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Description of document: Closing documents for 17 closed Department of Energy (DOE) Office of Inspector General (OIG) investigations, 2010-2017

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Source of document: FOIA Request  
FOIA Requester Service Center  
1000 Independence Avenue, SW  
Mail Stop MA-46  
Washington, DC 20585  
Fax (202) 586-0575  
[Online HQ DOE Request Form](#)

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**Department of Energy**  
Washington, DC 20585

**JUL 14 2017**

Re: Freedom of Information Act Requests HQ-2017-00574-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. You asked for a copy of the final report, Report of Investigation, Closing Memo, Referral Memo, etc. associated with the following DOE OIG closed investigations:

10-0177-I, 11-0167-I, 12-0125-I, 13-0123-I, 13-0124-I, 14-060-I, 14-069-I,  
15-0019-I, 15-0049-I, 15-0107-I, 15-0120-I, 15-0126-I, 15-0130-I, 16-0105-I,  
16-0114-I, 16-0062, 16-0093-I, and 17-0010-I

The OIG has completed the search of its files and identified 17 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), (b)(7)(C) and (b)(7)(E), respectively. Specifically, the OIG review determined:

- Documents 1 through 17 are released to you with certain material being withheld pursuant to Exemptions 6 and 7(C) of the FOIA. In addition, a portion of Document 3 is withheld pursuant to Exemption 7(E).

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.

Exemption 7(E) permits the withholding of records which "would disclose techniques and procedures for law enforcement investigations or prosecutions" if the technique and procedures are not well known to the public or "the circumstances of the usefulness . . . may not be widely known."

The information being withheld pursuant to Exemption 7(E) includes processes related to standards and responsibilities, coordination of investigations with other offices, the investigative process and performance measure systems, criteria for opening cases

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).

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

This decision may be appealed within 90 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. You may also submit your appeal by e-mail to [OHA.filings@hq.doe.gov](mailto:OHA.filings@hq.doe.gov), including the phrase "Freedom of Information Appeal" in the subject line.

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.

If you have any questions about the processing of your request you may contact our FOIA Public Liaison, Mr. Alexander Morris. He may be contacted at either (202) 586-3159 or [Alexander.Morris@hq.doe.gov](mailto:Alexander.Morris@hq.doe.gov) to discuss any aspect of your request. Also, please know that

you have the right to seek dispute resolution services from the FOIA Public Liaison or the Office of Government Information Services (<https://ogis.archives.gov>) via telephone (202) 741-5770 / toll-free (877) 684-6448; fax: (202) 741-5769; or email:[ogis@nara.gov](mailto:ogis@nara.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Dupuy". The signature is written in a cursive, flowing style.

John E. Dupuy  
Deputy Inspector General  
for Investigations  
Office of Inspector General

Enclosures

Summary

16MAR2017

## 10-0177-I Busby; Child Pornography; LBNL

**Compliant Summary:** On April 21, 2010, [REDACTED] of the Lawrence Berkeley National Laboratory (LBNL) Office of Security informed the OIG that Mr. David Busby, an LBNL Computer Tech, accessed and downloaded child pornography using a DOE computer on the DOE network.

**Current Status:** Closed  
**Date Received:** 22APR2010  
**Date Initiated:** 22APR2010  
**Primary Investigator:** [REDACTED]  
**Other Investigators:** [REDACTED]

**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
Child Pornography [None]  
**Received by:** [Other]  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** Lawrence Berkeley National Laboratory  
**Allegation Location:** Lawrence Berkeley National Laboratory  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** California  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** HQ, Ofc Of Science  
**Recovery Act:** No

### Initial Allegation

**Allegation:** 18 USC 2252(a) - Certain Activities Relating to Material Constituting or Containing Child Pornography  
**Location:** Lawrence Berkeley National Laboratory  
**Summary:** EXECUTIVE BRIEF:  
On April 20, 2010, it was allegeded Mr. David Busby, a Computer Technician at LBNL, accessed and downloaded child pornography from the internet using a LBNL computer on the DOE network.  
On September 19, 2013, Mr. Busby was convicted in the Northern District of California federal court of possession of and access with the intent to view child

pornography under 18 U.S.C. Section 2252 (a)(4)(b) and (b)(2). Mr. Busby was immediately incarcerated pending his sentencing date on March 20, 2014. On June 3, 2015, Mr. Busby's conviction was reaffirmed by the Ninth Circuit Court of Appeals. On August 19, 2015, AUSA Lewis stated the Court had denied Mr. Busby's request for a reconsideration of the appeal decision. AUSA Lewis stated all legal process was complete for this case.

**PREDICATION:**

On April 21, 2010, (b)(6) (b)(7)(C) a (b)(6) (b)(7)(C) at the Lawrence Berkeley National Laboratory (LBNL), said Mr. David Busby, a Computer Technician at LBNL, accessed and downloaded child pornography from the internet using a LBNL computer on the DOE network.

**ALLEGATIONS:**

18 USC 2252a- Certain Activities Relating to Material Constituting or Containing Child Pornography

**SYNOPSIS:**

On April 21, 2010, (b)(6) (b)(7)(C) stated Mr. David Busby accessed and downloaded child pornography from the internet using a LBNL computer on April 20, 2010. (b)(6) (b)(7)(C) stated Mr. Busby is a registered sex offender working at LBNL. Both (b)(6) (b)(7)(C) and Mr. Busby are employed by the University of California, Berkeley, which is the Department's M&O contractor for LBNL. (b)(6) (b)(7)(C) stated he advised LBNL and immediately contacted the University of California Police Department (UCPD). (b)(6) (b)(7)(C) said UCPD had already opened an investigation and acquired multiple of Mr. Busby's work computers from LBNL. On April 22, 2010, the OIG coordinated this investigation with the University of California Police Department (UCPD). UCPD advised they received written authorization from LBNL legal counsel to forensically review the contents of Mr. Busby's work laptop. After reviewing the laptop computer, UCPD stated it had identified several images of what appeared to be naked teenagers. UCPD requested and received a search warrant for Mr. Busby's residence, vehicle, and person. On April 22, 2010, UCPD detectives attempted to interview Mr. Busby and then executed the search warrant.

This case was reassigned from SA (b)(6) (b)(7)(C) to SA (b)(6) (b)(7)(C) on April 23, 2010.

SA (b)(6) (b)(7)(C) and SA (b)(6) (b)(7)(C) conducted multiple witness interviews in Berkeley, CA, and coordinated the transfer of all evidence collected at LBNL from UCPD to the Technology Crimes Section. Mr. Busby was also interviewed at Mr. Busby's residence. Mr. Busby admitted to using DOE computers and networks to view child pornography and child erotica photographs.

SA (b)(6) (b)(7)(C) coordinated with Assistant United States Attorney (AUSA) Maureen Bessette and AUSA Susan Miles, Oakland, CA. After reviewing the banner information and computer ownership, AUSA Bessette agreed to the search of the

seized government property. After reviewing the case information and evidence, AUSA miles accepted the case for prosecution.

SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub> completed a forensic analysis of the two main work computers recovered from Mr. Busby's office. Approximately 23,000 suspected images of child pornography or child erotica were identified during the forensic analysis. Approximately 8,000 suspected child pornography images were sent to the national center for missing and exploited children (NCMEC). On <sup>(b)(6)</sup>  
<sup>(b)(6),(b)(7)(C)</sup>

busby. SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub> contacted the investigative agencies and received affidavits describing the investigations in each series of images.

On March 31, 2011, SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub> and SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub> appeared for a Federal Grand Jury summons in Oakland, CA. The grand jury returned a true bill. Mr. Busby was arrested at his residence later that day by the OIG Special Agents from Region 5 and TCS.

On November 8, 2012, this case was reassigned from SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub> to SA <sup>(b)(6)(b)(7)</sup><sub>(C)</sub>

On September 16, 2013, the criminal trial for Mr. Busby began in the Northern District of California federal court. On September 19, 2013, Mr. Busby was found guilty. On June 3, 2015, Mr. Busby's conviction was reaffirmed by the Ninth Circuit Court of Appeals. On August 19, 2015, AUSA Lewis stated the Court had denied Mr. Busby's request for a reconsideration of the appeal decision. AUSA Lewis stated all legal process was complete for this case.

All evidence related to the case has been returned or disposed.

Case status: Closed

**Finding Summary:** On September 19, 2013, Mr. Busby was convicted in the Northern District of California federal court of possession of and access with the intent to view child pornography under 18 U.S.C. Section 2252 (a)(4)(b) and (b)(2). Mr. Busby was immediately incarcerated pending his sentencing date on March 20, 2014.

### Additional Allegations

### Process Dates

22APR2010 **Techniques Actions:** Search - Warrant

01APR2011 **Legal Actions:** Arrested

01APR2011**Legal Actions:** Indictment Returned By Grand Jury

01APR2011**Techniques Actions:** Grand Jury

09JUL2013**Legal Actions:** Superseding Indictment

19SEP2013**Legal Actions:** Guilty

20MAR2014**Legal Actions:** Incarcerated

03JUN2015**Legal Actions:** Other

## Financial

[if documents!=null]



Summary

16MAR2017

Document Number 2

### 11-0167-I LULZSEC, SQL INJECTION, Y-12/NNSA

**Compliant Summary:** DOE-CIRC TICKET#: 660966 REPORTED AT Y-12/NNSA, AN APPLICATION ON A PUBLIC FACING WEB SERVER WAS HIT WITH A SQL INSERTION ATTACK. THROUGH THE ATTACK, AN IN-DEVELOPMENT APPLICATION HAD META-DATA DOWNLOADED AND POSTED ON THE INTERNET.

**Current Status:** Closed  
**Date Received:** 16JUN2011  
**Date Initiated:** 24JUN2011  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
 Computer - Unauthorized Access [None]  
**Received by:** [Other]  
**Complaint Source:** DOE OIG Employee  
**Complainant Location:** Y-12 National Security Complex  
**Allegation Location:** Y-12 National Security Complex  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Tennessee  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** Other  
**Recovery Act:** No

#### Initial Allegation

**Allegation:**  
**Location:** Y-12 National Security Complex  
**Summary:**  
**Finding Summary:**  
**Allegation:**  
**Location:** Y-12 National Security Complex  
**Summary:** PREDICATION:

ON 12-JUN-11THE DOE COMPUTER INCIDENT RESPONSE CENTER

REPORTED (DOE-CIRC TICKET#: 660966) AN UNIDENTIFIED ATTACKER CONDUCTED A SQL INJECTION ATTACK AGAINST AN APPLICATION ON A PUBLIC FACING WEB SERVER AT Y-12/NNSA.

BACKGROUND:

THE TECH CRIMES SECTION OF THE OIG CONTACTED CYBER SECURITY PERSONNEL AT Y12 UPON NOTIFICATION BY THE DOE CIRC. ACCORDING TO Y12 PERSONNEL THE AFFECTED SERVER WAS AN IN-DEVELOPMENT WEB APPLICATION THAT CONTAINED ONLY TEST DATA. THE ATTACKER GAINED ACCESS TO THE TEST SERVER AND POSTED SOME OF THE DATA ON THE INTERNET. THE INTERNET POST INDICATES THE ATTACKER IS A MEMBER OF A WELL KNOW HACKER GROUP KNOWN AS LULZSEC. ACCORDING TO Y12 PERSONNEL, THE DATA WAS FICTITIOUS TEST DATA AND DID NOT CONTAIN ANY ACTUAL INFORMATION OF VALUE.

LULZ SECURITY, COMMONLY ABBREVIATED AS LULZSEC, IS A COMPUTER HACKER GROUP THAT CLAIMS RESPONSIBILITY FOR SEVERAL HIGH PROFILE ATTACKS, INCLUDING THE COMPROMISE OF BOTH COMMERCIAL AND GOVERNMENT COMPUTER SYSTEMS BEGINNING IN EARLY 2011. ACCORDING TO THE MEDIA, SEVERAL MEMBERS OF LULZSEC HAVE BEEN ARRESTED BY THE FBI SINCE THE INCEPTION OF THE GROUP AND THEIR ATTACKS. SA (b)(6) (b)(7)(C) FBI, OAKRIDGE NATIONAL LABS, EXPLAINED THAT THESE ARRESTS HAVE NOT BEEN IN RELATION TO THE Y12 INTRUSION.

THIS IS A JOINT INVESTIGATION WITH THE FBI.

INVESTIGATIVE FINDINGS:

OPEN SOURCE RESEARCH REVEALED A TWITTER MESSAGE ON THE INTERNET POSTED BY A USER NAMED 'PHSY' ON JUNE 12, 2011 WHICH DEPICTS WHAT APPEARS TO BE A SUCCESSFUL ATTACK AGAINST AN INTERNET FACING WEBSITE AT Y12/NNSA.

A REVIEW OF NETWORK LOGS PROVIDED BY DOE CIRC CONFIRMS THE ALLEGED ACTIVITY IDENTIFIED IN THE AFOREMENTIONED TWITTER MESSAGE. FURTHER REVIEW OF THE LOGS INDICATES THAT A SQL INJECTION ATTACK WAS USED TO GAIN ACCESS TO THE PUBLIC FACING WEB-SERVER AT Y12 AND ENUMERATE MULTIPLE RECORDS FROM THE DATABASE. ACCORDING TO Y12 NETWORK SECURITY THE DATA WAS ONLY TEST DATA AND THE SERVER WAS NOT IN PRODUCTION. THE ATTACK ORIGINATED FROM MULTIPLE IP ADDRESSES, BOTH IN THE UNITED STATES AND FROM OVERSEAS.

SA (b)(6) (b)(7)(C) CONTACTED ASSISTANT UNITED STATES ATTORNEY CHARLES ATCHLEY (865-545-4167), EASTERN DISTRICT OF TENNESSEE. ATCHLEY STATED HE WAS INTERESTED IN THE CASE IF A SUBJECT WAS IDENTIFIED.

SA (b)(6) (b)(7)(C) CONTACTED SA (b)(6) (b)(7)(C) (865-241 (b)(6) (b)(7)(C) FBI AGENT IN THE LAB, OAKRIDGE NATIONAL LABORATORY. SA (b)(6) (b)(7)(C) STATED THE FBI DOES HAVE A CASE OPEN ON THE LULZSEC INCIDENT INVOLVING Y12. SA (b)(6) (b)(7)(C) EXPLAINED HE WAS SENDING LEADS TO THE FBI FIELD OFFICES GEOGRAPHICALLY RESPONSIBLE FOR EACH US BASED IP ADDRESS FOUND TO BE INVOLVED IN THE INTRUSION AT Y12. SA (b)(6) (b)(7)(C) AGREED TO PROVIDE ANY INFORMATION DERIVED FROM HIS INVESTIGATION.

ACCORDING TO SA (b)(6) (b)(7)(C) AS OF MAY 10, 2012 THE FBI ESTABLISHED A PEN TRAP AND TRACE (PTT) FOR TWO OF THE SOURCE IP ADDRESSES IDENTIFIED IN THE INTRUSION.

SA (b)(6) (b)(7)(C) ALSO CONTACTED SA (b)(6) (b)(7)(C) REGARDING ARRESTS OF ANONYMOUS AND LULZSEC MEMBERS BY THE FBI. SA (b)(6) (b)(7)(C) EXPLAINED THAT TO THE BEST OF HIS KNOWLEDGE THESE ARRESTS HAVE NOT BEEN IN RELATION TO THE Y12 INTRUSION.

ON JUNE 14, 2013, SA (b)(6) (b)(7)(C) CONTACTED SA (b)(6) (b)(7)(C) REGARDING THE PEN TRAP AND TRACE. SA (b)(6) (b)(7)(C) CONFIRMED THE PEN TRAP AND TRACE HAD YIELDED NO FURTHER LEADS RELATED TO THE DEPARTMENT OF ENERGY CASE. SA (b)(6) (b)(7)(C) CONFIRMED THE PEN TRAP AND TRACE HAD BEEN DISCONTINUED. NO FURTHER INVESTIGATIVE ACTIONS ARE WARRANTED IN THIS CASE.

CASE DISPOSTION:  
CLOSED

**Finding Summary:**

**Additional Allegations**

**Process Dates**

**Financial**

[if documents!=null]

Summary

16MAR2017

12-0125-I [redacted] CP; SRS

**Compliant Summary:** ON 17-JUL-12, SPECIAL AGENT [redacted] WAS INFORMED BY [redacted] WSI SRS, THAT A USER USING A SHARED WORK COMPUTER SEARCHED AND ACCESSED CHILD PORNOGRAPHY. THE USER HAD BEEN ACCESSING CHILD PORNOGRAPHY FOR 30 DAYS.

**Current Status:** Closed  
**Date Received:** 17JUL2012  
**Date Initiated:** 08AUG2012  
**Primary Investigator:** [redacted]  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
Child Pornography [None]  
**Received by:** [Other]  
**Complaint Source:** Law Enforcement  
**Complainant Location:** Savannah River Site  
**Allegation Location:** Savannah River Site  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** South Carolina  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** HQ, Ofc Of Science  
**Recovery Act:** No

Initial Allegation

**Allegation:** Child Pornography  
**Location:** Savannah River Site  
**Summary:** PREDICATION:

ON 17-JUL-12, SPECIAL AGENT [redacted] WAS INFORMED BY [redacted] [redacted] WSI SRS, THAT A USER USING A SHARED WORK COMPUTER SEARCHED AND ACCESSED CHILD PORNOGRAPHY. THE USER HAD BEEN ACCESSING CHILD PORNOGRAPHY FOR 30 DAYS ACCORDING TO THE INFORMATION THAT [redacted]

HAD BEEN GIVEN BY THE SAVANNAH RIVER NUCLEAR SOLUTIONS (SRNS) INCIDENT RESPONSE TEAM.

ON 18-JUL-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) SRNS (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) 803-725 (b)(6) (b)(7)(C) AND WAS INFORMED THAT THEY USE A BLUE COAT PROXY SERVER TO DETECT CHILD PORNOGRAPHY. SEARCH TERMS AND KNOWN CHILD PORNOGRAPHY WEBSITES WERE ENTERED INTO THE BLUE COAT PROXY SERVER TO PROVIDE INDICATORS ON THE NETWORK WHEN USERS CONDUCT SEARCHES FOR CHILD PORNOGRAPHY. THE SRR CONTRACTOR, (b)(6) (b)(7)(C) HAD ENTERED SUCH KEYWORDS IN HIS SEARCHES ON THE WWW.BING.COM AND IN TURN CAUSED THE BLUE COAT PROXY SERVER NOTIFY THE TEAM OF HIS ACTIONS.

CONTINUING ON 17-JUL-12, THE CASE WAS ASSIGNED TO SA (b)(6) (b)(7)(C)

ON 8-AUG-12, SA (b)(6) (b)(7)(C) RECEIVED AN IMAGE OF THE TWO WORKSTATIONS THAT (b)(6) (b)(7)(C) HAD USED TO CONDUCT THE SEARCHES. SA (b)(6) (b)(7)(C) ALSO RECEIVED DVD'S WITH SCREEN CAPTURES OF (b)(6) (b)(7)(C) USAGE.

BACKGROUND:

ON 17-JUL-12, SPECIAL AGENT (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) WSL AND WAS INFORMED THAT SRR CONTRACTOR (b)(6) (b)(7)(C) HAD BEEN SEARCHING AND VIEWING CHILD PORNOGRAPHY ON A GOVERNMENT COMPUTER. SPECIAL AGENT (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) SRNS (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) AND WAS INFORMED THAT THEIR BLUE COAT PROXY SERVER HAD DETECTED THE SEARCH FOR CHILD PORNOGRAPHY BY (b)(6) (b)(7)(C) AFTER REVIEWING THE COMPUTER IMAGES AND SCREEN CAPTURES OF (b)(6) (b)(7)(C) USAGE, IT WAS DETERMINED THAT HE WAS SEARCHING FOR AND VIEWING CHILD PORNOGRAPHY. ON 21-AUG-12 (b)(6) (b)(7)(C) WAS ARRESTED FOR VIEWING CHILD PORNOGRAPHY AND A SEARCH WARRANT WAS CONDUCTED ON HIS HOME.

INVESTIGATIVE FINDINGS:

ALLEGATION 1: COMPUTER CRIME, VIEWING CHILD PORNOGRAPHY ON GOVERNMENT WORKSTATIONS

THE OIG INVESTIGATION FOUND THAT AN SRR CONTRACTOR, (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) HAD BEEN SEARCHING FOR AND VIEWING CHILD PORNOGRAPHY. THE USER HAD SIGNED USER AGREEMENTS TO NOT CONDUCT SUCH ACTIVITY AND THAT THE USAGE WOULD BE

MONITORED.

INVESTIGATIVE RESULTS:

ON 17-JUL-12, SPECIAL AGENT (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) WSI SRS, THAT A USER USING A SHARED WORK COMPUTER SEARCHED AND ACCESSED CHILD PORNOGRAPHY. THE USER HAD BEEN ACCESSING CHILD PORNOGRAPHY FOR 30 DAYS ACCORDING TO THE INFORMATION THAT (b)(6) (b)(7)(C) HAD BEEN GIVEN BY THE SAVANNAH RIVER NUCLEAR SOLUTIONS (SRNS) INCIDENT RESPONSE TEAM.

ON 18-JUL-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) SRNS (b)(6) (b)(7)(C) 803-725 (b)(6) (b)(7)(C) AND WAS INFORMED THAT THEY USE A BLUE COAT PROXY SERVER TO DETECT CHILD PORNOGRAPHY. SEARCH TERMS AND KNOWN CHILD PORNOGRAPHY WEBSITES WERE ENTERED INTO THE BLUE COAT PROXY SERVER TO PROVIDE INDICATORS ON THE NETWORK WHEN USERS CONDUCT SEARCHES FOR CHILD PORNOGRAPHY. THE SRR CONTRACTOR, (b)(6) (b)(7)(C) HAD ENTERED SUCH KEYWORDS IN HIS SEARCHES ON THE WWW.BING.COM AND IN TURN CAUSED THE BLUE COAT PROXY SERVER NOTIFY THE TEAM OF HIS ACTIONS. SA (b)(6) (b)(7)(C) ALSO REQUESTED FROM (b)(6) (b)(7)(C) A LOGICAL IMAGE OF THE SYSTEMS THAT THE (b)(6) (b)(7)(C) HAD USED.

CONTINUING ON 18-JUL-12, SA (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) THAT A LOGICAL IMAGE OF THE TWO COMPUTERS (b)(6) (b)(7)(C) USED WAS RETRIEVED AND HAD BEEN SHIPPED TO THE TECHNOLOGY CRIMES SECTION IN WASHINGTON, DC.

CONTINUING ON 18-JUL-12, SA (b)(6) (b)(7)(C) REQUESTED THAT THE SYSTEMS BE LEFT UP AND RUNNING TO CONTINUE MONITORING (b)(6) (b)(7)(C) USAGE.

CONTINUING ON 18-JUL-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) FOR SRR, 803-557 (b)(6) (b)(7)(C) TELEPHONICALLY REGARDING (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) RECEIVED SOME BACKGROUND INFORMATION ON THE SUBJECT.

ON 20-JUL-12, SA (b)(6) (b)(7)(C) RECEIVED THE HARD DRIVE FROM (b)(6) (b)(7)(C) TEAM WITH THE LOGICAL IMAGE AND BEGAN INDEXING THE IMAGE ON FTK.

ON 22-JUL-12, SA (b)(6) (b)(7)(C) LOOKED THROUGH THE GRAPHICS CONTAINED ON THE IMAGES OF BOTH WORKSTATIONS THAT (b)(6) (b)(7)(C) USED AND DID NOT FIND ANY CHILD PORNOGRAPHY.

ON 23-JUL-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) OF THE SRNS INCIDENT RESPONSE TEAM AND ASKED THAT A PHYSICAL IMAGE BE TAKEN OF THE TWO WORKSTATIONS. THE POSSIBILITY OF GRAPHICS OF CHILD PORNOGRAPHY BEING ON THE WORKSTATIONS WAS VERY HIGH. WHEN USERS ON THE SYSTEM LOGS OFF, THE TEMPORARY FILES AND CACHE ARE DELETED. HOWEVER, THE DATA COULD STILL BE ON THE HARD DRIVE IN UNALLOCATED SPACE.

ON 24-JUL-12, SA (b)(6) (b)(7)(C) RECEIVED THE PERSONNEL FILE OF (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) VIA OVERNIGHT MAIL.

CONTINUING ON 23-JUL-12, (b)(6) (b)(7)(C) INFORMED ME THAT THERE IS A WAY FOR USERS TO GET AROUND RESTRICTIONS ON THE BLUE COAT PROXY SERVER (b)(7)(E)

ON 25-JUL-12, SA (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) THAT THE SUBJECT IS A SHIFT WORKER AND WORKS SEVEN DAYS ON AND SEVEN DAYS OFF. FURTHERMORE, (b)(6) (b)(7)(C) ACTIVITY WOULD BE RECORDED. SA (b)(6) (b)(7)(C) WAS ALSO INFORMED BY (b)(6) (b)(7)(C) THAT THE SUBJECT CLEARS HIS HISTORY AT THE END OF EVERY SEARCH.

CONTINUING ON 25-JUL-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) SRNS (b)(6) (b)(7)(C) THAT THEY WILL BEGIN RECORDING THE SUBJECT'S ACTIVITY. ALSO, SA (b)(6) (b)(7)(C) WAS INFORMED THAT A DVD WITH CHILD PORNOGRAPHY THAT WAS CAPTURED IN THE NETWORK AND RECONCILED TO (b)(6) (b)(7)(C) USER ACCOUNT IN THE PACKET CAPTURES WAS BEING SENT TO HIM.

ON 2-AUG-12, SA (b)(6) (b)(7)(C) RECEIVED A PACKAGE FROM THE SRNS INCIDENT RESPONSE TEAM CONTAINING A HARD DRIVE WITH THE PHYSICAL IMAGES OF THE TWO WORKSTATIONS THE SUBJECT USES. THE HARD DRIVE THAT SA (b)(6) (b)(7)(C) WAS DEAD ON ARRIVAL. A NEW HARD DRIVE WITH THE PHYSICAL IMAGES WAS REQUESTED.

ON 7-AUG-12, SA (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) THAT THROUGH THE SCREEN CAPTURES OF (b)(6) (b)(7)(C) USE THEY WERE ABLE TO IDENTIFY THAT IT WAS (b)(6) (b)(7)(C) USING THE COMPUTER AND SEARCHING FOR AND VIEWING THE CHILD PORNOGRAPHY. (b)(6) (b)(7)(C) ALSO INFORMED SA (b)(6) (b)(7)(C) THAT ALL OF THE SRNS FORENSIC ACTIVITY HAD BEEN CONDUCTED ON A STANDALONE SYSTEM, AND THE HARD DRIVE WILL BE GIVEN TO THE OIG WHEN THE INVESTIGATION IS COMPLETE.

CONTINUING ON 7-AUG-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C)

AUSA'S OFFICE IN COLUMBIA, SC, AND WAS INFORMED THAT (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) THE CHILD PORNOGRAPHY (b)(6) (b)(7)(C) WAS NOT AVAILABLE TO REVIEW THIS CASE. (b)(6) (b)(7)(C) INFORMED SA (b)(6) (b)(7)(C) THAT DUE TO THE LACK OF EXPERTISE, THEY WOULD LIKELY DECLINE PROSECUTION SO DOE CAN TAKE ADMINISTRATIVE ACTION.

ON 8-AUG-12, SA (b)(6) (b)(7)(C) SPOKE WITH (b)(6) (b)(7)(C) WHO INFORMED HIM THAT THE COLUMBIA, SC AUSA OFFICE WOULD WORK THIS CASE. SA (b)(6) (b)(7)(C) WAS ALSO INFORMED THAT (b)(6) (b)(7)(C) AGREED THAT HOVERING A MOUSE OVER AN IMAGE TO ENLARGE IT ON THE WEB STILL CONSTITUTES AS VIEWING.

CONTINUING ON 8-AUG-12, SA (b)(6) (b)(7)(C) RECEIVED THE HARD DRIVE FROM SRNS CONTAINING THE PHYSICAL IMAGE OF THE TWO WORKSTATION THE SUBJECT USES. SA (b)(6) (b)(7)(C) ALSO RECEIVED THE DVD'S CONTAINING THE SCREEN CAPTURES OF THE SUBJECT'S USAGE.

CONTINUING ON 8-AUG-12, SA (b)(6) (b)(7)(C) REVIEWED THE IMAGES AND DETERMINED THAT THE SUBJECT WAS VIEWING THE CHILD PORNOGRAPHY AND NOT A DIFFERENT EMPLOYEE USING THE SUBJECT'S USERNAME AND PASSWORD. THE FOLLOWING ARE THE TIMES OF THE SCREEN CAPTURES DOCUMENTING (b)(6) (b)(7)(C) USE ON COMPUTER V0042204 WHILE SEARCHING FOR CHILD PORNOGRAPHY (THE SCREEN CAPTURES ARE LABELED YEAR, MONTH, DAY, TIME [MILITARY: HOUR, MINUTES, SECONDS]):

- 2012.8.4.4.33.59 (b)(6) (b)(7)(C) LOGGED ONTO INSITE
- 2012.8.4.20.14.37 (b)(6) (b)(7)(C) OPENING A NEW WORD DOCUMENT
- 2012.8.4.20.14.37 (b)(6) (b)(7)(C) BEGINS SEARCH FOR VLADMODELS
- 2012.8.4.21.39.13 (b)(6) (b)(7)(C) HOVERS OVER AN IMAGE OF TWO PREPUBESCENT GIRLS POSING NUDE
- 2012.8.4.21.39.1 (b)(6) (b)(7)(C) STOPS AT A PREPUBESCENT GIRL WITH ONE BREAST REVEALED
- 2012.8.4.21.41.35 (b)(6) (b)(7)(C) DELETES THE INTERNET EXPLORER BROWSING HISTORY
- 2012.8.4.21.41.41 (b)(6) (b)(7)(C) DELETES HIS PASSWORDS ON IE
- 2012.8.4.21.41.45 (b)(6) (b)(7)(C) LOGS OFF THE WORKSTATION

CONTINUING ON 8-AUG-12, SA (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) THAT MORE SCREEN CAPTURES WERE TAKEN AND (b)(6) (b)(7)(C) HAD BEEN CONDUCTING MORE SEARCHES IN THAT GENRE.



ON 10-AUG-12, SA (b)(6) (b)(7) WAS RECEIVED SOUTH CAROLINA DMV INFORMATION FROM SA (b)(6) (b)(7)(C) DOE OIG SRS, REGARDING (b)(6) (b)(7)(C) SA (b)(6) (b)(7) (C) ALSO RECEIVED PHOTOS OF THE SUBJECT'S HOME.

CONTINUING ON 10-AUG-12, SA (b)(6) (b)(7) RECEIVED UPDATED ADDRESS AND MARITAL INFORMATION FROM (b)(6) (b)(7)(C) FOR SRR, 803-557-9500.

CONTINUING ON 10-AUG-12, SA (b)(6) (b)(7) (C) SETUP A MEETING WITH (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) AND THE SRNS INCIDENT RESPONSE TEAM FOR 14-AUG-12.

CONTINUING ON 10-AUG-12, SA (b)(6) (b)(7) SENT THE SCREEN CAPTURES, VIA OVERNIGHT MAIL, TO (b)(6) (b)(7)(C) AUSA'S OFFICE IN COLUMBIA, SC FOR REVIEW. SA (b)(6) (b)(7) (C) ALSO SENT THE SEARCH WARRANT AFFIDAVIT VIA EMAIL TO (b)(6) (b)(7)(C) FOR REVIEW.

CONTINUING ON 10-AUG-12, SA (b)(6) (b)(7) REQUESTED AN NCIC/NLET CHECK OF (b)(6) (b)(7)(C) FROM (b)(6) (b)(7)(C) DOE OIG.

CONTINUING ON 10-AUG-12, SA (b)(6) (b)(7) RECEIVED THE REQUESTED NCIC/NLETS CHECK FROM (b)(6) (b)(7)(C) VIA EMAIL. AFTER A REVIEW OF THE CHECKS, IT WAS DETERMINED THAT (b)(6) (b)(7)(C) DID NOT HAVE A CRIMINAL HISTORY.

ON 13-AUG-12, SA (b)(6) (b)(7) SPOKE WITH (b)(6) (b)(7)(C) TELEPHONICALLY AND WAS INFORMED THAT THEIR OFFICE WOULD BE ACCEPTING THE CASE. REVISIONS TO THE SEARCH WARRANT AFFIDAVIT WERE MADE AND SA (b)(6) (b)(7) (C) DEPARTED HIS DUTY STATION FOR SRS WITH SA (b)(6) (b)(7)(C) (b)(6) (b)(7)(C)

ON 14-AUG-12, SA (b)(6) (b)(7) (C) CONDUCTED A MEETING WITH THE SRNS INCIDENT RESPONSE TEAM AND (b)(6) (b)(7)(C) TO REVIEW NEW DATA.

ON 15-AUG-12, THROUGH NUMEROUS DISCUSSIONS VIA TELEPHONE AND NUMEROUS CHANGES TO THE SEARCH WARRANT AFFIDAVIT, SA (b)(6) (b)(7) (C) WAS INFORMED THAT THERE WAS NOT ENOUGH PROBABLE CAUSE FOR A SEARCH WARRANT OF (b)(6) (b)(7)(C) HOME BECAUSE WE COULD NOT DETERMINE IF THE SUBJECT HAD A COMPUTER AT HIS HOME OR THAT THE SUBJECT HAD INTERNET SERVICE AT HIS HOME.

CONTINUING ON 15-AUG-12, SA (b)(6) (b)(7)(C) DETERMINED THROUGH AT&T'S PUBLIC WEBSITE THAT THE SUBJECT'S ADDRESS (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) NEW ELLENTON, SC 29809 WAS BEING SERVICED BY AT&T DSL.

THE INFORMATION WAS GIVEN TO (b)(6) (b)(7)(C) WHO THEN INFORMED SA (b)(6) (b)(7)(C) THAT THE AUSA'S OFFICE WANTED LOGS OF THE SUBJECT'S USE AT THE HOUSE. SA (b)(6) (b)(7)(C) AND SA (b)(6) (b)(7)(C) EXPLAINED TO (b)(6) (b)(7)(C) WHY A SUBPOENA FOR THAT TYPE OF INFORMATION WAS NOT POSSIBLE.

CONTINUING ON 15-AUG-12, SA (b)(6) (b)(7)(C) CONTACTED CCIPS IN DOJ MAIN AND WAS DIRECTED TO DOJ CHILD EXPLOITATION AND OBSCENITY SECTION (CEOS). IT WAS THEN REQUESTED THAT THE SEARCH WARRANT AFFIDAVIT BE SENT TO THEIR SECTION FOR REVIEW.

ON 16-AUG-12, SA (b)(6) (b)(7)(C) RECEIVED THE CORRECTED AND UPDATED SEARCH WARRANT AFFIDAVIT FROM TRIAL ATTORNEY (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DOJ CEOS.

CONTINUING ON 16-AUG-12, SA (b)(6) (b)(7)(C) SENT THE UPDATED AFFIDAVIT VIA EMAIL TO TRIAL ATTORNEY (b)(6) (b)(7)(C) FOR REVIEW. SA (b)(6) (b)(7)(C) WAS INFORMED BY (b)(6) (b)(7)(C) THAT A DECISION WOULD BE MADE BY 17-AUG-12.

CONTINUING ON 16-AUG-12, SA (b)(6) (b)(7)(C) CONDUCTED A MEETING WITH WSI (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) TO INFORM THEM OF THE POTENTIAL TO PURSUE (b)(6) (b)(7)(C) VIA STATE STATUTES.

CONTINUING ON 16-AUG-12, SA (b)(6) (b)(7)(C) AND SA (b)(6) (b)(7)(C) CONDUCTED A TCS BRIEF AND MEETING WITH THE FEDERAL MANAGER OF (b)(6) (b)(7)(C) SITE (b)(6) (b)(7)(C) AND THE DOE GENERAL COUNSEL TO DISCUSS THE OPERATION PLAN FOR THE ARREST IF THE WARRANT WAS APPROVED. THE TWO WORKSTATIONS WERE ALSO LOCATED BY (b)(6) (b)(7)(C) THE TWO WORKSTATIONS WERE LOCATED IN 210-S ROOM 78 AND 78A, THE CRANE CONTROL ROOM.

ON 16-AUG-12, ATTORNEY (b)(6) (b)(7)(C) REQUESTED THAT I ADD SOME MORE INFORMATION TO THE SEARCH WARRANT AFFIDAVIT.

CONTINUING ON 16-AUG-12, SA (b)(6) (b)(7)(C) WAS INFORMED BY ATTORNEY (b)(6) (b)(7)(C) THAT HIS OFFICE WAS DECLINING PROSECUTION IN ORDER FOR THE SUBJECT TO PURSUED VIA STATE STATUTES.

CONTINUING ON 16-AUG-12, SA (b)(6) (b)(7)(C) INFORMED (b)(6) (b)(7)(C) WSI AND A MEETING AT THE AIKEN COUNTY SOLICITOR'S OFFICE WAS ARRANGED FOR THE PRESENTATION OF THE CASE WITH SUPPORT FROM WSI.

**\*\*STAT\*\*** ON 17-AUG-12, SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> PRESENTED THE CASE TO <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> ATTORNEY FOR THE AIKEN COUNTY SOLICITOR'S OFFICE AND <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> FROM THE AIKEN COUNTY SHERIFF'S DEPARTMENT. THE CASE WAS ACCEPTED FOR PROSECUTION.

**\*\*STAT\*\*** CONTINUING ON 17-AUG-12, SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> AND <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> PRESENTED THE CASE TO JUDGE PATRICK D. SULLIVAN, AIKEN COUNTY MAGISTRATE. SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SWORE TO THE INFORMATION FOR THE ARREST WARRANT AND <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SWORE OUT THE ARREST WARRANT.

ON 20-AUG-12, SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> WAS INFORMED BY <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> THAT THE AIKEN COUNTY SHERIFF'S DEPARTMENT WOULD BE OBTAINING THE SEARCH WARRANT ON 21-AUG-12.

**\*\*STAT\*\*** ON 21-AUG-12, SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SWORE TO THE INFORMATION FOR THE SEARCH WARRANT FOR <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> HOME TO JUDGE SULLIVAN. THE SEARCH WARRANT WAS SIGNED BY THE AIKEN COUNTY SHERIFF'S DEPARTMENT.

**\*\*STAT\*\*** CONTINUING ON 21-AUG-12, <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> WAS ARRESTED IN THE S AREA IN SRS.

**\*\*STAT\*\*** CONTINUING ON 21-AUG-12, THE AIKEN COUNTY SHERIFF'S DEPARTMENT CONDUCTED THE SEARCH WARRANT SIMULTANEOUSLY AT <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> HOME.

**\*\*STAT\*\*** ON 22-AUG-2012, <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> WAS OFFICIALLY TERMINATED.

ON 11-OCT-2012, <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> INFORMED SA <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> THAT <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> ATTORNEY HAS NOT MADE ANY REQUESTS.

Due to a change in the legislation in the State of South Carolina, the 2nd Judicial Circuit Solicitor's Office dismissed all of the charges against <sup>(b)(6)</sup><sub>(b)(7)(C)</sub>. The change in the law that specifically stated the criminal acts of a subject are not retroactive, therefore, the Solicitor's Office was unable to re-charge <sup>(b)(6)</sup><sub>(b)(7)(C)</sub>. Further, the United States Attorney's Office (USAO) in Columbia, SC declined to accept the investigation for prosecution due to its age and the facts of the investigation did not align within the federal statutes.

**Finding Summary:** ON 17-JUL-12, SPECIAL AGENT <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SPOKE WITH <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> WSL AND WAS INFORMED THAT SRR CONTRACTOR <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> HAD BEEN SEARCHING AND VIEWING CHILD PORNOGRAPHY ON A GOVERNMENT COMPUTER. SPECIAL AGENT <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SPOKE WITH <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> SRNS <sup>(b)(6)</sup><sub>(b)(7)(C)</sub> AND WAS INFORMED THAT THEIR

BLUE COAT PROXY SERVER HAD DETECTED THE SEARCH FOR CHILD PORNOGRAPHY BY (b)(6) (b)(7)(C) AFTER REVIEWING THE COMPUTER IMAGES AND SCREEN CAPTURES OF (b)(6) (b)(7)(C) USAGE, IT WAS DETERMINED THAT HE WAS SEARCHING FOR AND VIEWING CHILD PORNOGRAPHY.

ON 21-AUG-12, (b)(6) (b)(7)(C) WAS ARRESTED FOR VIEWING CHILD PORNOGRAPHY AND A SEARCH WARRANT WAS CONDUCTED ON HIS HOME.

Due to a change in the legislation in the State of South Carolina, the 2nd Judicial Circuit Solicitor's Office dismissed all of the charges against (b)(6) (b)(7)(C). (b)(6) (b)(7)(C) The change in the law that specifically stated the criminal acts of a subject are not retroactive, therefore, the Solicitor's Office was unable to re-charge (b)(6) (b)(7)(C). Further, the United States Attorney's Office (USAO) in Columbia, SC declined to accept the investigation for prosecution due to its age and the facts of the investigation did not align within the federal statutes.

## Additional Allegations

## Process Dates

21AUG2012 **Admin Actions:** Removal/Termination

21AUG2012 **Legal Actions:** Indictment Returned By Grand Jury

21AUG2012 **Techniques Actions:** Search - Warrant

21AUG2012 **Legal Actions:** Arrested

## Financial

[if documents!=null]

Summary

16MAR2017

**13-0123-I** (b)(6) (b)(7)(C) **Explicit Computer Content;Idaho National Laboratory**

**Compliant Summary:** ON 18-JUL-2013, (b)(6) (b)(7)(C) BEA (b)(6) (b)(7)(C) REPORTED (b)(6) (b)(7)(C) A BEA EMPLOYEE ALLEGEDLY MAY HAVE ACCESSED UNAUTHORIZED COMPUTER SITES USING A GOVERNMENT ISSUED COMPUTER AT AN INL FACILITY.

**Current Status:** Closed  
**Date Received:** 19JUL2013  
**Date Initiated:** 19AUG2013  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
Child Pornography [None]  
**Received by:** [Other]  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** Idaho National Laboratory  
**Allegation Location:** Idaho National Laboratory  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Idaho  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** Other  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** IEB  
**Location:** Idaho National Laboratory  
**Summary:** Executive Summary: (b)(6) (b)(7)(C) Battelle Energy Alliance (BEA), Idaho National Laboratory, was identified by INL Cybersecurity as visiting websites containing explicit content. DOE OIG SA (b)(6) (b)(7)(C) and BEA (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) provided a written statement stating he had searched for shirtless male models

and a couple times when clicking on an image a picture containing nudity came up. (b)(6) (b)(7)(C) made verbal statements that he did not view child pornography. SA (b)(6) (b)(7)(C) DOE OIG Technology Crimes Section, completed a forensic review of all electronic media issued by INL to (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) found images of partially clothed minors but not images that of child exploitation. The case has been declined for federal prosecution and the case closed at the USAO, District of Idaho.

Predication (SA (b)(6) (b)(7)(C) : On July 18, 2013, (b)(6) (b)(7)(C) Battelle Energy Alliance (BEA) (b)(6) (b)(7)(C) Idaho National Laboratory reported (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) BEA employee working at INL, had allegedly accessed unauthorized computer sites using a government issued computer at an INL Facility. (Predication by (b)(6) (b)(7)(C) DOE OIG, Idaho Falls).

Allegation (SA (b)(6) (b)(7)(C) : On 18-Jul-2013, SA (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) received a telephone call from (b)(6) (b)(7)(C) a (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) with Battelle Energy Alliance (bea), Idaho National Laboratory (INL). (b)(6) (b)(7)(C) told the OIG that he had received an allegation that current BEA employee (b)(6) (b)(7)(C) may be using a government issued computer at an INL facility to view child pornography.

(b)(6) (b)(7)(C) stated that (b)(6) (b)(7)(C) security number (b)(6) (b)(7)(C) a current BEA employee, who works as a (b)(6) (b)(7)(C) Department at the INL may be viewing child pornography using a government issued computer at an INL facility. (b)(6) (b)(7)(C) told the agents he had been contacted by the INL computer intrusion department after they discovered that (b)(6) (b)(7)(C) was using google chrome in "incognito mode" and may have accessed unauthorized sites using a government issued computer at an INL facility. (b)(6) (b)(7)(C) sent e-mail(s) to SA (b)(6) (b)(7)(C) containing several pages of computer logs which showed (b)(6) (b)(7)(C) had searched web sites with the titles such as "shirtless boys, shirtless boy scouts, boys on the beach, sabrina boys, boys kissing, pool boys" etc. copies of these e-mail(s) are attached to the complaint form.

FBI Notification: On 11/1/13, SA (b)(6) (b)(7)(C) faxed a FBI Notification Letter to (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) FBI, Boise, ID. On 11/8/14 (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) (208-433-(b)(6) (b)(7)(C)) stated the FBI would not open a case at that time but would offer DOE OIG any assistance requested.

Investigative Findings:

On July 18, 2013, INL Cyber Security, reported (b)(6) (b)(7)(C) BEA, INL, was visiting websites containing pornographic materials. The report was made to the DOE OIG Idaho Falls Office. SA (b)(6) (b)(7)(C) predicated the case. The case was then assigned to SA (b)(6) (b)(7)(C) DOE OIG < TCS.

On 7/23/13, SA (b)(6) (b)(7)(C) spoke to (b)(6) (b)(7)(C) advised (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) (208-526-(b)(6) (b)(7)(C)) Department, BEA could provide further information to the DOE OIG. Continuing on 7/23/13, (b)(6) (b)(7)(C) explained he discovered suspicious traffic by user (b)(6) (b)(7)(C) while looking at web flow data on the web proxy server. (b)(6) (b)(7)(C) forwarded SA (b)(6) (b)(7)(C) a portion of the web traffic. The web traffic was reviewed and links to images labeled as follows were located: 12-year-old\_boy\_shirtless\_muscles.jpg, slim-young-boy-scouts-cubs-shirtless-posing-group.jpg, Beautiful%2BTeen%2BBoys%2B16%2B(130).jpg, and boys-bath-towel.jpg. Additional links to images were reviewed and identified as possible links to explicit images of children.

On 7/30/13, SA (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) conducted a non-custodial interview of (b)(6) (b)(7)(C) at the INL. SA (b)(6) (b)(7)(C) identified himself as a DOE OIG Special Agent and displayed his credentials to (b)(6) (b)(7)(C). The interview was conducted at the Materials Fuels Complex at the main security checkpoint entrance in an empty office. The interview was digitally recorded and transferred to a CD. In addition, (b)(6) (b)(7)(C) provided a written statement at the conclusion of the interview. (b)(6) (b)(7)(C) stated he viewed nude images on his INL issued system. (b)(6) (b)(7)(C) stated he did not view nude images of children. At the conclusion of the interview, SA (b)(6) (b)(7)(C) and BEA (b)(6) (b)(7)(C) accompanied (b)(6) (b)(7)(C) to his desk area. SA (b)(6) (b)(7)(C) took custody of two INL issued thumbdrives, one INL issue desktop computer, and one 3.5" Hard Disk Drive (HDD). SA (b)(6) (b)(7)(C) mailed the two INL issued thumbdrives, one INL issue desktop computer, and one 3.5" Hard Disk Drive (HDD) to SA (b)(6) (b)(7)(C). In addition, SA (b)(6) (b)(7)(C) provided SA a copy of the interview recording, and (b)(6) (b)(7)(C) written statement.

In addition, INL Cyber Security provided SA (b)(6) (b)(7)(C) weblogs and packet capture data for (b)(6) (b)(7)(C).

On 8/7/13, (b)(6) (b)(7)(C) was terminated by BEA for violation of the employee handout guidelines regarding misuse of government equipment for prohibited content.

The case was opened in the United States Attorney's Office, District of Idaho, by Assistant United States Attorney (AUSA) Ann Wick for prosecution pending a review of the forensic exam of all electronic media and a review of any additional statements made by (b)(6) (b)(7)(C).

SA (b)(6) (b)(7)(C) conducted a forensic examination of all items received from (b)(6) (b)(7)(C). SA (b)(6) (b)(7)(C) did not locate evidence images of images of child exploitation on the four items issued to (b)(6) (b)(7)(C).

SA (b)(6) (b)(7)(C) identified a TrueCrypt encrypted volume located on one of the thumbdrives, a Patriot XT USB Drive. After extensive analysis by SA (b)(6) (b)(7)(C) the password for the encrypted volume was determined to be (b)(6) (b)(7)(C). SA (b)(6) (b)(7)(C) decrypted the volume and determined the volume to not contain any

files.

SA <sup>(b)(6) (b)(7)</sup><sub>(C)</sub> was additionally provided network Packet Capture Data (PCAP) for <sup>(b)(6) (b)(7)(C)</sup> from the INL Computer Intrusion Department. Examination of the PCAP data located three possible images of child pornography and additional images of children partially clothed.

SA <sup>(b)(6) (b)(7)</sup><sub>(C)</sub> notified AUSA Wick of the results of the forensic examination. AUSA Wick advised SA <sup>(b)(6) (b)(7)</sup><sub>(C)</sub> the USAO would decline federal prosecution.

SA <sup>(b)(6) (b)(7)</sup><sub>(C)</sub> has wiped all electronic items and shipped to SA <sup>(b)(6) (b)(7)(C)</sup> in Idaho Falls. SA <sup>(b)(6) (b)(7)</sup><sub>(C)</sub> will return the wiped electronic media to Idaho Fall National Laboratory.

No additional investigative leads remain or administrative actions need to be completed. This case is requested to be closed.

#### EIGPT Case Notes:

Case Predicated in EIGPT on 1/19/13 (SA <sup>(b)(6) (b)(7)(C)</sup>)

Case opened in EIGPT on 8/19/13 (SA <sup>(b)(6) (b)(7)(C)</sup>)

#### Case Files Details:

The case was opened in EIGPT. Investigative materials maintained in a paper case file. Duplicate records have been uploaded to iPrism for investigative activities occurring since the inception of iPrism.

**Finding Summary:** The forensic analysis of <sup>(b)(6) (b)(7)(C)</sup> INL issued electronic equipment did not locate images of child exploitation. The review of the packet capture data for <sup>(b)(6) (b)(7)(C)</sup> INL network activity located three possible images of child exploitation. The case was briefed to the United States Attorney's Office, District of Idaho. The case was decline for federal prosecution.

### Additional Allegations

#### Process Dates

07AUG2013 **Admin Actions:** Removal/Termination

07OCT2013 **Legal Statuses:** Federal-Referred

05SEP2014 **Legal Statuses:** Federal-Declined



## Financial

[if documents!=null]

Summary

16MAR2017

Document Nuber 5

### 13-0124-I SEVENSON; CP; NETL

**Compliant Summary:** ON AUGUST 22, 2013, THE TCS WAS NOTIFIED BY THE DOE OFFICE OF INTELLEGENGE AND COUNTER INTELLEGENGE THAT A SEARCH WARRANT FOR CP WAS EXECUTED ON THE HOME OF DOE NETL EMPLOYEE DARREN STEVENSON BY THE ALLEGHENY COUNTY POLICE DEPARTMENT.

**Current Status:** Closed  
**Date Received:** 22AUG2013  
**Date Initiated:** 22AUG2013  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** [Redacted]

**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
Child Pornography [None]  
**Received by:** [Other]  
**Complaint Source:** Law Enforcement  
**Complainant Location:** National Energy Technology Lab  
**Allegation Location:** National Energy Technology Lab  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Pennsylvania  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** Other  
**Recovery Act:** No

#### Initial Allegation

**Allegation:** Executive Brief  
**Location:** National Energy Technology Lab  
**Summary:** PREDICATION:

ON AUGUST 22, 2013, THE TCS WAS NOTIFIED BY THE DOE OFFICE OF INTELLEGENGE AND COUNTER INTELLEGENGE THAT A SEARCH WARRANT FOR CP WAS EXECUTED ON THE HOME OF DOE NETL

EMPLOYEE DARREN STEVENSON BY THE ALLEGHENY COUNTY POLICE DEPARTMENT (ACPD).

**ALLEGATION:**

A POTENTIAL VIOLATION OF 18 USC 2252(a) (CERTAIN ACTIVITIES RELATED TO MATERIAL CONTAINING CHILD PORNOGRAPHY)

**FBI NOTIFICATION:**

THE FBI HAS BEEN NOTIFIED.

**BACKGROUND:**

DETECTIVE (DET.) (b)(6) (b)(7)(C) ACPD, (412-802-8000) (b)(6) (b)(7)(C) PROVIDED THE CASE HAD INITIATED TIP FROM THE NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN (NCMEC) THAT AN IMAGE CONSISTENT WITH KNOWN CHILD PORNOGRAPHY HAD BEEN UPLOADED TO TUMBLR. FURTHER INVESTIGATION REVEALED THE SOURCE OF THE UPLOAD TO BE STEVENSON'S RESIDENCE. A SEARCH WARRANT WAS THEN EXECUTED ON STEVENSON'S RESIDENCE.

**SYNOPSIS:**

ON AUGUST 22, 2013, I SPOKE TELEPHONICALLY WITH SA (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) (OIG-NETL) REGARDING THE STATUS OF THE CASE. SA (b)(6) (b)(7)(C) STATED THAT STEVENSON WAS CURRENTLY ON ANNUAL LEAVE, UNRELATED TO THE INCIDENT AND WAS SCHEDULED TO RETURN TO WORK ON AUGUST 26, 2013. SA (b)(6) (b)(7)(C) FURTHER STATED HE WOULD TAKE POSSESSION OF THE DOE OWNED LAPTOP LOCATED AT STEVENSON'S RESIDENCE FROM THE ALLEGHENY COUNTY POLICE DEPARTMENT.

ADDITIONALLY ON AUGUST 22, 2013, I SPOKE TELEPHONICALLY WITH (b)(6) (b)(7)(C) NETL. (b)(6) (b)(7)(C) INFORMED ME THAT NETL DOES NOT CAPTURE OR STORE PCAP OR NETWORK FLOW DATA AS A NORMAL COURSE OF BUSINESS. (b)(6) (b)(7)(C) STATED THE USER WAS ASSIGNED TWO DOE LAPTOPS, A BLACKBERRY BOLD 9900 AND A RSA TOKEN FOR REMOTE ACCESS. THE RSA TOKEN WAS SEIZED DURING THE WARRANT SERVED ON STEVENSON'S RESIDENCE.

ON AUGUST 23, 2013, I MET WITH SA (b)(6) (b)(7)(C) AT NETL. SA (b)(6) (b)(7)(C) AND I SEIZED A DOE LAPTOP, COMPAQ S/N: (b)(6) (b)(7)(C) ISSUED TO STEVENSON FROM HIS OFFICE. THE LAPTOP WAS TAKEN TO THE OIG-NETL OFFICE AND SUBSEQUENTLY IMAGED.

CONTINUING ON AUGUST 23, 2013, SA (b)(6) (b)(7)(C) AND I SPOKE

TELEPHONICALLY WITH [REDACTED] WAS ASKED TO PROVIDE THE OIG WITH THE CONTENTS OF STEVENSON'S NETWORK SHARE, DOE EMAIL ACCOUNT, THE NETL LOGIN USER CONSENT AND WARNING BANNER, AND THE TRAINING HISTORY OR CERTIFICATE FOR THE DOE COMPUTER USE POLICIES.

ADDITIONALLY ON AUGUST 23, 2013, SA [REDACTED] AND I SPOKE TELEPHONICALLY WITH ASSISTANT UNITED STATES ATTORNEY (AUSA) JESSICA LIEBER-SMOLAR, WESTERN DISTRICT OF PENNSYLVANIA (WDPA) TO DISCUSS THE FACTS OF THE CASE. AUSA LIEBER-SMOLAR EXPRESSED INTEREST IN SEEKING PROSECUTION FOR THE POSSESSION OF CHILD PORNOGRAPHY. AUSA LIEBER-SMOLAR REQUESTED THAT THE DOE-OIG UPDATE HER WITH THE RESULTS OF THE FORENSIC EXAMS PERFORMED ON THE DOE COMPUTERS ASSIGNED TO STEVENSON.

ON AUGUST 26, 2013, I BEGAN THE FORENSIC EXAMINATION OF THE COMPUTERS ASSIGNED TO STEVENSON.

ON OCTOBER 2, 2013, I CONCLUDED A FORENSIC EXAMINATION OF THE TWO (2) DEVICES FOR EVIDENCE RELATED TO ACSO CHILD PORNOGRAPHY INVESTIGATION. THE EXAMINATION DID NOT LOCATE EVIDENCE OF CHILD PORNOGRAPHY ON EITHER OF THE DOE DEVICES IN THEIR CURRENT STATE.

THE REVIEW OF THE USER'S WEB BROWSING HISTORY ON ONE SYSTEM IDENTIFIED THE USER HAD ACCESSED SEVERAL URLS ON THE TUMBLER WEBSITE WHILE USING THE PRIVATE BROWSING FEATURE ON INTERNET EXPLORER. THE FEATURE MINIMIZES THE INTERNET BROWSING RECORDS RETAINED ON THE DEVICE.

FURTHER REVIEW WAS CONDUCTED OF THE DATA CONTAINED IN MR. STEVENSON'S NETWORK SHARE, AS WELL AS EMAIL RETAINED ON THE NETL MAIL SERVER. EXAMINATION OF THE EMAIL AND NETWORK SHARE DATA INDICATED NO EVIDENCE OF THE CURRENT POSSESSION OF CHILD PORNOGRAPHY ON ANY DOE OWNED SYSTEMS.

ON OCTOBER 4, 2013, I SPOKE TELEPHONICALLY WITH ASSISTANT UNITED STATES ATTORNEY (AUSA) JESSICA LIEBER-SMOLAR (412-894-7419), WESTERN DISTRICT OF PENNSYLVANIA (WDPA) TO DISCUSS THE FACTS OF THE CASE. I INFORMED AUSA SMOLAR THAT THE FORENSIC EXAMINATION OF THE TWO COMPUTERS ASSIGNED TO STEVENSON AND RELEVANT NETWORK DATA HAD NOT IDENTIFIED EVIDENCE OF THE POSSESSION OF CHILD PORNOGRAPHY. AUSA SMOLAR STATED THAT SHE WILL FOLLOW UP WITH THE ALLEGHENY COUNTY SHERIFF'S OFFICE TO SEEK FURTHER PROSECUTION BASED UPON IMAGES

LOCATED ON STEVENSON'S HOME COMPUTER.

THE CASE IS CONTINUED PENDING THE OUTCOME OF THE ALLEGHENY COUNTY SHERRIFF'S OFFICE INVESTIGATION INTO STEVENSON'S HOME COMPUTER.

ON MAY 14, 2014, AN ARREST WARRANT WAS ISSUED FOR STEVENSON BY THE ALLEGHENY COUNTY SHERRIFF'S OFFICE. STEVENSON SURRENDERED HIMSELF TO THE SHERRIFF'S OFFICE PENDING AN INITIAL APPEARANCE IN THE ALLEGHENY COUNTY DISTRICT COURT.

THE CASE IS CONTINUED PENDING FURTHER JUDICIAL ACTION BY THE ALLEGHENY COUNTY, PENNSYLVANIA DISTRICT COURT.

ON OCTOBER 14, 2014, STEVENSON PLED GUILTY TO PENNSYLVANIA CODE TITEL 18 SECTION 6312 D1, CHILD PORNOGRAPHY. STEVENSON WAS SENTENCED TO 5 YEARS PROBATION BY THE ALLEGHENY COUNTY COURT OF COMMON PLEAS.

THE CASE IS CURRENTLY BEING CLOSED BY SA (b)(6) (b)(7)(C)

**Finding Summary:** SA (b)(6) (b)(7)(C) concluded a forensic examination of the two (2) devices for evidence related to ACSO child pornography investigation. The examination did not locate evidence of child pornography on either of the DOE devices in their current state.

The review of the user's web browsing history on one system identified the user had accessed several URLs on the Tumblr website while using the private browsing feature on Internet Explorer. The feature minimizes the Internet browsing records retained on the device.

Further review was conducted of the data contained in Mr. Stevenson's network share, as well as email retained on the NETL mail server. Examination of the email and network share data indicated no evidence of the current possession of child pornography on any DOE owned systems.

I informed the Assistant United States Attorney for the Western District of Pennsylvania that DOE was unable to locate evidence that Stevenson was viewing child pornography using DOE owned systems. The DOE-OIG will follow the progress of the Allegheny County Sherriff's Office investigation into Stevenson's home computer.

### Additional Allegations

## Process Dates

23AUG2013 **Techniques Actions:** Tech Support - Computer Forensic/Imaging/Etc.

02OCT2013 **Techniques Actions:** Tech Support - Computer Forensic/Imaging/Etc.

14OCT2014 **Legal Statuses:** State/Local-Referred

14OCT2014 **Legal Actions:** Probation

## Financial

[if documents!=null]

Summary

16MAR2017

**14-0060-I** [redacted] **COMPROMISE OF CLASSIFIED; ORNL**

**Compliant Summary:** [redacted]  
[redacted] OAK RIDGE OFFICE ADVISED THAT [redacted] AND [redacted] NSPS [redacted] COMPROMISED CLASSIFIED MATERIAL AT OAK RIDGE NATIONAL LABORATORY.

**Current Status:** Closed  
**Date Received:** 13FEB2014  
**Date Initiated:** 21FEB2014  
**Primary Investigator:** [redacted]  
**Other Investigators:**  
**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Computer Crimes  
Computer - Unauthorized Access [None]  
**Received by:** [Other]  
**Complaint Source:** DOE Employee  
**Complainant Location:** Oak Ridge National Laboratory  
**Allegation Location:** Oak Ridge National Laboratory  
**Priority:** Level 1 (Priority)  
**Retaliation:** No  
**Offense Location:** Tennessee  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** Other  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** Mishandling of Classified Data  
**Location:** Oak Ridge National Laboratory  
**Summary:** Predication  
On February 14, 2014, [redacted] was notified of A SECURITY INCIDENT WHICH HAD OCCURRED AT THE OAK RIDGE NATIONAL LABORATORY (ORNL). THE SECURITY INCIDENT INVOLVED TWO NSPS EMPLOYEES, [redacted]

(b)(6) (b)(7)(C) WHO ARE ACCUSED OF VIOLATING POLICY CONCERNING  
CLASSIFIED REMOVABLE ELECTRONIC MEDIA.

#### ALLEGATION

A potential violation of 18 USC 1924 (Unauthorized Removal and Retention of  
Classified Documents or Material).

#### FBI COORDINATION

FBI has been notified.

#### Background:

NSPS had conducted an internal investigation into the mishandling of a classified  
paper document. During the NSPS internal investigation, it was discovered that  
a personal USB thumb drive was being improperly used to save classified data.  
Upon this discovery, the OIG was notified.

#### Synopsis:

ON FEBRUARY 14, 2014, I CONTACTED (b)(6) (b)(7)(C)  
OFFICE OF THE ASSISTANT MANAGER FOR SAFEGUARDS SECURITY  
AND EMERGENCY MANAGEMENT. (b)(6) (b)(7)(C) PROVIDED ME A FACT SHEET  
AND TIMELINE CREATED BY (b)(6) (b)(7)(C) NSPS.  
THE DOCUMENTS WERE ENTERED INTO THE CASE FILE. AFTER  
REVIEWING THE DOCUMENTS, I CONTACTED (b)(6) (b)(7)(C) INFORMED  
ME THAT THE TWO SUSPECT EMPLOYEES WERE SUSPENDED WITHOUT  
PAY.

FURTHER ON FEBRUARY 14, 2014, I CONTACTED SA (b)(6) (b)(7)(C) FEDERAL  
BUREAU OF INVESTIGATION (FBI) TO DISCUSS THE CASE. DUE TO THE  
CLASSIFICATION OF DATA STORED ON THE THUMB DRIVE, EXAMINATION  
CANNOT BE CONDUCTED ON STANDARD TCS COMPUTER EQUIPMENT.  
SA (b)(6) (b)(7)(C) STATED HE WOULD WORK WITH THE DOE COUNTER  
INTELLIGENCE BRANCH TO OBTAIN A CLASSIFIED COMPUTING  
ENVIRONMENT TO CONDUCT THE EXAMINATION OF THE THUMB DRIVE.

ADDITIONALLY, I MET WITH (b)(6) (b)(7)(C) AT THE NSPS OFFICE, LOCATED AT  
3019 MITCHELL RD OAK RIDGE, TN. (b)(6) (b)(7)(C) PROVIDED ME WITH THE TWO  
UNCLASSIFIED NSPS LAPTOPS WHICH WERE ASSIGNED TO THE  
SUSPECTS. THE LAPTOPS WERE SECURED IN THE OAK RIDGE OIG  
EVIDENCE VAULT PENDING EXAMINATION. (b)(6) (b)(7)(C) INITIATED CONTACT  
WITH (b)(6) (b)(7)(C) WHO WORKS AT ORNL IN BUILDING 3019. SA  
(b)(6) (b)(7)(C) AND I RESPONDED TO BUILDING 3019, LOCATED ON THE  
ORNL CAMPUS. (b)(6) (b)(7)(C) TRANSFERRED CUSTODY OF THE THUMB  
DRIVE TO ME. THE THUMB DRIVE WAS SECURELY TRANSPORTED TO  
THE OAK RIDGE OIG OFFICE. (b)(6) (b)(7)(C)  
SECURED THE THUMB DRIVE IN THE OAK RIDGE OIG CLASSIFIED VAULT,  
AS PER POLICY.



ON FEBRUARY 18, 2014, SA (b)(6) (b)(7)(C) AND I MET WITH (b)(6) (b)(7)(C) AT THE NSPS OFFICE TO DISCUSS THE FACT SHEET PROVIDED. (b)(6) (b)(7)(C) STATED THE CASE ORIGINATED WITH AN INVESTIGATION OF A MISSING CLASSIFIED DOCUMENT. AN INITIAL INVESTIGATION, COMPLETED BY NSPS, WAS INCONCLUSIVE AND DETERMINED THE MISSING DOCUMENT MAY HAVE ACCIDENTALLY BEEN DESTROYED WITH OTHER CLASSIFIED DOCUMENTS. AN INCIDENT OF SECURITY CONCERN (IOSC) WAS FILED FOR THE INCIDENT WITH THE OAK RIDGE OFFICE (ORO).

CONTINUING ON FEBRUARY 18, 2014, SA (b)(6) (b)(7)(C) AND I RESPONDED BACK TO THE OAK RIDGE OIG OFFICE. UPON FURTHER DISCUSSION WITH (b)(6) (b)(7)(C) AND AFTER LEARNING OF THE POSSIBILITY THAT THE THUMB DRIVE CONTAINING CLASSIFIED DATA COULD HAVE BEEN USED IN THE UNCLASSIFIED MACHINE BELONGING TO (b)(6) (b)(7)(C) I DECIDED TO CONDUCT A PREVIEW OF THE HARD DRIVE. I PREVIEWED THE HARD DRIVE USING A DOE REVIEW LAPTOP, WHICH I CONVERTED INTO A FORENSIC MACHINE. A CURSORY SEARCH OF THE USER DOCUMENTS WAS CONDUCTED TO ENSURE THERE WAS NO CLASSIFIED MATERIAL CONTAINED ON THE MACHINE. NO DOCUMENTS WERE FOUND TO BE MARKED AT A CLASSIFIED LEVEL.

ON FEBRUARY 19, 2014, (b)(6) (b)(7)(C) AND I CONTACTED (b)(6) (b)(7)(C) OFFICE OF ASSISTANT MANAGER FOR SECURITY AND EMERGENCY MANAGEMENT (AMSEM). DUE TO THE NATURE AND VOLUME OF DATA ON (b)(6) (b)(7)(C) UNCLASSIFIED LAPTOP, WE REQUESTED A DERIVATIVE CLASSIFIER (DC) REVIEW THE DOCUMENTS EXTRACTED FROM THE DRIVE. (b)(6) (b)(7)(C) RESPONDED TO THE OAK RIDGE OIG OFFICE. (b)(6) (b)(7)(C) REVIEWED THE EXTRACTED DOCUMENTS FROM THE LAPTOP ASSIGNED TO (b)(6) (b)(7)(C) DETERMINED THAT WHILE THERE WERE NO DOCUMENTS MARKED AS CLASSIFIED, HE HAD CONCERNS ABOUT THE TOTALITY OF THE DATA CONTAINED ON THE MACHINE. (b)(6) (b)(7)(C) SUGGESTED THAT DUE TO THE TOTALITY OF THE DATA CONTAINED ON THE MACHINE, IT SHOULD BE SECURED IN THE OAK RIDGE OIG CLASSIFIED VAULT, AND THUS EXAMINED USING A FORENSIC WORKSTATION CERTIFIED TO PROCESS CLASSIFIED INFORMATION.

ON FEBRUARY 20, 2014, (b)(6) (b)(7)(C) DELIVERED A COPY OF THE IOSC FILED BY NSPS IN RESPONSE TO THE LOST CLASSIFIED DOCUMENT. THE REPORT CONTAINED STATEMENTS FROM THE INDIVIDUALS INVOLVED WITH THE STORING AND USE OF THE DOCUMENT. THE ORIGINAL FINDINGS ON THE IOSC STATED THE DOCUMENT WAS LIKELY INCORRECTLY SHREDDED WITH OTHER DOCUMENTS IDENTIFIED FOR DESTRUCTION. A MORE RECENT EMAIL WAS INCLUDED IN THE FOLDER. THE EMAIL WAS DATED FEBRUARY 7, 2014, AND WAS FROM (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) NSPS, TO (b)(6) (b)(7)(C) DOE. THE MESSAGE STATED THE LOST

DOCUMENTS WERE FOUND IN "ANOTHER BUILDING AT ORNL IN A CLASSIFIED REPOSITORY INSIDE A LIMITED AREA ON FEBRUARY 4, 2014". THE EMAIL CONCLUDES WITH (b)(6) (b)(7)(C) STATING "THERE WAS NO EVIDENCE THAT THE DATA HAD BEEN COMPROMISED, THEREFORE NSPS REQUEST THAT THIS INCIDENT BE RESCINDED."

Further investigation pending the availability of a classified forensic platform, which will be provided by the FBI Knoxville field office.

ON MARCH 17, 2014, I MET WITH FBI SA (b)(6) (b)(7)(C) AT THE FBI KNOXVILLE FIELD OFFICE TO EXAMINE THE FILES CONTAINED ON THE USB DRIVE. THE FBI CART TEAM PROVIDED ME WITH A FORENSIC WORKSTATION CERTIFIED TO PROCESS CLASSIFIED INFORMATION. USING THIS FORENSIC WORKSTATION, I IMAGED THE USB DRIVE AND REVIEWED THE CONTENTS. REVIEW OF THE USB DRIVE DID NOT IDENTIFY ANY DOCUMENTS MARKED AS CLASSIFIED. IN ORDER TO DETERMINE THE ACTUAL CLASSIFICATION OF THE DOCUMENTS CONTAINED ON THE DRIVE, A COPY OF ALL DOCUMENT FILES WAS EXPORTED TO A CD FOR REVIEW BY A DOE DERIVATIVE CLASSIFIER (DC).

ON MARCH 18, 2014, I SPOKE WITH (b)(6) (b)(7)(C) OFFICE OF ASSISTANT MANAGER FOR SECURITY AND EMERGENCY MANAGEMENT (AMSEM), REGARDING THE PROCESS TO HAVE A DC REVIEW THE DOCUMENTS COLLECTED FROM THE USB DRIVE. (b)(6) (b)(7)(C) ADVISED ME THAT (b)(6) (b)(7)(C) WILL REVIEW THE COLLECTED DOCUMENTS FOR CLASSIFIED MATERIAL.

CONTINUING ON MARCH 18, 2014, I PROVIDED THE COLLECTED DOCUMENTS TO THE DOE OAK RIDGE CENTRAL LIBRARY FOR UPLOAD ONTO THE CLASSIFIED SERVER. THE DOCUMENTS WERE UPLOADED FOR REVIEW BY (b)(6) (b)(7)(C)

Further investigation pending results of examination for classified material by the Oak Ridge Office Derivative Classifier.

On May 20, 2014, I met with Mr. Charles Atchley, Supervisory Assistant United States Attorney, United States Attorney's Office (USAO), Eastern District of Tennessee to discuss the facts of the case. AUSA Atchley advised that due to the lack of evidence suggesting any classified information was intentionally provided to a foreign government, the USAO would not seek prosecution in the case.

On July 16, 2014, the USB thumb drive was delivered to the Oak Ridge Office Central Library for destruction. All other evidence was returned to NSPS for final disposition.

SA (b)(6) (b)(7)  
(c) will be closing the case due to the fact the employees in question have been terminated and the lack of prosecutorial merit.

**Finding Summary:** Examination of the thumb drive determined that classified data was present on the drive. The drive was not encrypted, labeled or secured in line with the policy for Computer Removable Electronic Media (CREM). While the data was mishandled, there is no evidence that suggests the restricted data was given to anyone who would not have otherwise been authorized to view it.

The United States Attorney's Office (USAO), Eastern District of Tennessee declined prosecution due to the lack of evidence suggesting any classified information was intentionally provided to a foreign government, the USAO would not seek prosecution in the case.

## Additional Allegations

### Process Dates

14FEB2014 **Admin Actions:** Person Suspended from Employment

14FEB2014 **Admin Actions:** Person Suspended from Employment

18FEB2014 **Admin Actions:** Employee Terminated/Removed

18FEB2014 **Admin Actions:** Employee Terminated/Removed

17FEB2015 **Techniques Actions:** Tech Support - Computer Forensic/Imaging/Etc.

### Financial

[if documents!=null]



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

Document Number 7

# Investigative Report to Management

14-0069-I

May 31, 2016

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

May 31, 2016

MEMORANDUM FOR THE DIRECTOR, LOAN PROGRAMS OFFICE

FROM:

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

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

National Capital Field Office

SUBJECT:

Investigation of Allegations Pertaining to a Department Auction of a Loan to Fisker Automotive, Inc. (OIG Case No. 14-0069-I)

This report serves to advise you of internal control deficiencies identified during the course of two investigations conducted by the U.S. Department of Energy (Department), Office of Inspector General (OIG) regarding potential irregularities associated with the Department's secured loan, made via the Loan Programs Office (LPO), to Fisker Automotive, Inc. (Fisker) in 2010.

Specifically, two investigations were conducted by this office in connection with alleged loan irregularities. The first, initiated in June 2013, focused on an allegation made by LPO officials that certain "valuation decks" containing proprietary information regarding the valuation of Fisker were improperly leaked or transmitted to potential buyers, including Wanxiang Group (Wanxiang), located in the People's Republic of China (PRC), and VL Automotive, located in the state of Michigan.<sup>1</sup>

The second investigation, initiated on May 22, 2014, was based upon another LPO referral in which potential improprieties were alleged on the part of two or more parties involved in a Department-managed auction of the Department's financial stake in Fisker, which was conducted on October 11, 2013. Specifically, LPO officials alleged that two entities, Hybrid Technologies LLC (Hybrid) and Wanxiang, colluded with one another in order to subvert competitive bidding or otherwise to depress bidding, thus reducing the value realized by the Department from its intended competitive auction. Hybrid was successful in acquiring the Department's loan to Fisker at a winning bid of \$25 million. Subsequent to the Department auction, a bankruptcy auction was held involving Fisker's tangible assets, in which Wanxiang was successful, acquiring the assets for \$125 million cash, plus other considerations worth an additional \$25 million.

In summary, the allegations in both investigations were not substantiated. The investigation

<sup>1</sup> Though OIG deems it relevant to mention that LPO has referred several irregularities regarding this loan to this office, this report primarily addresses findings relevant to the second noted investigation, referred to OIG on March 14, 2014.

encountered a number of challenges including inconsistent and irreconcilable witness statements; the unavailability of key witnesses and documents; and the lack of established controls and procedures over the auction and sale of the loan.

While the provided allegations were not substantiated, the OIG did identify internal control deficiencies associated with the auction. For example, LPO's principal contractor responsible for managing the auction, Houlihan Lokey LP, did not maintain a record of the proceedings. As such, no official record or transcript of the auction was found to exist. Additionally, the OIG found that LPO lacked procedures to manage the sale or transfer of the Department's loan to Fisker, and to properly manage the auction of the loan itself.

The enclosed report makes one recommendation for corrective action. Should you have any questions regarding this matter, please contact me at (202) 586-(b)(6) (b)(7)(C)

## INVESTIGATIVE REPORT TO MANAGEMENT

### **I. ALLEGATIONS**

On May 14, 2013, the U.S. Department of Energy (Department), Office of Inspector General (OIG), was notified by the Department's Loan Program Office (LPO) regarding a potential improper disclosure of confidential Government controlled information pertaining to an LPO loan recipient, Fisker Automotive, Inc. of Anaheim, California (Fisker). Specifically, LPO alleged that "valuation decks" establishing the value of Fisker were improperly leaked to one or more parties interested in acquiring the company, including Wanxiang Group (Wanxiang), located in the People's Republic of China (PRC) with a representative office in Chicago, Illinois; and VI Automotive, based in Detroit, Michigan. The OIG found this allegation to be unsubstantiated in a prior response by this office to LPO.

On March 14, 2014, the OIG was again notified by LPO of another allegation regarding Fisker. This allegation concerned potential improprieties surrounding an LPO-led auction, conducted beginning September 17, 2013 and culminating in a live bidding phase on October 11, 2013. The auction was held to sell the Department's remaining stake in its secured loan to Fisker, made in 2010 in the amount of \$528.7 million. Specifically, LPO alleged that at least two prospective bidders, including Wanxiang and Hybrid Technologies LLC (Hybrid) a/k/a Ace Strength, also located in the PRC—colluded with one another in order to subvert competitive bidding or otherwise to depress bidding, resulting in a reduced value realized by the Department from its intended competitive auction. This second allegation is the focus of this report.

### **II. POTENTIAL STATUTORY AND REGULATORY VIOLATIONS**

The investigation focused on potential violations of the Sherman Antitrust Act, Title 15 U.S.C. § 1 – Monopolies and Combinations in Restraint of Trade.

### **III. BACKGROUND**

On April 23, 2010, LPO awarded a \$528.7 million loan to Fisker for the development and production of two lines of plug-in hybrid electric vehicles, including the Fisker Karma, a sedan, and a line of family oriented models yet to be developed. Fisker was to manufacture the vehicles at a factory operated by the company in Wilmington, Delaware, and anticipated staffing the factory with 2,000 American assembly workers. Fisker was expected to reach full production at the plant in 2015. The company was slated to use the loan dollars for qualifying engineering integration costs, and to initiate manufacturing in late 2012. This loan was provided by LPO under the Department's Advanced Technology Vehicle Manufacturing Program.

In May 2011, the Department froze Fisker's credit line under the loan at \$193 million, after determining Fisker had not met certain milestones laid out by the company in its loan application. At that time, LPO hired Houlihan Lokey LP (Houlihan) to monitor Fisker's progress under the loan. Fisker began exploring the option of selling the remaining stake in the Department's loan to

generate capital for the company, but did not proceed with that option at the time. The value of the company, as well as the Department's secured interest, continued to decline.

On September 17, 2013, the Department initiated an auction process to sell off LPO's remaining stake in Fisker (the "secured loan"). This process was marketed publicly and interested parties were invited to submit sealed bids to LPO by October 7, 2013. Five bids were received, and three were selected by LPO to participate in a live, telephonic auction held on October 11, 2013. Participants included Wanxiang, Hybrid, and GreenTech Automotive (GTA), based in McLean, Virginia. The auction was managed by Houlihan. According to LPO and Houlihan officials, none of the participating parties were supposed to be aware of the others' identities. Hybrid was successful in acquiring the Department's loan to Fisker at a winning bid of \$25 million. The sale to Hybrid was completed on November 22, 2013.

Immediately following the sale, on November 22, 2013, Fisker filed for bankruptcy in the U.S. Bankruptcy Court for the District of Delaware. By court ruling, a bankruptcy auction was held in February 2014 involving the sale of Fisker's tangible assets, in which Wanxiang was successful in acquiring the assets for \$125 million cash, plus other considerations worth an additional \$25 million. Hybrid and Wanxiang were the only competing entities in this auction.

LPO reported concerns with the Department-led auction held on October 11, 2013, and with the subsequent bankruptcy action and February 2014 bankruptcy auction. These concerns centered on the allegation that representatives of Hybrid improperly contacted Wanxiang during the live auction and offered to purchase batteries from Wanxiang in exchange for Wanxiang abstaining from any competitive bidding during the auction.<sup>2</sup>

#### IV. INVESTIGATIVE FINDINGS

In summary, the OIG found that the allegations raised by LPO were not substantiated. The investigation encountered a number of challenges including inconsistent and irreconcilable witness statements and the unavailability of key witnesses and documents. While the allegations were not substantiated, the OIG found that LPO lacked established controls and procedures over the auction and sale of the loan itself.

##### *Details*

The OIG examined available records and interviewed several auction participants, including representatives of Wanxiang and GTA. The OIG was unable to interview individuals affiliated with Hybrid, as they are located outside of the United States and were unresponsive to repeated attempts to contact them. The OIG conducted interviews with auction participants, which revealed they were in contact with one another prior to the auction, and that both were aware of the competing status of other bidding entities. The investigation revealed that two of the bidders had previously been

<sup>2</sup> Of note, Wanxiang had recently acquired a battery manufacturing company, A123 Systems LLC (A123), which had received a \$249 million grant from the Department in 2010 for building battery production facilities. The grant was abandoned by the company in May 2012.



involved in negotiations to purchase Fisker outright, and Hybrid had contacted both Wianxiang and GTA to discuss the sale in the days leading up to the auction. However, interviews and available documentation did not reveal a quid pro quo arrangement between the parties, nor was there any indication that any party had made threats or promises that would have otherwise adversely affected the outcome of the auction proceedings.

The OIG also interviewed several participants of the telephonic auction, which included LPO employees and supervisors, representatives of Houlihan, as well as representatives of Debevoise and Plimpton LLP, who served as outside counsel to the Department, and Evercore Partners, who provided various analyses of the valuation of Fisker and its assets. These interviews resulted in varying degrees of recollection about the auction proceedings themselves, including conflicting perspectives on the duration of the live, telephonic auction. Specifically, the period of silence reported to have occurred during the telephonic auction varied from several minutes to the greater part of an hour, according to various participants. The OIG also learned that neither Houlihan nor any Department official retained any significant written record of the proceedings. In addition, the absence of recorded proceedings of this auction or any significant contemporaneous paper notes made it difficult for the OIG to reconstruct a factual version of events.

The OIG requested the LPO to provide policies and procedures regarding auction oversight. LPO indicated that such policies and procedures had not been established, as the auction process was novel to Department operations. LPO did engage various consultants and legal counsel as documented above, and included representatives of the U.S. Department of Treasury (Treasury) in the live auction, ultimately consulting with Treasury on the results of the auction and finalizing the sale of the loan with Treasury's consent. LPO also involved the U.S. Department of Justice (Justice), Bankruptcy Division, in the subsequent bankruptcy proceedings and auction of Fisker's assets. Though Treasury and Justice provided appropriate guidance to the Department for navigating Fisker's eventual bankruptcy and the sale of the auctioned loan, the auction itself was led by contractors such as Houlihan and Debevoise, and neither agency supplied guidelines for the conduct of such an auction to the Department as it involved a large Government investment.

## V. COORDINATION

This investigation was coordinated with the Federal Bureau of Investigation and the Justice, Antitrust Division, Criminal Section, which declined this case for prosecution or further investigation.

## VI. RECOMMENDATIONS

Based on the findings in this report, and other information that may be available to you, the OIG recommends the Loan Programs Office:

- In consultation with appropriate entities such as the U.S. Department of Treasury and the U.S. Department of Justice (Bankruptcy Division), develop and implement standard

procedures, guidelines, or policies to address future Department-led auctions. Any guidance created should ensure LPO contractors maintain a higher degree of transparency and include detailed accounts of any actions taken or not taken.

## 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, is the property of the 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. 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).~~

Summary

16MAR2017

**15-0019-I** (b)(6) (b)(7)(C) **Conflict of Interest; Oak Ridge, TN**

**Compliant Summary:** On October 28, 2014, DOE OIG Auditor (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) reported that he and DOE OIG Auditor (b)(6) (b)(7)(C) were conducting an audit into The National Nuclear Security Agency (NNSA) Information Technology initiative named NNSA Network Vision (2NV). During the course of the audit (b)(6) (b)(7)(C) discovered a possible conflict of interest involving current and former DOE employees (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C)

**Current Status:** Closed  
**Date Received:** 14NOV2014  
**Date Initiated:** 17NOV2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Person  
**Special Flags:**  
**Category:** Integrity/Ethics of Government Officials  
Program Theft or Bribery Conflict of Interest  
**Received by:** In Person  
**Complaint Source:** DOE OIG Employee  
**Complainant Location:** National Energy Technology Lab  
**Allegation Location:** Headquarters  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Tennessee  
**FOIA Interest:** No  
**INV Assigned Office:** Pittsburgh  
**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)  
**Recovery Act:** No

## Initial Allegation

**Allegation:** IEB  
**Location:** National Nuclear Security Administration  
**Summary:** During several conversations between October 28, 2014 and November 14, 2014, (b)(6), (b)(7)(C) related the following: In January 2011, (b)(6), (b)(7)(C) was hired to be the (b)(6), (b)(7)(C) for NNSA. Within the same month, (b)(6), (b)(7)(C) became the (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) started working for NNSA on the 2NV initiative. The initial projected cost for 2NV was \$17 million. The justification came from an \$85 million cost savings calculation provided by (b)(6), (b)(7)(C). In mid 2012, NNSA received approval from Congress to re-program \$20 million for this project. NNSA did not kick-off the initiative until November 2012. The project has incurred \$20.65 million with an estimated total cost of \$23-25 million and is yet to be operational. In addition, certain components of the initiative are not functional at all.

During the course of the audit it was discovered that one component in particular, YourCloud, was based on Los Alamos National Laboratory's (LANL) Infrastructure on Demand (IoD) software developed by (b)(6), (b)(7)(C). IoD had three versions of the software. Version one was the one that worked at LANL. Version two went through a tech transfer process at LANL. (b)(6), (b)(7)(C) does not have the specifics yet) and then Version three which is YourCloud and doesn't work. NNSA expended \$5 million on modifying IoD to work throughout NNSA, but it still does not work and they can't fix the code to make it operational. Furthermore an independent review revealed IoD was at best a prototype and even if additional funding was spent there was only an 80% probability it would work. It was then suggested to go with a commercial off the shelf product.

In the Spring of 2013, NNSA through their support contractor Metrica Team Venture (MTV) contracted with VmWare to provide this service. VmWare was also contracted by MTV to provide their Socialcast software as the main component of the YourVoice portion, which still does not meet cybersecurity requirements. Furthermore, while (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) are involved in the 2NV initiative, they signed non-disclosure agreements (specific timeframe unknown) with VmWare to view VmWare proprietary ideas for future software programs. (b)(6), (b)(7)(C) was concerned that (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) might have provided the IoD code to VmWare and VmWare was now repackaging it into their software that they are trying to sell to NNSA and that (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) are possibly financially benefiting from this.

**Finding Summary:** (b)(6), (b)(7)(C) owned Innovalysis which was involved in hybrid cloud networking and cybersecurity in line with what (b)(6), (b)(7)(C) job description and duties were as the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) at NNSA.

Interview of NNSA (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) revealed an inquiry in 2013 into another allegation of Conflict of Interest involving (b)(6), (b)(7)(C)

In this case the inquiry found that there were procurement violations by (b)(6) (b)(7)(C) and the appearance of an organizational conflict of interest between (b)(6) (b)(7)(C) his staff and Salesforce.com. (b)(6) (b)(7)(C) actions with Salesforce.com gave the appearance of pre-selection for possible procurement by NNSA. (b)(6) (b)(7)(C) and his staff were counseled and provided training and the inquiry was concluded without a formal report.

Inquiries made of Oak Ridge National Laboratory (ORNL) and NNSA General Counsel offices regarding notification by (b)(6) (b)(7)(C) about his employment opportunity with UT Battelle at ORNL and any opinions rendered by these offices regarding post employment restrictions met with negative results.

(b)(6) (b)(7)(C) HQ General Counsel for General Law was telephonically contacted and advised DOE employees at a pay level of EJ-4 and below were allowed to file OGE-450 forms. (b)(6) (b)(7)(C) their system showed (b)(6) (b)(7)(C) filed an OGE-450 in 2013, but she could not find the form and the reviewing attorney (b)(6) (b)(7)(C) agreed to search again, however she was confused as to why (b)(6) (b)(7)(C) ethics filings were handled by Y-12 General Counsel's office when he worked for NNSA Headquarters. (b)(6) (b)(7)(C) was not aware of any opinion or decision rendered by her office regarding (b)(6) (b)(7)(C) post employment restrictions. She was also surprised to learn that (b)(6) (b)(7)(C) went to work for UT Battelle the same month he left NNSA and commented that both parties should have known better. (b)(6) (b)(7)(C) would have had a one year restriction on representing UT Battelle before DOE. In a subsequent email, (b)(6) (b)(7)(C) advised she found the 2013 ethics form. However, any further conversations regarding the matter should be taken up with (b)(6) (b)(7)(C) for General Law and (b)(6) (b)(7)(C) for the Deputy Assistant General Counsel for Standards of Conduct.

On 6 Oct 15 SA (b)(3):Fed. R. Crim. P. 6(e), enacted by Act of July 30, 1977, Pub. L. No. 95-78, 91 Stat. 319,(b)(6) (b)(7)(C) (b)(3):Fed. R. Crim. P. 6(e), enacted by Act of July 30, 1977, Pub. L. No. 95-78, 91 Stat. 319,(b)(6) (b)(7)(C)

Obtained (b)(3):Fed. R. Crim. P. 6(e), enacted by Act of July 30, 1977, Pub. L. No. 95-78, 91 Stat. 319,(b)(6) (b)(7)(C) and reviewed (b)(6) (b)(7)(C) emails. No information was found to support allegations. Close case.

### Additional Allegations

### Process Dates

27JAN2015 **Techniques Actions:** Monitoring - Mail Cover

02OCT2015**Techniques Actions:** Subpoena - Inspector General

07OCT2015**Techniques Actions:** Other

13NOV2015**Techniques Actions:** Other

## Financial

[if documents!=null]

Summary

16MAR2017

Document Number 9

**15-0049-I Science & Eng Assoc; University of Nevada;  
FS/FC; DOE**

**Compliant Summary:** ON 08-NOV-2012, THE DEFENSE CRIMINAL INVESTIGATIVE SERVICES CONTACTED THE OIG WITH INFORMATION DISCOVERED BY THE DEFENSE CONTRACT AUDIT AGENCY, THAT SCIENCE & ENGINEERING ASSOCIATES INC (SEA) WAS IMPROPERLY BILLING EMPLOYEE LABOR CATEGORIES FOR WHICH THEY WERE NOT QUALIFIED ON SEVERAL DOE FINANCIAL AWARDS. THIS CASE IS A SPIN OFF FROM CASE 13-0003-I, AND THIS CASE SPECIFICALLY DEALS WITH COOPERATIVE AGREEMENT DE-FC08-01NV13974.

**Current Status:** Closed  
**Date Received:** 09NOV2012  
**Date Initiated:** 30JAN2015  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** [Redacted]

**Type:** Criminal  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
False Claims [None]  
**Received by:** [Other]  
**Complaint Source:** Law Enforcement  
**Complainant Location:** National Nuclear Security Administration  
**Allegation Location:** National Nuclear Security Administration  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** New Mexico  
**FOIA Interest:** No  
**INV Assigned Office:** Albuquerque  
**HQ Program Office:** Other  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** False Claims/Statements  
**Location:** National Nuclear Security Administration

**Summary:** EIGPT Case # I13AL003

**PREDICATION:**

ON NOVEMBER 8, 2012, SPECIAL AGENT (SA) [REDACTED] DEFENSE CRIMINAL INVESTIGATIVE SERVICE (DCIS), CONTACTED THE DEPARTMENT OF ENERGY (DOE) OFFICE OF INSPECTOR GENERAL (OIG) WITH INFORMATION WHICH WAS DISCOVERED DURING A DEFENSE CONTRACT AUDIT AGENCY (DCAA) AUDIT. SPECIFICALLY, SA [REDACTED] PROVIDED THE FOLLOWING INFORMATION:

DCAA CONDUCTED AN AUDIT OF SEVERAL SCIENCE AND ENGINEERING ASSOCIATES, INCORPORATED (SEA) DEPARTMENT OF DEFENSE AND DOE CONTRACTS. THE AUDIT COVERED A TIME PERIOD OF APRIL 2006 THROUGH MARCH 2007. AS A RESULT OF THE AUDIT, DCAA IDENTIFIED SEA EMPLOYEES THAT WERE NOT QUALIFIED FOR THE LABOR CATEGORY LISTED IN EACH CONTRACT. THEY ALSO DISCOVERED THAT SEA WAS UNABLE TO PROVIDE QUALIFICATIONS INFORMATION FOR SOME OF THEIR EMPLOYEES. IN ADDITION, SEA WAS USING LABOR CATEGORIES AND RATES THAT DID NOT EXIST IN THE CONTRACT.

This is a spinoff investigation to DOE OIG case number 13-0003-I. This investigation will focus on SEA contract number DE-FC08-01NV13974, Project Identification Number 104452, which is a cooperative agreement with the University of Nevada Las Vegas (UNLV).

**BACKGROUND:**

SEA IS A SUBSIDIARY OF APOGEN TECHNOLOGIES, INC AND QINETIQ NORTH AMERICA INC (QINETIQ).

SA [REDACTED] PROVIDED A COPY OF A DCAA SUSPECT IRREGULARITY REFERRAL FORM WHICH SUMMARIZED THE FINDINGS OF THE AUDIT. THE SPECIFIC ISSUES THAT DCAA DISCOVERED for contract number DE-FC08-01INV13974 were: (1) SEA WAS UNABLE TO PROVIDE ANY INFORMATION REGARDING THE QUALIFICATIONS OF SEVERAL EMPLOYEES; (2) SEA WAS UNABLE TO PROVIDE ANY INFORMATION REGARDING THE QUALIFICATION REQUIREMENTS OF THE CONTRACT. HOWEVER, THEY PROVIDED DOCUMENTS INDICATING LABOR CATEGORIES QUALIFICATIONS. WHEN DCAA QUESTIONED THIS AND ASKED WHERE THE INFORMATION CAME FROM, SEA SAID IT CAME FROM INTERNAL QUALIFICATIONS STANDARDS. SEA WAS ASKED TO PRODUCE THESE INTERNAL QUALIFICATIONS STANDARDS, HOWEVER THEY SUBSEQUENTLY STATED THAT THEY DO NOT EXIST.; (3) SEA EMPLOYEE'S QUALIFICATIONS DID NOT APPEAR TO MEET QUALIFICATIONS REQUIREMENTS PER THE CONTRACT.



The DOE Contract Number DE-FC08-01NV13974 project number 4452 was a cooperative agreement with UNLV. Under the cooperative agreement, UNLV awarded a subcontract to SEA. Based upon DCAA's review of the contract, DCAA questioned costs in the amount of \$615,378 due to inadequate employment qualifications. The investigation will focus on the reasoning behind why over half the amount of the costs in the contract project number 4452 were questioned.

CONTRACT # DE-FC08-01NV13974, project number 4452 was RETIRED IN APRIL 2010.

INVESTIGATIVE ACTIVITY:

On January 20, 2015, the DOE OIG requested a copy of the contract from (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) National Nuclear Security Administration (NNSA), Albuquerque Complex. (b)(6) (b)(7)(C) stated the contract has been closed out and is in archives in Denver, Colorado. She said it would take some time to obtain the contract.

On January 30, 2015, the DOE OIG requested contract information associated with contract number DE-FC08-01NV13974 project number 4452 from (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DCAA.

On February 3, 2015, (b)(6) (b)(7)(C) provided information related to contract number DE-FC08-01NV13974 project number 4452. The information contained documentation to support some of the differences in SEA rates which he referenced as part of his audit report. (b)(6) (b)(7)(C) also provided the name of (b)(6) (b)(7)(C) DOE (b)(6) (b)(7)(C) who he said was his (b)(6) (b)(7)(C) who he coordinated the unallowable costs associated with the SEA contracts with.

On February 12, 2015, (b)(6) (b)(7)(C) provided a copy of the requested information via email.

On February 25, 2015, (b)(6) (b)(7)(C) provided an email with information which he maintained as part of his audit file of SEA. The email contained the contract, contract provisions and subcontract information related to contract number DE-FC08-01NV13974 project number 4452.

On September 15, 2015, (b)(6) (b)(7)(C) located in Albuquerque, NM, stated the contract file was retired to the Federal Records Center in 2010. (b)(6) (b)(7)(C) will request the file for review and (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) will be the (b)(6) (b)(7)(C). The file will be reviewed to determine resolution regarding the unallowable costs. No movement on this issue will occur until after the fiscal year.

On October 16, 2015, (b)(6) (b)(7)(C) NNSA, sent SA (b)(6) (b)(7)(C) an

email stating he would review the DCAA audit and would contact her to further discuss the questioned costs highlighted in the audit report.

On October 23, 2015, (b)(6) (b)(7)(C) stated DOE requested DCAA audit Science and Engineering Associates, Inc. (SEA). (b)(6) (b)(7)(C) stated DCAA's responsibility was to provide the audit results to DOE. DCAA had no responsibility to collect repayment of questioned costs. (b)(6) (b)(7)(C) stated SEA objected to the release of the audit report in its entirety to all higher-tier contractors. (b)(6) (b)(7)(C) stated DCAA released the audit to DOE but not to the University of Nevada.

On October 26, 2015, SA (b)(6) (b)(7)(C) received an email from (b)(6) (b)(7)(C) stating she did not know if she requested resolution from SEA on the questioned costs as she did not have privity of contact with SEA, or any of the other M&O subcontractors. In another email on the same day, (b)(6) (b)(7)(C) stated she did not have cognizance over any University of Nevada contracts, or any other contracts other than the prime contract between DOE/NNSA and Sandia Corporation under prime Contract Number DE-AC04-94AL85000.

On October 29, 2015, SA (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) who requested time to look into the contract and the questioned costs.

On December 16, 2015, (b)(6) (b)(7)(C) telephonically stated he was still researching the questioned costs.

On February 9, 2016, (b)(6) (b)(7)(C) telephonically stated he was still looking into the questioned cost.

On April 27, 2016, (b)(6) (b)(7)(C) telephonically stated he was still researching the questioned cost. He further stated he should have more concrete information by end of May beginning of June 2016.

On October 12, 2016, (b)(6) (b)(7)(C) stated in an email that NNSA plans no further action regarding the question costs under the DCAA audit of SEA and will not pursue any questioned costs from UNLV. According to (b)(6) (b)(7)(C) based on his review of the contract files, the primary purpose of the cooperative agreement with UNLV was to develop and deliver a electronic record system which was accomplished. (b)(6) (b)(7)(C) further wrote that since SEA no longer exists, it would be difficult to address performance issues with SEA.

**PLANNED ACTION:**

No further action is warranted at this time.

**DISPOSITION:**

Case will be closed due to NNSA declining further action to recover the

questioned cost.

**CASE CLOSED**

**Finding Summary:** According to the NNSA (b)(6) (b)(7)(C) NNSA was provided an electronic record system which was the primary purpose of the Cooperative Agreement. Additionally, since SEA no longer exists, there is no reason to pursue performance issues identified in the DCAA audit.

**Additional Allegations**

**Process Dates**

**Financial**

[if documents!=null]



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

# Investigative Report to Management

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**15-0107-I**

**July 25, 2016**

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

July 25, 2016

**MEMORANDUM FOR THE ASSISTANT SECRETARY FOR ENVIRONMENTAL  
MANAGEMENT**

**FROM:**

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

National Capital Field Office

**SUBJECT:**

Alleged Conflict of Interest at the West Valley Demonstration Project  
(OIG Case No. 15-0107-I)

This report serves to inform you of the results of an investigation conducted by the U.S. Department of Energy (Department), Office of Inspector General (OIG), Office of Investigations. The investigation concerns allegations of conflicts of interest involving the award of a support services contract at the West Valley Demonstration Project (WVDP). Specifically, it was alleged that (b)(6) (b)(7)(C) WVDP (b)(6) (b)(7)(C) improperly influenced the award of a support services contract to North Wind Solutions, LLC (North Wind), due to a close personal relationship existing between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) of North Wind's parent company, North Wind Group.

In summary, the investigation did not substantiate the allegations that the contract to North Wind Solutions was awarded improperly; however, we did note that (b)(6) (b)(7)(C) close relationship with (b)(6) (b)(7)(C) could create the appearance of a lack of impartiality.

This report makes one recommendations for corrective action. Should you have any questions regarding this matter, please contact me on (202) 586-(b)(6) (b)(7)(C)

cc: Office of General Counsel

## I. ALLEGATION

On August 10, 2015, the OIG received an allegation that (b)(6) (b)(7)(C) West Valley Demonstration Project (WVDP), intended to influence the award of a sole-source, support services contract at the WVDP to North Wind Solutions, LLC (North Wind) as a result of a close personal relationship between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) of North Wind's parent company, North Wind Group.

## II. POTENTIAL STATUTORY AND REGULATORY VIOLATIONS

The investigation focused on potential violations of Title 18 U.S. Code § 208, acts affecting a personal financial interest; the Code of Federal Regulations (CFR), Title 48, Section 3.101-1, general, and 3.104-3, statutory and related prohibitions, restrictions and requirements; Title 5 CFR, Sections 2635.101, basic obligation of public service, and 2635.502, personal and business relationships; and Executive Order 12674, Principles of Ethical Conduct for Government Officers and Employees.

## III. BACKGROUND

In 2014, the Environmental Management Consolidated Business Center (EMCBC), on behalf of the WVDP, initiated an acquisition process to consolidate the WVDP support services contract from its current state, where multiple contractors performed the work scope via independent contracts and task orders, into one, comprehensive contract. As part of the acquisition process, EMCBC issued a 'Sources Sought' announcement requiring, among other things, that interested companies provide EMCBC with capability statements detailing the company's ability to perform the work scope. A total of 22 companies responded to the announcement and EMCBC procurement management narrowed the competition pool to the following three Alaska Native Corporations (ANC); Chenega Global Services, ARS International, and North Wind. The capability statements for the three ANC's were then provided to the Source Evaluation Board (SEB) for their review and assessment. The SEB was comprised of (b)(6) (b)(7)(C) at the WVDP and (b)(6) (b)(7)(C) at the EMCBC. The SEB concluded that North Wind was the best qualified offeror and provided their results to EMCBC procurement management, who, in turn, made the final decision to award a sole-source contract to North Wind.

(b)(6) (b)(7)(C) currently serves as the (b)(6) (b)(7)(C) for the North Wind contract. (b)(6) (b)(7)(C) initially served as the EMCBC (b)(6) (b)(7)(C) until her departure in (b)(6) (b)(7)(C) when (b)(6) (b)(7)(C) her as the (b)(6) (b)(7)(C)

Additionally, prior to the North Wind contract, (b)(6) (b)(7)(C) previous company, Safety and Ecology Corporation (SEC), also held a contract at WVDP, while (b)(6) (b)(7)(C) was the company's (b)(6) (b)(7)(C). Additionally, (b)(6) (b)(7)(C) for (b)(6) (b)(7)(C) at SEC and served as (b)(6) (b)(7)(C) for the SEC contract.

#### IV. INVESTIGATIVE FINDINGS

The investigation found that (b)(6) (b)(7)(C) substantially participated in the process used to award a sole-source contract to North Wind while maintaining his close personal relationship with (b)(6) (b)(7)(C). However, the investigation did not find evidence that (b)(6) (b)(7)(C) influenced the award of the contract. In fact, SEB team officials told the OIG that each team member acted independently when completing their evaluations and once their evaluations were finalized, the SEB team unanimously concluded that North Wind was the clear winner. The SEB team officials added that they did not feel pressured during the evaluation process to make any particular decision regarding who to select for the contract award and they did not sense attempts to influence or persuade their decision during the process.

Furthermore, the decision to award the sole-source contract to North Wind was a management decision made independently by the EMCBC procurement division and occurred after the SEB team had identified North Wind as the top ANC candidate of the three ANC's participating in the competitive bid solicitation. The investigation did not find any indication that (b)(6) (b)(7)(C) influenced the EMCBC decision to sole-source the contract.

However, the investigation determined that (b)(6) (b)(7)(C) close personal relationship with (b)(6) (b)(7)(C) could call into question (b)(6) (b)(7)(C) impartiality. In particular, Title 5 CFR 2635.101 states, in part, that, "[e]mployees shall act impartially and not give preferential treatment to any private organization or individual," and "[e]mployees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts." Further, Title 5 CFR 2635.502(a)(2) states, in part, that, "[a]n employee who is concerned that circumstances other than those specifically described in this section would raise a question regarding his impartiality should use the process described in this section to determine whether he should or should not participate in a particular matter."

Additionally, the Office of Government Ethics website states, in part, that, "[a]n executive branch-wide regulation recognizes that a reasonable person may believe that an employee's impartiality can be influenced by interests other than the employee's own or those that are imputed to the employee by the conflict of interest laws [and] ...an employee should not work on any matter if the employee is concerned that circumstances other than those expressly described in the regulation would raise a question regarding the employee's impartiality."

This requirement places the burden on the employee to determine whether or not a certain circumstance would raise a question regarding his impartiality, and (b)(6) (b)(7)(C) stated that he did not consider his relationship with (b)(6) (b)(7)(C) to be a potential conflict of interest. However, both the awarding and current (b)(6) (b)(7)(C) the WVDP (b)(6) (b)(7)(C) and the EMCBC (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) told the OIG that they were not aware of (b)(6) (b)(7)(C) relationship with (b)(6) (b)(7)(C) and added that had they known the relationship existed, they would have consulted with their Ethics Counsel for advice regarding (b)(6) (b)(7)(C) continued participation in the procurement. Additionally,

an ethics counselor at the EMCBC told the OIG that she was not aware of (b)(6) (b)(7)(C) seeking advice regarding his relationship with (b)(6) (b)(7)(C) and based upon the OIG's summary of the relationship, would have recommended a full analysis of the relationship in light of (b)(6) (b)(7)(C) participation in the procurement.

Additionally, the Federal Acquisition Regulation, 48 CFR 3.101-1, states, in part, that “[g]overnment business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.”

The Principles of Ethical Conduct for Federal Employees (Executive Order 12674) states that “Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in the Standards of Ethical Conduct. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.”

Further, on July 29, 2014, (b)(6) (b)(7)(C) a *Confidentiality, Conflict of Interest, and Rules of Conduct Certificate*, which states, in part, that, “I certify that I am not aware of any matter which might reduce my ability to participate on or with the DOE West Valley Technical Assistance Support Services Acquisition Integrated Project Team (AIPT) and/or Source Evaluation Board (SEB), in an objective and unbiased manner or which might place me in a position of conflict, real or apparent, between my responsibilities and other interests.” The certification further states that, “[i]f I become aware of any matter which might reduce my ability to participate in an objective and unbiased manner or place me in a position of conflict, real or apparent, I will notify the CO immediately.” As previously noted, (b)(6) (b)(7)(C) stated that he did not consider his relationship with (b)(6) (b)(7)(C) to be a potential or apparent conflict of interest; however, he stated that he advised both (b)(6) (b)(7)(C) and the WVDP (b)(6) (b)(7)(C) that he knew several individuals in various companies vying for the contract. Additionally, The WVDP (b)(6) (b)(7)(C) told the OIG that he was aware of a relationship between (b)(6) (b)(7)(C) but was not aware of (b)(6) (b)(7)(C) connection to North Wind.

During the course of the investigation, numerous individuals expressed concern that (b)(6) (b)(7)(C) relationship with (b)(6) (b)(7)(C) presented the appearance of a conflict of interest, particularly in light of his current role as (b)(6) (b)(7)(C). Additionally, while (b)(6) (b)(7)(C) did not participate in the procurement for the SEC contract, one individual stated that it was “sketchy” that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) SEC, received a WVDP contract, and then after he sold the company, his new employer, North Wind, received a subsequent contract.



## V. COORDINATION

This matter was coordinated with the Office of General Counsel, which requested that the OIG advise the Office of Environmental Management of the facts and circumstances of this case.

## VI. RECOMMENDATIONS

- Based on the findings in this report, and other information that may be available to you, the OIG recommends the Office of Environmental Management determine if (b)(6) (b)(7)(C) (a) should have known that his relationship with (b)(6) (b)(7)(C) could be perceived by an outside observer to present a conflict of interest; and, (b) recuse himself from matters involving (b)(6) (b)(7)(C) and companies with which he has a management relationship.

## 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, is the property of the 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. 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).~~



Department of Energy  
Washington, DC 20585

September 22, 16

Document Number 11

MEMORANDUM FOR

(b)(6) (b)(7)(C)  
TECHNOLOGY CRIMES SECTION

FROM:

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

Special Agent

SUBJECT:

Case Closing Summary (OIG File No. 15-0120-I)

This memorandum serves to recommend closure of OIG File Number 15-0120-I.

On June 17, 2015, Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy (DOE) Office of the Inspector General (OIG) Technology Crimes Section (TCS), received notification from Los Alamos National Laboratory (LANL) regarding a LANL employee possibly accessing child pornography using a U.S. Government (USG) computer. Mr. Donald Jaramillo, Contractor, LANL, DOE, Los Alamos, NM, was alleged to have accessed illegal materials using a government computer system and network.

SA (b)(6) (b)(7)(C) conducted digital forensic examinations on multiple forensic images of Jaramillo's computer. Legal authority to access, review, and search the computer was provided by the presence of a standardized warning banner eliminating all right of privacy to data contained within the system. The examinations revealed a significant amount of suspected child pornography, child sexual exploitation materials, age questionable materials, and adult pornography. Images of suspected child pornography were sent to the National Center for Missing and Exploited Children (NCMEC) for review and classification. NCMEC reported six of the provided images matched five known series of child pornography.

SA (b)(6) (b)(7)(C) coordinated with detectives at the Los Alamos Police Department (LAPD), Los Alamos, NM, to pursue a state/local prosecution for the six confirmed images of child pornography. On June 30, 2016, management within LANL and the Los Alamos Field Office (LAFO) made a decision to place Jaramillo on administrative leave pending the outcome of this investigation; Jaramillo was notified of this decision. On July 1, 2016, LAPD reported Jaramillo died as a result of an apparent, self-inflicted, gunshot wound during the evening of June 30, 2016.

A limited digital forensic review of Jaramillo's computer following his death revealed ongoing Internet activity involving suspected child pornography, child sexual exploitation materials, age questionable materials, and adult pornography as recent as June 29, 2016.

SA (b)(6) (b)(7)(C) was notified by LAPD, due to Jaramillo's death, additional investigative efforts would not be conducted. As such, SA (b)(6) (b)(7)(C) recommends closure of this OIG investigation.

Please contact SA (b)(6) (b)(7)(C) via telephone at (505) 845- (b)(6) (b)(7)(C) or via email at (b)(6) (b)(7)(C)@doe.gov should you have questions regarding this matter.

~~OFFICIAL USE ONLY~~

Summary

16MAR2017

Document Number 12

# 15-0126-I Volkswagen; Potential Emissions Testing Fraud; EE

**Compliant Summary:** On 23 September 2015, the National Capital Fraud Office decided to open a proactive complaint pertaining to Volkswagen's defeat device discovery to determine there was any impact on the Department, and/or if any Department-funded research may have been used to further the erroneous emissions results.

**Current Status:** Closed  
**Date Received:** 23SEP2015  
**Date Initiated:** 24SEP2015  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** [Redacted]

**Type:** Criminal  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Defective Item/Parts/Materials Product Substitution  
**Received by:** [Other]  
**Complaint Source:** Proactive Initiative  
**Complainant Location:** Headquarters-Forrestal  
**Allegation Location:** Argonne Natl Lab  
**Priority:** Level 2 (Formerly Priority)  
**Retaliation:** No  
**Offense Location:** Illinois  
**FOIA Interest:** No  
**INV Assigned Office:** Washington DC  
**HQ Program Office:** HQ, Ofc Of Energy Efficiency & Renewable Energy  
**Recovery Act:** Yes

## Initial Allegation

**Allegation:** IEB  
**Location:** Argonne Natl Lab  
**Summary:** PREDICATION:

On 23 September 2015, the National Capital Fraud Office decided to open a proactive complaint pertaining to Volkswagen's defeat device discovery to

determine there was any impact on the Department, and/or if any Department-funded research may have been used to further the erroneous emissions results.

SUMMARY:

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Investigation revealed that testing at Argonne National Laboratory's Advanced Powertrain Research Facility of 2009 and 2013 Volkswagen Jettas during those years with Department funding was for the purpose of fuel efficiency research. That testing was conducted on a Dynamometer and involved both Federal Testing Procedures, commonly used by the Environmental Protection Agency, as well as off-cycle testing procedures. During testing of those vehicles, the engineers conducting the testing noticed what they termed as unusual and unexplainable spikes in Nitrogen Oxide (NOx) emissions, which initially lead them to believe they had broken the vehicle. Attempts to recreate the conditions that spurred the spikes were unsuccessful and the emissions abnormalities remained unexplained. The research generated fuel efficiency data that confirmed the manufacturer's claims. The data was stored on the Downloadable Dynamometer Database, a site available to the public and generally used by academia, other federal agencies, and the U.S. auto-manufacturing industry.

Announcement by the EPA of improved NOx emission standards, intended to greatly reduce those emissions, was made in 2000-2001, referred to as Tier 2, Bin 5. These standards were intended to be phased in gradually over a period of years. However, Volkswagen allegedly objected to the standards and stated they would never be able to meet them. In 2005, Mercedes, Jeep, and Volkswagen created a partnership through which Volkswagen would use the Blue-Tec technology developed and patented by Mercedes, that involves the use of AdBlue fluid for a urea injection to allow the efficient trapping of NOx emissions. However, Volkswagen reportedly withdrew from the partnership to avoid using the Blue-Tec badging which they felt would subtract from the popularity of the TDI badging on their vehicles. As a consequence, neither the 2009 nor the 2013 Volkswagen Jetta tested at the Advanced Powertrain Research Facility were equipped with urea injectors.

Investigative activity also revealed the Senate Finance Committee alleged that some Volkswagen vehicles affected by the defeat device qualified for Energy Efficient Tax Benefits. Specifically, the 2009 Volkswagen Jetta 2.0L TDI was identified and listed as allowing consumers to benefit from the Alternative Motor Vehicle Credit, Advanced Lean Burn Technology Vehicles tax credit of \$1,300 if that model/year was purchased. Additionally, Volkswagen Group of America benefitted from an Advanced Energy Project Credit (48C) that promotes clean energy manufacturing growth. in the amount of \$150M in American Recovery and Reinvestment Act funds, for the Volkswagen factory in Chattanooga, Tennessee, to help further the development of clean diesel vehicles.

COMPLETED ACTION:

- Coordination with EERE's (b)(6) (b)(7)(C) (Completed 30 September 2015)
- Interview EERE's (b)(6) (b)(7)(C) (Completed 30 October 2015)
- Coordination with Loan Program Office to determine if VW is an ATVM loan recipient (Completed 25 September 2015)
- FBI Letter (Unnecessary due to FBI involvement)
- Initial coordination with lead investigative agent at EPA CID. (Completed)
- Obtain defeat device specs (Completed 20 October 2015)
- Site visit and Interviews at ANL's Advanced Powertrain Research Facility (Completed 26-28 October)
- Collect 2009 Volkswagen Jetta as evidence (Completed 28 October 2015)

#### BACKGROUND:

Recent extensive testing revealed that since 2009, the automobile manufacturer Volkswagen had been installing elaborate software in 482,000 "clean diesel" vehicles sold in the United States, so that the cars' pollution controls only worked when being tested for emissions. The defeat devices installed operated when it detected an environment indicative of testing, such as in a laboratory environment, that suppressed real Nitrogen Oxide (NOx) emissions expelled by the vehicle during normal driving conditions.

At the prompting of the independent group, the International Council on Clean Transportation, who had discovered anomalies in Volkswagen vehicles in Europe during testing results conducted in laboratories versus road conditions, the West Virginia University conducted its own research in an effort to explain the discrepancy. As a result of this testing, it was discovered that Volkswagen's Jetta was emitting 15 to 35 times as much NOx as the allowable limit and the Passat was emitting 5 to 20 times as much. Further testing confirmed the findings, which resulted in Volkswagen's admitting to the existence of defeat devices to the Environmental Protection Agency (EPA).

Figures indicate that since 2009, Volkswagen sold more than 482,000 clean diesel cars containing a four-cylinder turbocharged direct injection (TDI) engine (Type EA 189) in the United States. This included versions of the Passat, Jetta, Golf, Beetle, and Audi's A3, which have been ordered recalled. The models expected to be recalled include: The 2009-2015 VW Beetle 2.0L TDI; 2009-2015 VW Golf 2.0L TDI; 2009-2015 VW Jetta 2.0L TDI; 2009-2015 Audi A3 2.0L TDI; and 2014-2015 VW Passat 2.0L TDI.

#### INVESTIGATIVE ACTIVITY:

On 24 September 2015, SA (b)(6) (b)(7)(C) conducted open source research which revealed the Department's related involvement in testing through the Advanced Vehicle Testing Activity to be: "The Vehicle Technologies Office's Advanced Vehicle Testing Activity carries out testing on a wide range of advanced vehicles

and technologies on dynamometers, closed test tracks, and on-the-road. These results provide benchmark data that researchers can use to develop technology models and guide future research and development. The following set of reports describes data on the 2009 Volkswagen Jetta (which is a diesel vehicle) from the Downloadable Dynamometer Database (<http://www.anl.gov/energy-systems/group/downloadable-dynamometer-database>) and was generated at the Advanced Powertrain Research Facility (APRF) at Argonne National Laboratory under the funding and guidance of the U.S. Department of Energy (DOE).” Research also indicated the 2013 Volkswagen Jetta Diesel, and the 2010 Golf Diesel were tested. (See MOIA dated 24 September 2015)

On 25 September 2015, (b)(6) (b)(7)(C) Loan Program Office (LP), provided results from a query conducted by (b)(6) (b)(7)(C) LP, which revealed that no ATVM loans were effected to Volkswagen by the Department.

On 29 September 2015, SA (b)(6) (b)(7)(C) contacted (b)(6) (b)(7)(C) EPA CID, Chicago, and briefed him on this office's proactive initiative pertaining to the aforementioned investigation. (b)(6) (b)(7)(C) stated the US Attorney's office through which he was coordinating was the Eastern District of Michigan, as well as Main Justice in Washington, D.C. (b)(6) (b)(7)(C) stated several other agencies had made contact with him and expressed joint investigative interest. They are: Department of Transportation (DOT), Federal Bureau of Investigation (FBI), Internal Revenue Service Criminal Investigation Division (IRS CID), this office, and Environment Canada, EPA's Canadian counterpart. (See MOIA dated 24 September 2015)

On 30 September 2015, SA (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) Argonne National Laboratory, who confirmed three model year vehicles affected by the emission testing falsification were tested at the Vehicle Systems facility, Argonne National Laboratory (ANL). (b)(6) (b)(7)(C) stated the testing confirmed high fuel efficiency, as promoted by the manufacturer, although the testing revealed an unusual spike in emissions that remained unexplained. (b)(6) (b)(7)(C) stated that the Vehicle Systems Laboratory purchased two of the three vehicles tested and borrowed the other for their testing. As background, (b)(6) (b)(7)(C) explained that his section conducts annual Department-funded destructive and non-destructive testing of select vehicles that are deemed to possess attributes that may be of benefit to US auto manufacturing technologically. In turn, the data gleaned from the testing is forwarded to the United States Council for Automotive Research (USCAR), who provide it in a non-competitive manner to US auto manufacturers. In addition, (b)(6) (b)(7)(C) explained that the data from testing is published in ANL's Downloadable Dynamometer Database (D3), which is generally publicly available. (See MOI dated 30 September 2015)

On October 15, 2015, Special Agents (SA) (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) conducted a telephonic coordination with SA (b)(6) (b)(7)(C) 734-692 (b)(6) (b)(7)(C) @epa.gov, Detroit Regional Office, Environmental Protection Agency EPA CID. SA (b)(6) (b)(7)(C) stated her agency was working jointly with several agencies, including the Federal Bureau of Investigation (FBI), Homeland Security Investigations (HSI) and this office. She stated that EPA CID and the FBI were the core investigative agencies in the matter. SA (b)(6) (b)(7)(C) was briefed of this office's nexus to the investigation involving the testing of the vehicles at Argonne National Laboratory (ANL). SA (b)(6) (b)(7)(C) endeavored to collaborate and coordinate investigative efforts when applicable. SA (b)(6) (b)(7)(C) provided the name of (b)(6) (b)(7)(C) 734-214 (b)(6) (b)(7)(C) @epa.gov, of EPA's Office of Transportation and Air Quality, as a viable (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) pertaining to the specifics of the defeat device. (See MOIA dated 15 October 2015)

Between October 26-28, 2015, SAs (b)(6) (b)(7)(C) conducted interviews of Advanced Powertrain Research Facility (APRF) engineers at Argonne National Laboratory, Illinois, The interviews were recorded due to the technical nature and content of the information gleaned, to be transcribed subsequently.

Information obtained related to the testing of a 2009 Volkswagen Jetta and a 2013 Volkswagen Jetta performed on site in 2009 and 2013. The testing was for research purposes related to fuel efficiency. Engineers noted that during the Federal Testing Procedures (FTP), testing protocols established by the Environmental Protection Agency (EPA), the vehicles performed with minimal Nitrogen Oxide (NOx) emissions. However, additional testing performed by the APRF engineers, which included "off-cycle" testing, or non-FTP protocols, revealed significant "spikes" in NOx emissions which were determined at the time as abnormal. Despite these anomalies, results of the research and testing for both vehicles was posted on the Downloadable Dynamometer Database (D3), hosted by ANL. This data is publicly available and generally used by academia, the U.S. Auto-manufacturing industry, as well as other Federal agencies, such as the EPA.

Interviews conducted at ANL's APRF revealed a total of seven Volkswagen vehicles were tested by the Department. The 2009 Volkswagen Jetta was purchased locally at a Volkswagen dealership in 2009 for testing purposes, while the 2013 Volkswagen Jetta tested in 2013 belonged to Idaho National Laboratory's Advanced Vehicle Testing Activity (AVTA). That vehicle was tested for fuel efficiency at ANL's APRF, then returned to INL for continued fuel efficiency testing, as part of a fleet comprising three other 2013 Volkswagen Jettas. Additionally, a 2010 Volkswagen Golf was also tested for fuel efficiency based on its attributes as a "start-stop" vehicle that also belonged to INL's AVTA. Interviews revealed the 2010 Volkswagen Golfs were likely decommissioned, and are no longer in the Department's possession.

Interviews conducted at ANL's APRF also revealed that the EPA's heightened emissions standard, the "Tier 2, BIN 5", intended to greatly decrease NOx emissions, with a phased compliance schedule, prompted Volkswagen to object to those standards. Interviews revealed Volkswagen representative stated that it would never be able to meet those standards.

SAs [redacted] collected the 2009 Volkswagen Jetta as evidence in order to preserve the software/defeat device, and to prevent impending decommissioning of the vehicle. Documentation justifying the purchase of the vehicle, the vehicle title, vehicle mileage log, and copy of vehicle sale sticker. (See MOIA dated 26-28 October 2015, and Evidence/Property Receipt dated 27 October 2015)

On 30 October 2015, SAs [redacted] and SA [redacted] interviewed [redacted] [redacted]@ee.doe.gov, 202-586-[redacted] [redacted] Vehicle Technologies Office, Office of Energy Efficiency and Renewable Energy, who stated he was the [redacted] conducted at Argonne National Laboratory's Advanced Powertrain Research Facility. He stated that the research results derived from there, as well as the results from the research conducted at Idaho National Laboratory's Advanced Vehicle Testing Activity was not used to populate the database available at the website "Fueleconomy.gov." [redacted] stated that the website was owned and maintained by the Department, but the Environmental Protection Agency provides data for the site. [redacted] four 2013 Volkswagen Jettas were currently undergoing testing through INL's AVTA as part of a taxi fleet related to fuel efficiency. [redacted] stated those vehicles were currently in Phoenix for that testing, operated through a contract with Intertek. [redacted] subsequently provided additional information in reference to the testing status pertaining to the 2013 Jettas. (See MOI dated 30 October 2015)

On November 4, 2015, SA [redacted] conducted a telephonic coordination with SA [redacted]@oig.dot.gov, 312-353-[redacted] Department of Transportation (DOT) Office of Inspector General (OIG), Chicago Office. SAs [redacted] informed SA [redacted] of this office's proactive investigation into potential fraud during Department funded emissions testing of Volkswagen vehicles, and to coordinate investigative efforts with his office.

SA [redacted] stated his office was conducting an investigation into Volkswagen's false fleet certification to the National Highway Transportation Safety Administration (NHTSA) of fuel efficiency and carbon emissions. SA [redacted] stated he was in direct contact with the United States Attorney's Office in Detroit, and would brief this Department's involvement the matter. (See MOIA dated 4 November 2015)

On July 22, 2016, SA [redacted] DOE OIG Chicago, IL, assisted SA [redacted] Criminal Investigation Division (CID), U.S. Environmental Protection Agency



(EPA), Middleburg Heights, Ohio, in the transfer of a Volkswagen TDI vehicle that the EPA requested in furtherance of their respective criminal investigation.

SA (b)(6) (b)(7)(C) and SA (b)(6) (b)(7)(C) met with (b)(6) (b)(7)(C) Argonne National Laboratory, who provided access to the aforementioned vehicle. As previously reported and as annotated in the notes section of the Evidence Custody Document (ECD), (attached), the evidence seals were previously breached in order to charge the vehicle's battery in order to drive the vehicle onto the trailer.

The vehicle was loaded onto a flatbed trailer and transported to the EPA office, Middleburg Heights, Ohio. The ECD contains the record of the chain of custody and transfer of the vehicle and keys to SA (b)(6) (b)(7)(C) (See MOIA and ECD for details.)

**PLANNED INVESTIGATIVE ACTIVITY:**  
-----

- Coordination with DOT CID (Complete)
- Coordination with EPA CID (Complete)
- Coordination with DOJ (Complete)
- Coordination with Vehicle Systems Section ANL (b)(6) (b)(7)(C) (Complete)
- Obtain data from INL's road testing of the affected vehicles (N/A)
- Coordinate with INL's Advanced Vehicle Testing Activity Program Manager (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) (N/A)
- Obtain Volkswagen Group of America's application for the Advanced Energy Manufacturing ARRA funding (N/A)
- Determine whether certifications are reviewed by or requested from DOE for Advanced Vehicle Tax Credit (N/A)

**DISPOSITION:**  
-----

Seized Volkswagen Jetta transferred to EPA CID.  
No Investigative Leads remaining based on DOJ declination  
Recommend closure.

**Finding Summary:**

**Additional Allegations**

**Process Dates**

10DEC2015 **Legal Statuses:** Federal-Referred

05APR2016 **Legal Statuses:** Federal-Declined

## Financial

[if documents!=null]

16MAR2017

Document Number 13

**16-0062-I Proactive; Potential Misuse of Fleet Cards and Purchase Cards; Multiple Sites**

**Complaint Summary:** A proactive review of GSA fleet and P-cards across multiple Department facilities for potential misuse.

**Parent:** 16-0243-C

**Current Status:** Closed; Proactive

**Current Status Date:** 26SEP2016

**Current Status Notes:** Proactive inv being closed due to other case priorities. Preliminary look into the fleet and purchase card info received did not reveal any criminal activity.

**Date Received:** 23MAR2016

**Date Initiated:** 24MAR2016

**Primary Investigator:**

**Other Investigators:**

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

**Type:**

Criminal

**Subject Type:**

DOE Program/Facility

**Special Flags:**

**Category:**

General and Other Crime

[None]

[None]

**Received By:**

[Other]

**Complaint Source:**

Proactive Initiative

**Complainant Location:**

Headquarters

**Allegation Location:**

Headquarters

**Offense Location**

District of Columbia

**Recovery Act**

No

**Joint Investigation**

no

**Use Name Outside of OIG**

N/A

**Retaliation**

No

**Contains Classified**

no

**(Information outside IPRISM)**

<b>HQ Program Office</b>	HQ, Ofc Of Management
<b>Priority</b>	Level 3 (Routine)
<b>Process Date Type Sar Nar</b>	
<b>Hotline</b>	no
<b>FOIA Interest</b>	No
<b>INV Assigned Office</b>	Washington DC
<b>Joint Agency</b>	
<b>Litigation Hold</b>	no
<b>Documents:</b>	Memorandum of Investigative Activity (All Other) : moia card purchahse hq spreadsheet.pdf Documentary Evidence : hq top 10% last 2 yrs (003).xlsx

**Close Actions**

Case Closed Date 26SEP2016  
Last Invest Activity 23SEP2016  
Evidence Processed Per NA  
Chapter 9  
Grand Jury & Subpoenaed NA  
Material Proc Per Chp 8  
Discard NCIC NA  
History/Printouts  
Closing Notification to NA  
Depart Mgr (Name & Date)  
Files and Folders Properly yes  
Labeled  
Coordination w TCS NA  
Regarding Electronic  
Evidence

**Techniques No Data Available**

<b>Allegation #1:</b>	Potential Misuse of Department Funds
Allegation Location:	Headquarters
Summary:	This proactive investigation will probe for potential government purchase card fraud within the Department.
Finding Summary:	

**User chronology entries:**

30MAR2016 (b)(6) (b)(7)(C)  
Case Notes  
SAs (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) met with (b)(6) (b)(7)(C) HQ (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) (202-287- (b)(6) (b)(7)(C) regarding retrieving records for HQ P-card holders.

30MAR2016 (b)(6) (b)(7)(C)  
Case Notes  
SA (b)(6) (b)(7)(C) met with Inspector (b)(6) (b)(7)(C) Eastern Region Office of Inspection, to review P-card risk assessment conducted for FY 2015.

30MAR2016 (b)(6) (b)(7)(C)  
Case Notes  
SA (b)(6) (b)(7)(C) meet with (b)(6) (b)(7)(C) Eastern Region Inspections and (b)(6) (b)(7)(C) Eastern Region Inspections regarding P-Card reviews and risk assessment conducted by the Office of Inspection for FY 14 and 15.

26APR2016 (b)(6) (b)(7)(C)  
Case Notes  
Received HQ cardholders information from (b)(6) (b)(7)(C) HQ (b)(6) (b)(7)(C)

21JUN2016 (b)(6) (b)(7)(C)  
File Review  
No file review required. This is a proactive investigation that will be turned to a full open inv at the 6 month mark or will be closed.

20SEP2016 (b)(6) (b)(7)(C)  
File Review  
No file review require for a proactive within the first 6 months. A determination is being made on whether to close this investigation or convert to a full investigation.

Summary

16MAR2017

16-0093-I (b)(6) (b)(7)(C) Conflict of Interest ; Strategic Petroleum Reserve, New Orleans, LA

**Compliant Summary:** On June 1, 2016, (b)(6) (b)(7)(C)  
(b)(6) (b)(7)(C) Petroleum Reserve Office, DOE, who stated that (b)(6) (b)(7)(C) Strategic Petroleum Reserve (SPR) in conjunction with (b)(6) (b)(7)(C) DynMcDermott Petroleum Operations Company (DM), purchased a warehouse that was then being leased to DOE SPR. (b)(6) (b)(7)(C) advised (b)(6) (b)(7)(C) warehouses for storage of equipment used by SPR. In addition, (b)(6) (b)(7)(C) alleged (b)(6) (b)(7)(C) had a personal friendship with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) FLUOR New Orleans, which resulted in FLUOR being awarded contract number DEFE0011020 for the management of SPR.

**Current Status:** Closed  
**Date Received:** 01JUN2016  
**Date Initiated:** 08JUN2016  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** Criminal  
**Subject Type:** DOE Manager (GS-15 equivalent or above)  
**Special Flags:**  
**Category:** Integrity/Ethics of Government Officials  
Conflict of Interest [None]  
**Received by:** In Person  
**Complaint Source:** Congressional  
**Complainant Location:** Strategic Petroleum Reserve  
**Allegation Location:** New Orleans Facility  
**Priority:** Level 1 (Priority)  
**Retaliation:** Yes  
**Offense Location:** Louisiana  
**FOIA Interest:** No  
**INV Assigned Office:** Savannah River  
**HQ Program Office:** HQ, Ofc Of Fossil Energy  
**Recovery Act:** No

Initial Allegation



**Allegation:** IEB  
**Location:** Strategic Petroleum Reserve  
**Summary:** ALLEGATION:

On June 1, 2016, (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Petroleum Reserve Office, DOE, who stated that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Strategic Petroleum Reserve (SPR) in conjunction with (b)(6) (b)(7)(C) DynMcDermott Petroleum Operations Company (DM) purchased a warehouse that was then being leased to DOE SPR. (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) advised (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) warehouses for storage of equipment used by SPR. In addition, (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) alleged (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) had a personal friendship with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) FLUOR New Orleans, which resulted in FLUOR being awarded contract number DEFE0011020 for the management of SPR.

[FBI COORDINATION: FBI Coordination was by DOE/OIG case agent on July 25, 2016.]

**INVESTIGATIVE FINDINGS:**

- The OIG determined that the address for the warehouse used by SPR for storage of equipment and is allegedly owned by (b)(6) (b)(7)(C) is: John C. Stennis Space Center, Leonard Kimble Rd, Bldg 9355, Stennis Space Center, MS 32529. Preliminary findings by the OIG indicate the warehouse is owned by National Aeronautics and Space Administration (NASA).
- The OIG contacted NASA OIG, Stennis Space Center, to determine ownership of building 9355 that is reported to belong to (b)(6) (b)(7)(C). The NASA OIG Agent reported that building 9355 belonged to NASA and was currently being leased by DOE.
- The OIG contacted SPRO to obtain information related to the awarding of M&O contract #DEFE0011020, which was awarded to FLOUR on November 17, 2014. Information requested is related to members on the Source Evaluation Board (SEB) and each member's supervisory chain.
- The OIG received the names of the SEB members for the awarded M&O contract DEFE0011020 and each member's supervisory chain. The board consisted of five members with (b)(6) (b)(7)(C) being the (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) for one and the (b)(6) (b)(7)(C) for another.
- The OIG conducted interviews with SEB members for the subsequent M&O contract awarded under procurement instrument #DEFE0011020. The OIG learned that the SEB didn't make recommendations as to which contractor should be awarded the contract. Instead, the SEB only provided evaluations for each of the competing contractor's that submitted proposals and let the Selecting

Official make the awarding determination. Additionally, the SEB members were never influenced by any DOE or contractor personnel during their evaluations.

-August 31, 2016 OIG conducted a subject interview with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) During the interview, (b)(6) (b)(7)(C) denied any involvement with the awarding of the M&O contract to FLUOR and denied ever attempting to influence any SEB members to select/recommend FLUOR as the most qualified candidate. Additionally, the OIG learned that (b)(6) (b)(7)(C) was never friends with (b)(6) (b)(7)(C) (FLOUR) prior to the awarding of the M&O contract.

Planned Activity:

-Close Case

Disposition:

**Finding Summary:** The OIG investigation determined that the warehouse allegedly belonging to (b)(6) (b)(7)(C) is actually owned by NASA and leased by NASA to DOE for storage space. In addition, the OIG investigation determined that (b)(6) (b)(7)(C) was not involved with the awarding of M&O contract #DEFE0011020, which was awarded to FLOUR. Interviews revealed that SEB members were never influenced by any DOE or contractor personnel during their evaluations, which includes (b)(6) (b)(7)(C). Additionally, (b)(6) (b)(7)(C) denied any involvement with the awarding of the M&O contract to FLUOR and stated that he was not friends with (b)(6) (b)(7)(C) (FLOUR) prior to the awarding of the M&O contract to FLOUR.

## Additional Allegations

## Process Dates

## Financial

[if documents!=null]

Summary

16MAR2017

**16-0105-I Misuse of Government IT Equipment**

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

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

Office of Nuclear Safety and Environmental Assessments)

**Compliant Summary:** On May 6, 2016 (b)(6) (b)(7)(C) received an email from (b)(6) (b)(7)(C)

Energy Operations and Shared Services (IM-62) Security Monitoring Team, indicating DOE employee (b)(6) (b)(7)(C) was utilizing his government owned computer to look at adult pornography.

**Current Status:** Closed  
**Date Received:** 06MAY2016  
**Date Initiated:** 27JUN2016  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** [Redacted]

**Type:** Administrative  
**Subject Type:** DOE Employee (GS-14 equivalent or below)  
**Special Flags:**  
**Category:** Administrative (non-criminal)  
Standards of Conduct Managerial or Other  
Administrative Irreg.

**Received by:** E-Mail  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** Headquarters-Germantown  
**Allegation Location:** Headquarters-Germantown  
**Priority:** Level 1 (Priority)  
**Retaliation:** No  
**Offense Location:** Maryland  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** HQ, Ofc of Enterprise Assessments  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** 18 U.S. Code § 2252 - Certain activities relating to material involving the sexual exploitation of minors  
**Location:** Headquarters-Germantown

**Summary:** EXECUTIVE SUMMARY:

On May 6, 2016, (b)(6) (b)(7)(C) received an email from a DOE Cyber Security Monitoring Team, indicating DOE employee (b)(6) (b)(7)(C) was utilizing his government owned computer to look at adult pornography. SA (b)(6) (b)(7)(C) was provided the network packet capture (pcap) data and Panorama network logs on June 2, 2016. After a review of the logs, there were approximately 250 to 300 pictures that a reasonable person would consider adult pornography. The adult pornography varied from regular pornography to rape fetish pornography. The pictures did not appear to be of actual rapes. Also, after reviewing all of the logs, it did not appear any "rape" videos were actually viewed beyond the images on the Bing search results page. A search on the Internet using the same "rape" video Uniform Resource Locators (URL) logged in the Panorama logs returned results for news videos about rape. The videos did not appear to be related to pornography.

On June 27, 2016, the predication was referred back to SA (b)(6) (b)(7)(C) by (b)(6) (b)(7)(C) to determine, based on the data provided, whether (b)(6) (b)(7)(C) was conducting Internet searches with terms consistent with child pornography, or whether child pornography was present on the data provided for analysis. The predication was upgraded to a criminal case and then reassigned to SA (b)(6) (b)(7)(C). On June 30, 2016, SA (b)(6) (b)(7)(C) received a CD with network logs provided by the DOE-CIO. SA (b)(6) (b)(7)(C) will review the network log data for any indications of child pornography. Also, a forensic image of (b)(6) (b)(7)(C) work computer and a DOE issued thumb drive were provided to SA (b)(6) (b)(7)(C) on August 2, 2016.

A review of (b)(6) (b)(7)(C) DOE issued computer and thumb drive as well as historical network logs going back to January 2016 did not reveal any child pornography or criminal behavior. Recovered from (b)(6) (b)(7)(C) computer was one photograph of adult pornography. The final approved draft of the forensic report was uploaded to iPRISM on September 26, 2016, and a slightly edited version of that report was provided to (b)(6) (b)(7)(C) via email on October 12, 2016, for transmission to the Office of Enterprise Assessments.

**PREDICATION:**

On May 6, 2016, (b)(6) (b)(7)(C) received an email from (b)(6) (b)(7)(C) Energy Operations and Shared Services (IM-62) Security Monitoring Team, indicating DOE employee (b)(6) (b)(7)(C) was utilizing his government owned computer to look at adult pornography.

**Finding Summary:** A review of the first set of network logs containing the pcap data indicated (b)(6) (b)(7)(C) searched for and viewed adult pornography to include rape fetish pornography. The pornography did not appear to include videos or images of actual rape. A review of (b)(6) (b)(7)(C) DOE issued computer and thumb drive as well as historical network logs going back to January 2016 did not reveal any child pornography, searches for child pornography or other criminal behavior. All investigative activity has been completed and this case is recommended for closure.

## Additional Allegations

## Process Dates

## Financial

[if documents!=null]

Summary

16MAR2017

Document Number 16

**17-0010-I** (b)(6) (b)(7)(C) Alleged Poisoning; Oak Ridge National Laboratory; Oak Ridge, TN

**Compliant Summary:** On October 21, 2016, (b)(6) (b)(7)(C) reported to the Oak Ridge Police Department (ORPD) her belief that she had been poisoned by someone at work. (b)(6) (b)(7)(C) works at building 1059, office (b)(6) (b)(7)(C) on the ORNL site. (b)(6) (b)(7)(C) suspects someone placed anti-freeze in spices she kept at work. (b)(6) (b)(7)(C) reported that after eating some of the spices for lunch she had become very sick. (b)(6) (b)(7)(C) believed her symptoms to be consistent with anti-freeze poisoning. (b)(6) (b)(7)(C) purchased a kit to test for spices for anti-freeze. (b)(6) (b)(7)(C) reported to the ORPD that the test of her cinnamon proved positive for anti-freeze. (b)(6) (b)(7)(C) brought the cinnamon to the ORPD with an additional test kit. An ORPD officer tested the cinnamon, but stated the test had negative results. (See the ORPD police report for additional detail)

**Current Status:** Closed  
**Date Received:** 24OCT2016  
**Date Initiated:** 25OCT2016  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**

**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Person  
**Special Flags:**  
**Category:** Health and Safety  
EHS - Safety Aspects EHS - Health Aspects  
**Received by:** Telephone  
**Complaint Source:** Law Enforcement  
**Complainant Location:** Oak Ridge National Laboratory  
**Allegation Location:** Oak Ridge National Laboratory  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Tennessee  
**FOIA Interest:** No  
**INV Assigned Office:** Oak Ridge  
**HQ Program Office:** Other  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** IEB  
**Location:** Oak Ridge National Laboratory  
**Summary:** On October 21, 2016, (b)(6) (b)(7)(C) reported to the Oak Ridge Police Department (ORPD) her belief that she had been poisoned by someone at work. (b)(6) (b)(7)(C) works at building 1059, office (b)(6) (b)(7)(C) on the ORNL site. (b)(6) (b)(7)(C) suspects someone placed anti-freeze in spices she kept at work. (b)(6) (b)(7)(C) reported that after eating some of the spices for lunch she had become very sick. (b)(6) (b)(7)(C) believed her symptoms to be consistent with anti-freeze poisoning. (b)(6) (b)(7)(C) purchased a kit to test for spices for anti-freeze. (b)(6) (b)(7)(C) reported to the ORPD that the test of her cinnamon proved positive for anti-freeze. (b)(6) (b)(7)(C) brought the cinnamon to the ORPD with an additional test kit. An ORPD officer tested the cinnamon, but stated the test had negative results. (See the ORPD police report for additional detail)  
**Finding Summary:** ORPD Detectives were able to interview (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) It is there opinion that no further investigative activity is required. Our office has reviewed the detectives interview and concur with their recommendation. Case submitted to (b)(6) (b)(7)(C) for closure.

## Additional Allegations

## Process Dates

## Financial

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Summary

06FEB2017

**16-0116-I** (b)(6),(b)(7)(C) State Law Violations on DOE site; Y-12 National Security Complex; Oak Ridge, TN

**Compliant Summary:** Agent (b)(6),(b)(7)(C) Tennessee Alcoholic Beverage Commission, Knoxville, TN, advised the OIG that it was alleged that (b)(6),(b)(7)(C) is a (b)(6),(b)(7)(C) employee at a government facility in Oak Ridge who is selling moonshine on-site as well as transporting it across state lines in large quantities. Subsequent contact with DOE Personnel Security found that (b)(6),(b)(7)(C) is employed at at the Y-12 National Security Complex in Oak Ridge, TN. His Q-clearance was updated in January 2016.

**Current Status:** Closed  
**Date Received:** 14JUL2016  
**Date Initiated:** 14JUL2016  
**Primary Investigator:** (b)(6),(b)(7)(C)  
**Other Investigators:** (b)(6),(b)(7)(C)

**Type:** Administrative  
**Subject Type:** DOE Contractor/Grantee Person  
**Special Flags:**  
**Category:** Administrative (non-criminal)  
Standards of Conduct [None]  
**Received by:** Telephone  
**Complaint Source:** Law Enforcement  
**Complainant Location:** [Other]  
**Allegation Location:** Y-12 National Security Complex  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Tennessee  
**FOIA Interest:** No  
**INV Assigned Office:** Oak Ridge  
**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** IEB  
**Location:** Y-12 National Security Complex

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**Summary:** Special Agent (b)(6),(b)(7)(C) Tennessee Alcoholic Beverage Commission, Knoxville, TN, advised the OIG that it received an anonymous allegation that (b)(6),(b)(7)(C) a (b)(6),(b)(7)(C) employee at a government facility in Oak Ridge, was selling moonshine on a DOE site as well as transporting it across state lines in large quantities. Subsequent contact with DOE Personnel Security found that (b)(6),(b)(7)(C) was employed at at the Y-12 National Security Complex in Oak Ridge, TN as a (b)(6),(b)(7)(C) His Q-clearance was updated in January 2016.

**Finding Summary:** Tech Crimes SA (b)(6),(b)(7)(C) obtained Lawrence's email and text/pager communications from Y-12. (16-0066-T) Analysis of this information did not reveal any additional leads/information relevant to the allegation. Coordinated with SA (b)(6),(b)(7)(C) Tennessee Alcoholic Beverage Commission, and his office did not wish to pursue this matter any further based on lack of evidence to support the anonymous complaint that initiated its investigation. CLOSE CASE

### **Additional Allegations**

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### **Process Dates**

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### **Financial**

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