS).

FOLLOW-UP

IN A MEMORANDUM DTAED 30-APR-2012, NNSA'S INTERNAL AFFAIRS (b)(6)(b)(7)(C) THAT THE MATTER WAS REFERRED TO THE MANAGER OF THE PANTEX SITE OFFICE (PSO) FOR REVIEW. PSO COULD NOT SUBSTANTIATE THE ALLEGATIONS THAT NON-QUALIFIED PERSONNEL OCCUPIED MK-19 POSITIONS AND DETERMINED THAT THERE IS NO CONTRADICTION ON THEIR OCTOBER 5, 2011, POLICY LETTER. HOWEVER, SINCE THE ISSUANCE OF THE OCTOBER 5TH LETTER, PSO HAS ISSUED A POLICY CLARIFICATION ON FEBRUARY 13, 2012, ON THE LANGUAGE QUESTIONED IN THE ALLEGATION.

FILE CLOSED

Document Number 40

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Case Number: I12R8055

Summary Date: 20-JUN-12

Title:

FISKER AUTOMOTIVE; QUESTIONABLE BUSINESS PRACTICES; LP-10

Executive Brief:

PREDICATION:

ON 26-MAR-2012, THE HOTLINE RECEIVED AN EMAIL, FORWARDING A MEMO TO FILE DOCUMENTING A 26-MAR-2012, TELEPHONE CALL BETWEEN INSPECTOR GENERAL GREG FRIEDMAN, DEPUTY INSPECTOR GENERAL FOR AUDITS AND INSPECTIONS RICKEY HASS AND (b)(6),(b)(7)(C) U.S. GOVERNMENT ACCOUNTABILITY OFFICE (GAO). SPECIFICALLY, THE PURPOSE OF THE CALL WAS TO DISCUSS A COMPLAINT GAO RECEIVED FROM (b)(6),(b)(7)(C) (NOT FURTHER IDENTIFIED), WHO ALLEGED QUESTIONABLE BUSINESS PRACTICES BY FISKER AUTOMOTIVE, A RECIPIENT OF DOE LOAN PROGRAM OFFICE FINANCING.

DISPOSITION: ON 26-MAR-2012, DIGI HARTMAN ADVISED THAT, THIS MATTER IS TO BE REFERRED (RS) TO LP-10.

RESPONSE:

IN A MEMORANDUM DATED 05-JUN-2012, THE ACTING EXECUTIVE DIRECTOR FOR THE LOAN PROGRAM OFFICE ADVISED THE OIG THAT AS OF 31-MAY-2011, FISKER RECEIVED \$192.255 MILLION IN AGGREGATE TOTAL FUNDING OF BOTH "KARMA" AND "NINA" LOANS UNDER THE DEPARTMENT'S ADVANCED TECHNOLOGY VEHICLES MANAGEMENT LOAN PROGRAMS. THE DEPARTMENT HAS NOT MADE NEW LOAN ADVANCES TO FISKER SINCE MAY 2011. AS OF 31-MAY-2012, FISKER WAS CURRENT ON ANY AND ALL SCHEDULED PAYMENTS OF INTEREST ON SUCH LOANS. NO PRINCIPAL IS YET DUE ON FISKER'S ATVM LOANS.

FILE CLOSED.



Department of Energy
Washington, DC 20585

March 29, 2012

MEMORANDUM FOR THE EXECUTIVE DIRECTOR, LOAN PROGRAMS OFFICE

FROM:

John R. Hartman
John R. Hartman

Deputy Inspector General for Investigations

SUBJECT:

Questionable Business Practices by a Recipient of Loan Programs
Office Financing (OIG File No. 112RS055)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline from the U.S. Government Accountability Office. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for appropriate action. The OIG would appreciate a written reply within 30 calendar days of your office's receipt of this memorandum. We will review your office's response, including any additional facts you develop, to determine if further OIG action is warranted.

The details of the complaint as reported to the OIG are as follows:

Fisker Automotive, Inc. (Fisker) is violating the terms and conditions of its Department Advanced Technology Vehicles Manufacturing Loan. Specifically, the company is technically insolvent or nearing insolvency. The company's difficult financial straits are attributed, in part, to the exorbitant salaries paid to Fisker managerial officials. Additionally, Fisker is improperly using Department funds for what is termed a "Karma model" versus what is known as the "Nina" in violation of the terms of Fisker's Department financing.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for ~~OFFICIAL USE ONLY~~. The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact Assistant Special Agent-in-Charge (b)(6), (b)(7)(C) on (202) 586- or at (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

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Document Number 41



Department of Energy
Washington, DC 20585

June 14, 2012

MEMORANDUM FOR THE ASSISTANT SECRETARY FOR FOSSIL ENERGY

FROM:

John R. Hartman
John R. Hartman

Deputy Inspector General for Investigations

SUBJECT:

Potential Safety Hazard at the Strategic Petroleum Reserve Site
(OIG File No. I12RS073/P12HL385)

This memorandum serves as a follow-up to this office's May 24, 2012, Environmental, Safety and Health Notification regarding the above captioned subject. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for appropriate action. The OIG would appreciate a written reply within 30 calendar days of your office's receipt of this memorandum. We will review your office's response, including any additional facts you develop, to determine if further OIG action is warranted. A copy of this memorandum has also been sent to the Department's Chief Health Safety and Security Officer for information purposes.

The details of the complaint as reported to the OIG are as follows:

Drilling operations have or will commence at the Strategic Petroleum Reserve's Bayou Choctaw Cavern (Cavern). The Cavern has remnants of ethane that have not been evacuated and may cause an explosion.

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Please contact

(b)(6)(b)(7)(C)

on (202) 586

(b)(6)
(b)(7)
(C)

or at

(b)(6)(b)(7)(C)

@hq.doe.gov should you have questions regarding this matter.

cc: Chief Health, Safety and Security Officer

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Case Number: I12RS073

Summary Date: 25-JUL-12

Title:

STRATEGIC PETROLEUM RESERVE; IMPROPER DRILLING PRACTICES; LA

Executive Brief:

PREDICATION:

ON 5/24/12, THE HOTLINE RECEIVED AN ANONYMOUS PHONE CALL ALLEGING DRILLING INTO THE BAYOU CHOCTAW CAVERN AT THE STRATEGIC PETROLEUM RESERVE SITE. THE CAVERN REPORTEDLY HAS REMNANTS OF ETHANE GAS STILL INSIDE.

DISPOSITION:

ON 31-MAY-2012, THE CCC DECIDED TO REFER THIS MATTER TO FE-1 FOR ACTION/RESPONSE (RS) WITH A CC TO HS-1.

RESPONSE:

IN A MEMORANDUM DATED 10-JUL-2012, THE ASSISTANT SECRETARY FOR FOSSIL ENERGY ADVISED THE OIG THAT ON 08-JUL-2012, PRECISION DRILLING'S OPERATION ON BAYOU CHOCTAW CAVERN 102 PENETRATED THE CAVERN WITHOUT INCIDENT AND NO REMNANTS OF ETHANE WERE OBSERVED OR DETECTED.

FILE CLOSED

Document Number 44



Department of Energy
Washington, DC 20585

July 16, 2012

MEMORANDUM FOR THE EXECUTIVE DIRECTOR, LOAN PROGRAMS OFFICE

FROM: Michael S. Milner *Michael S. Milner*
Assistant Inspector General for Investigations

SUBJECT: Improper Release of Confidential Information to Loan Guarantee
Applicant (OIG File No. I12RS083)

This memorandum serves to advise you of a complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for appropriate action. The OIG would appreciate a written reply within 30 calendar days of your office's receipt of this memorandum. We will review your office's response, including any additional facts you develop, to determine if further OIG action is warranted.

The details of the complaint as reported to the OIG are as follows:

In a June 3, 2011 e-mail, (b)(6)(b)(7)(C) Loan Program Office, may have improperly disclosed sensitive information to representatives from Prologis, a Loan Guarantee applicant, and Bank of America. Specifically, the e-mail contained an attachment of a Department presentation outlining the Department's consideration of Prologis' \$1.4 billion application for Project Amp.

The aforementioned e-mail is attached hereto. The OIG observed the e-mail in question appears to come from (b)(6)(b)(7)(C) Gmail account.

This memorandum, including any attachments and information contained therein, is the property of the Office of Inspector General and is for (b)(6)(b)(7)(C). The original and any copies of the memorandum must be appropriately controlled and maintained. Disclosure to unauthorized persons without prior Office of Inspector General written approval is strictly prohibited and may subject the disclosing party to liability. Unauthorized persons may include, but are not limited to, individuals referenced in the memorandum, contractors, and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) on (202) 586- (b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) @hq.doe.gov should you have questions regarding this matter.

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Case Number: I12RS083

Summary Date: 10-OCT-12

Title:

(b)(6)(b)(7)(C) IMPROPER RELEASE OF CONFIDENTIAL INFO

Executive Brief:

PREDICATION:

ON 7/3/12, THE HOTLINE RECEIVED A LETTER FROM WASHINGTON, DC RESIDENT (b)(6)(b)(7)(C) REGARDING THE IMPROPER RELEASE OF CONFIDENTIAL, INTERNAL DOCUMENTATION THAT WAS IMPROPERLY SENT BY LOAN PROGRAMS OFFICE (LPO) STAFF TO PROLOGIS, A LOAN GUARANTEE APPLICANT. THE COMPLAINANT PROVIDED THE FOLLOWING TWO EXAMPLES:

EXAMPLE #1: THE COMPLAINANT PROVIDED A 6/9/12 BLOG ARTICLE, TITLED "DOE SENT CONFIDENTIAL INFORMATION TO LOAN GUARANTEE APPLICANT." ACCORDING TO THE ARTICLE, (b)(6)(b)(7)(C) LPO, URGED REPRESENTATIVES FROM PROLOGIS AND BANK OF AMERICA IN A 6/3/2011 EMAIL, "PLEASE DO NOT SEND BEYOND TWO OF YOU. THIS IS VERY IMPORTANT." THE EMAIL CONTAINED A DOE PRESENTATION OUTLINING DOE'S CONSIDERATION OF PROLOGIS' \$1.4 BILLION APPLICATION FOR PROJECT AMP, AN EFFORT TO RETROFIT PROLOGIS' WAREHOUSES WITH SOLAR PANELS.

EXAMPLE #2: IN AN EMAIL CHAIN DATED 9/21/2011, (b)(6)(b)(7)(C) LPO, SENT A "CONFIDENTIAL INTERNAL" DOCUMENT TO THE EMAIL ADDRESS, (b)(6)(b)(7)(C).COM; (b)(6)(b)(7)(C) PROLOGIS; AND (b)(6)(b)(7)(C) LPO. THE DOCUMENT WAS A DRAFT INTERNAL

MEMORANDUM, DATED SEPTEMBER 2011 FROM (b)(6)(b)(7)(C) (b)(6)(b)(7)(C) THE MEMORANDUM, TITLED "TECHNICAL AND PROJECT MANAGEMENT DIVISION, (LP-30), CERTIFICATION OF COMMENCEMENT OF CONSTRUCTION FOR PROJECT AMP (FIPP) -REVISED", CERTIFIES THAT PROLOGIS DOES NOT INTEND TO USE SOLYNDRA PANELS DURING CONSTRUCTION OF THE PROJECT AMP, BUT PROLOGIS MAY CONTINUE TO USE THE ROOFTOPS THAT WERE CONNECTED TO THE PANELS. THE MEMORANDUM ALSO CERTIFIES THAT PROLOGIS HAS COMPLETED PRE-CONSTRUCTION AND ENGINEERING DESIGN; RECEIVED ALL NECESSARY LICENSES AND PERMITS; AND ORDER ESSENTIAL EQUIPMENT.

THE COMPLAINANT REFERS TO THE RELATIONSHIP BETWEEN (b)(6)(b)(7)(C) AND THE ADDRESSEE AT (b)(6)(b)(7)(C).COM AS A "CORRUPT CONNECTION" AND "THE BORROWER AND BORROWER'S COUNSEL."

IN THE SECOND EMAIL, (b)(6)(b)(7)(C) PROVIDED (b)(6)(b)(7)(C) AND (b)(6)(b)(7)(C).COM WITH A TECHNICAL MEMORANDUM REGARDING THE COMMENCEMENT OF CONSTRUCTION AND PHYSICAL WORK.

DISPOSITION: PER DIGI HARTMAN THE HOTLINE WILL RS EXAMPLE #1 TO LP-10 AND LEAVE EXAMPLE #2 PENDING.

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ADDENDUM:

ON 7/18/12, THE HOTLINE RECEIVED A POLITICO ARTICLE ENTITLED, "PANEL UNVEILING DOCS ON DOE AID RECIPIENTS," FROM (b)(6)(b)(7)(C) REGARDING THE IMPROPER RELEASE OF THE CONFIDENTIAL INFORMATION TO POLOGIS. (b)(6)(b)(7)(C) CIRCLED INFORMATION TO SUPPORT (b)(6)(b)(7)(C) PREVIOUS ALLEGATION. NO NEW INFORMATION WAS PROVIDED IN THE ARTICLE.

RESPONSE:

IN A MEMORANDUM DATED 17-AUG-2012, THE ACTING EXECUTIVE DIRECTOR, LOAN PROGRAMS OFFICE ADVISED THE OIG THAT

-- (b)(6)(b)(7)(C) NO LONGERE PROVIDES CONSULTING SERVICES TO THE LOAN PROGRAMS OFFICE AND HAS NOT DONE SO SINCE OCTOBER 2011.

-- WHILE THE INFORMATION CONATINED IN (b)(6)(b)(7)(C) EMAIL WAS SENSITIVE AND PRE-DECISIONAL, IT WAS NOT CONFIDENTIAL TO THE DEPARTMENT OR HAVE PROLOGIS OR BANK OF AMERICA ANY ADVANTAGE IN THE APPLICATION PROCESS.

*** NOTE : IN COORDINATION WITH THE (b)(6)(b)(7)(C) THE OIG PLANS NO ADDITIONAL ACTIVITY REGARDING THIS MATTER TO INCLUDE ISSUE #2 WHICH IS CLOSED (ZH).

FILE CLOSED

Document Number 45



Department of Energy
Washington, DC 20585

April 13, 2012

MEMORANDUM FOR THE ADMINISTRATOR, NATIONAL NUCLEAR SECURITY
ADMINISTRATION

FROM:

John R. Hartman
John R. Hartman
Deputy Inspector General for Investigations

SUBJECT:

Questionable Practices by Los Alamos National Laboratory
Employees (OIG File No. I12RR085)

This memorandum serves to advise you of an anonymous complaint received by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) Hotline. Upon our review, we determined that the facts and circumstances of the complaint pertain to your office's programs and operations; therefore, we are referring this matter to your office for information purposes and whatever action you deem appropriate. We would appreciate a written reply should your office confirm wrongdoing or misconduct in response to this memorandum or identify fraud involving Department programs, operations or personnel.

The details of the complaint as reported to the OIG are as follows:

In early March 2012 [approximate], (b)(6)(b)(7)(C) an employee at Los Alamos National Laboratory (Laboratory), solicited work from an unidentified female subcontractor employee for the Laboratory's Surface Water Program on behalf of (b)(6)(b)(7)(C) personal business. The unidentified female subcontractor employee was reportedly in the process of purchasing a home in Espanola, NM. (b)(6)(b)(7)(C) offered to inspect the septic tank at the female employee's newly purchased residence. (b)(6)(b)(7)(C) allegedly implied that the unidentified female employee would have to pay (b)(6)(b)(7)(C) to inspect (b)(6)(b)(7)(C) septic tank if (b)(6)(b)(7)(C) wanted to retain (b)(6)(b)(7)(C) job at the Laboratory. (b)(6)(b)(7)(C)

Additionally, Laboratory employee (b)(6)(b)(7)(C) a subcontractor employee, "not to worry about (b)(6)(b)(7)(C) contract since (b)(6)(b)(7)(C) was evaluating proposals and was going to make sure that the team that (b)(6)(b)(7)(C) employer is on (advanced Brown and Coldwell) would be evaluated favorably and get a new subcontract."

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Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).

Please contact (b)(6)(b)(7)(C) on (202) 586-(b)(6)(b)(7)(C) or at (b)(6)(b)(7)(C) [@hg.doe.gov](mailto:hg.doe.gov) should you have questions regarding this matter.

~~_____~~

Office of the Inspector General (OIG)
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Case Number: I12RR085

Summary Date: 25-SEP-12

Title:

(b)(6)(b)(7)(C) QUESTIONABLE BEHAVIOR; LANL

Executive Brief:

PREDICATION: ON 9-MAR-2012, THE HOTLINE RECEIVED A ONE-PAGE EMAIL FROM "PORTAGE
STORMWATER," ALLEGING QUESTIONABLE PRACTICES BY BOTH (b)(6)(b)(7)(C)

(b)(6)(b)(7)(C) AT LOS ALAMOS NATIONAL LABORATORY (LANL), AND (b)(6)(b)(7)(C)
LANL (b)(6)(b)(7)(C)

DISPOSITION: ON 28-MAR-2012, THE CCC DECIDED TO REFER THIS MATTER TO NA-1 FOR
ACTION/INFORMATION (RR).

FILE CLOSED