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Description of document: Closing documents for 32 closed Department of Energy (DOE) Office of Inspector General (OIG) investigations, 2000-2017

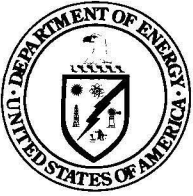
Requested date: 2016

Released date: 09-August-2017

Posted date: 06-August-2018

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

AUG - 9 2017

Re: Freedom of Information Act Requests HQ-2017-00497-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:

99-0057-I, 00-0053-I, 11-0034-I, 12-0050-I, 13-0025-I, 14-0077-I, 14-0001-I, 14-0057-I, 14-0066-I, 14-0085-I, 14-0091-I, 14-0097-I, 14-0104-I, 14-0105-I, 14-0109-I, 14-0113-I, 15-0004-I, 15-0020-I, 15-0034-I, 15-0041-I, 15-0056-I, 15-0057-I, 15-0073-I, 15-0087-I, 15-0108-I, 15-0119-I, 16-0004-I, 16-0033-I, 16-0050-I, 16-0054-I, 16-0062-I, 16-0114-I, and 16-0116-I

The OIG has completed the search of its files and identified 34 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)(5), (b)(6), and (b)(7)(C) of the FOIA or Exemption 5, 6, and 7(C), respectively. Specifically, the OIG review determined:

- Documents 1 through 5 and 7 through 34 are released to you with certain material being withheld pursuant to Exemptions 6 and 7(C) of the FOIA. In addition, portions of Document 8 are withheld pursuant to Exemption 5.
- Document 6 originated with the DOE's National Nuclear Security Administration (NNSA). The document has been forwarded to NNSA for a determination concerning its releasability. NNSA will respond directly to you concerning the document. In addition, certain material has been withheld by the OIG from Document 6 pursuant to Exemptions 6 and 7(C).

If you have any questions about the processing of Document 6, you may contact the following:

Ms. Jane Summerson, NNSA Albuquerque Complex, FOIA/PA, P.O. Box 5400,  
Albuquerque, NM 87185 or on (505) 845-4091 or [Jane.Summerson@nnsa.doe.gov](mailto:Jane.Summerson@nnsa.doe.gov).





Exemption 5 exempts from mandatory disclosure “inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency. . . .” Exemption 5 incorporates the deliberative process privilege which protects recommendations, advice, and opinions that are part of the process by which agency decisions and policies are formulated.

The information redacted under Exemption 5 reflects the advisory opinions between subordinates and their management. The OIG has determined that the disclosure of material withheld pursuant to Exemption 5 is not in the public interest. In this case, the disclosure of pre-decisional deliberative material would inhibit frank and open discussion of the matter and would hinder the Government’s ability to reach sound and well-reasoned solutions.

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

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

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

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

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

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", is written over the typed name and title.

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

Enclosures

Summary

24FEB2017

Document Number 1

## 00-0053-I LOCKHEED MARTIN ENERGY SYSTEMS; QUI TAM; FCL; PADUCAH, KY

**Compliant Summary:** ON JUNE 1, 1999, DEPARTMENT OF JUSTICE NOTIFIED OIG OF A SEALED QUI TAM ACTION FILED AGAINST LMES BY JOHN TILLSON, ALLEGING FALSE CLAIMS BY LMES REGARDING A CONTRACT FOR ABESTOS ABATEMENT OF NICKEL INGOTS.

**Current Status:** Closed  
**Date Received:** 24MAR2000  
**Date Initiated:** 24MAR2000  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Civil  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Qui Tam [None]  
**Received by:** [Other]  
**Complaint Source:** Other Federal Government Employee or Agency  
**Complainant Location:** Portsmouth/Paducah Office  
**Allegation Location:** Paducah  
**Priority:** Level 1 (Priority)  
**Retaliation:** No  
**Offense Location:** Kentucky  
**FOIA Interest:** No  
**INV Assigned Office:** Oak Ridge  
**HQ Program Office:** HQ, Ofc Of Environmental Management  
**Recovery Act:** No

### Initial Allegation

**Allegation:** IEB: ASBESTOS  
**Location:** Portsmouth/Paducah Office  
**Summary:** PREDICATION:

ON 22-MAR-00, THE DEPARTMENT OF JUSTICE (JUSTICE) PROVIDED A SEALED QUI TAM COMPLAINT FILED BY JOHN TILLSON (RELATOR), FORMER EMPLOYEE OF SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC), A SUBCONTRACTOR TO LOCKHEED MARTIN

ENERGY SYSTEMS (LMES), FORMER PRIME CONTRACTOR TO THE DEPARTMENT'S PADUCAH GASEOUS DIFFUSION PLANT (PGDP), PADUCAH, KENTUCKY. RELATOR ALLEGED THAT LMES CAUSED DOE TO APPROVE A \$2 MILLION ASBESTOS ABATEMENT PROJECT ON NICKEL INGOTS, WHEN IN FACT, THE INGOTS WERE NOT CONTAMINATED WITH ASBESTOS.

ON 24-OCT-08, CASE REASSIGNED TO SA  
ON 04-SEP-09, CASE RE-ASSIGNED TO SA

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

**Finding Summary:** DOE AND CONTRACTOR OFFICIALS PROVIDED DOCUMENTATION SHOWING THAT NICKEL INGOTS WERE CONTAMINATED WITH ASBESTOS AND THAT THE ABATEMENT PROJECT WAS NECESSARY. JUSTICE ADVISED THE RELATOR IT WOULD NOT INTERVENE IN THIS MATTER.

**Allegation:** IEB: TCE

**Location:** Portsmouth/Paducah Office

**Summary:** ON 29-NOV-00, RELATOR FILED AN AMENDED COMPLAINT WHICH ALLEGED 9 ADDITIONAL VIOLATIONS. DUE TO THE NATURE OF THE VIOLATION ALLEGATIONS IN THE AMENDED COMPLAINT, PER JUSTICE INSTRUCTIONS, THE ADDITIONAL ALLEGATIONS WERE WORKED UNDER AND IN CONJUNCTION WITH I99OR009. (99-0057-I iPrism number)

**Finding Summary:** ON 28-AUG-03, A 9 COUNT CIVIL COMPLAINT (CIVIL ACTION NO. 5:00CV-39-M) ALLEGING FRAUD AND ENVIRONMENTAL VIOLATIONS WAS FILED WITH THE UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF KENTUCKY, PADUCAH DIVISION. SPECIFICALLY, THE COMPLAINT WAS DRAFTED BASED ON THE FINDINGS OF THE INVESTIGATION WHICH FOCUSED ON IMPROPER DISPOSAL OF TRICHLORETHELENE (TCE), AN F LISTED WASTE.

On February 26, 2016, Lockheed Martin and DOJ reached a settlement. Lockheed will pay \$4 million for civil false claims and \$1 million in RCRA violations. The whistleblowers/relators will receive \$920,000 and \$3.08 will go to the Government. Lockheed will also pay the relators' attorney fees, costs, and expenses. The stats are listed in the parent case, 99-0057-I. CLOSE CASE

## Additional Allegations

## Process Dates

28AUG2003 **Legal Actions:** Civil Complaint

## Financial

[if documents!=null]

24FEB2017

Document Number 2

**11-0034-1** **AMPLIFICATION TECHNOLOGIES; SBIR FRAUD;**  
**NY**

**Complaint Summary:** ON 1-NOV-2010 NASA OIG FORWARDED A COMPLAINT LETTER FROM (b)(7)(D),(b)(6) (b)(7)(C) ALLEGING THAT AMPLIFICATION TECHNOLOGIES INC (ATI) WAS ENGAGING IN SBIR FRAUD.

**Current Status:** Closed  
**Current Status Date:** 02MAY2016  
**Current Status Notes:** AUSA decided against civil case. No further investigative activity necessary. All documents contained in hard case file. File forwarded to HQ for storage.  
**Date Received:** 01NOV2010  
**Date Initiated:** 01NOV2010

**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:** FBI Notified  
**Category:** Contract and Grant Fraud  
Project Grants (Incl. SBIR; STTR)  
[None]  
**Received By:** [Other]  
**Complaint Source:** Law Enforcement  
**Complainant Location:** Not Applicable  
**Allegation Location:** Not Applicable  
**HQ Program Office** HQ, Ofc Of Science  
**Joint Investigation** yes  
**Use Name Outside of OIG**  
**Process Date Type Sar Nar**

<b>Joint Agency</b>	Army CID
<b>FOIA Interest</b>	No
<b>Contains Classified</b>	yes
<b>(Information outside iPRISM)</b>	
<b>Recovery Act</b>	No
<b>Hotline</b>	no
<b>Offense Location</b>	New York
<b>INV Assigned Office</b>	Washington DC
<b>Retaliation</b>	No
<b>Priority</b>	Level 3 (Routine)
<b>Documents:</b>	
No Data Available	

### **Close Actions**

Case Closed Date	02MAY2016
Last Invest Activity	29APR2016
Evidence Processed Per Chapter 9	Remaining evidence will be destroyed.
Grand Jury & Subpoenaed Material Proc Per Chp 8	Grand jury material will be destroyed per request from USAO SDNY.
Discard NCIC	Discarded
History/Printouts	4/29/2016.
Closing Notification to Depart Mgr (Name & Date)	N/A.
Files and Folders Properly Labeled	yes
Coordination w TCS Regarding Electronic Evidence	Will coordinate TCS to destroy remaining electronic evidence.

### **Techniques**

Subpoena - Grand Jury

### **Admin Actions**

Preservation Letter	01OCT2011
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### **Legal Statutes**

Federal-Referred	03JAN2011
Federal-Accepted	03JAN2011



**Techniques Actions**

Subpoena - Grand Jury

01OCT2011

Subpoena - Grand Jury

01JAN2012

**Allegation #1:**

IEB

Allegation Location:

Not Applicable

Summary:

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**PREDICATION**  
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ON 1-NOV-2010 SA (b)(6) (b)(7)(C) RECEIVED E-MAIL FROM NASA OIG INDICATING NASA OIG WAS IN RECEIPT OF A COMPLAINT REGARDING SBIR FUNDS RECEIVED BY AMPLIFICATION TECHNOLOGIES INC. (ATI). NASA OIG FORWARDED THE COMPLAINT.

THE COMPLAINANT (PROTECT IDENTITY) ALLEGES THAT ATI, CONTRARY TO INTENT OF SBIR PROGRAM IS DIVERTING FUNDS RECEIVED FROM DOE, NASA, AND US ARMY TO RESEARCH BEING CONDUCTED OUTSIDE THE UNITED STATES, IN THE RUSSIAN FEDERATION.

THE COMPLAINANT ALLEGES THAT ATI MAINTAINS A DOMESTIC "SHELL STAFF" IN BROOKLYN, NEW YORK AND "DOES NOT APPEAR EQUIPPED TO CONDUCT RESEARCH," AND A "MOSCOW SUBSIDIARY WITH A LARGE STAFF FOR RESEARCH AND DEVELOPMENT." ATTACHED SEC FILINGS CORROBORATE THE COMPLAINANT'S ALLEGATIONS.

-----  
**INVESTIGATIVE FINDINGS**  
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REVIEW OF GOVERNMENT DATA INDICATES ATI RECEIVED TWO DOE SBIR PHASE I GRANTS VALUED AT \$100,000 EACH IN 2006. NO PHASE II GRANTS WERE AWARDED BY DOE. ATI HAS

SEVERAL NASA GRANTS AND A PENDING US ARMY PHASE I GRANT.

OIG OBTAINED RELEVANT DOCUMENTATION FROM DOE SBIR OFFICE (OFFICE OF SCIENCE). THE DOCUMENTS DO NOT REPRESENT THAT THE COMPANY HAS ANY PRESENCE OUTSIDE THE UNITED STATES. FURTHER, THE DOCUMENTS SPECIFY (AND INTERVIEW WITH SC

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

SUBSTANTIATES) THAT ALL RESEARCH ASSOCIATED WITH DOE SBIR AWARDS MUST BE CONDUCTED IN THE UNITED STATES.

DOE OIG AND ARMY CID CONDUCTED SURVEILLANCE OF ATI, LOCATED AT (b)(6) (b)(7)(C)

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

BROOKLYN, NY. THE BUSINESS AT ABOVE-REFERENCED ADDRESS IS A WIG STORE. THERE IS A SIDE DOOR WITH A TYPED SIGN THAT READS "AMPLIFICATION TECHNOLOGIES/POWERSAFE TECHNOLOGY" AND AN ARROW POINTING DOWNSTAIRS.

BEHIND THE DOOR IS A STAIRCASE THAT GOES UPSTAIRS, AND ACCESS TO THE MAILBOXES AT THE ADDRESS IS BLOCKED BY A PIECE OF PAPER TAPED OVER. ON 1- MAR-2011 NASA OIG SA (b)(6) (b)(7)(C) CONDUCTED

SURVEILLANCE OF ATI'S NEWLY DENOTED PARAMUS, NJ LOCATION. SA (b)(6) (b)(7)(C)

DISCOVERED NO OUTWARD MARKINGS DISCERNING THE BUSINESS AS "AMPLIFICATION TECHNOLOGIES" OR "POWERSAFE TECHNOLOGY." SA (b)(6) (b)(7)(C) ALSO CONDUCTED SURVEILLANCE OF THE (b)(6) (b)(7)(C)

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

BROOKLYN, NY ADDRESS AND

DISCOVERED COPIOUS AMOUNTS OF

UNCLAIMED U.S. MAIL.

DOE OIG REVIEWED GRANT FILES FOR 2 AWARDS TO ATI. NEITHER GRANT FILE INDICATES ANY ATI PRESENCE OVERSEAS OR IN THE RUSSIAN FEDERATION. BOTH FILES CONTAIN CERTIFICATIONS. (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) INDICATING THAT ALL RESEARCH WOULD BE PERFORMED IN THE UNITED STATES. BOTH PROPOSALS CONTAIN INFORMATION THAT A FULL LABORATORY INCLUDING CLEAN ROOM ET AL. IS PRESENT IN THE COMPANY'S NEW YORK FACILITY. THE GRANT FILES ALSO INDICATE THAT (b)(6) (b)(7)(C) WAS UNRESPONSIVE TO DOE REQUESTS FOR DOCUMENTATION THROUGHOUT THE GRANT PROCESS.

\*\*\*\*\*STAT\*\*\*\*\*

ON 5-JAN-2011 AUSA LISA ZORNBERG, USAO-SDNY, ISSUED TWO GRAND JURY SUBPOENAS IN THIS CASE.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

ON JANUARY 28, 2011, A 2703(F), PRESERVATION REQUEST, WAS COMPLETED AND FAXED TO GOOGLE FOR THE EMAIL ADDRESS OF (b)(6) (b)(7)(C) COM.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

ON MARCH 22, 2011, A 2703(F), PRESERVATION REQUEST, WAS COMPLETED AND FAXED TO GOOGLE FOR THE EMAIL ADDRESS OF (b)(6) (b)(7)(C) COM.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

ON MARCH 22, 2011, A 2703(F), PRESERVATION  
REQUEST, WAS COMPLETED AND FAXED TO  
COMCAST FOR THE EMAIL ADDRESS OF

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

NET.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

ON MARCH 22, 2011, A 2703(F), PRESERVATION  
REQUEST, WAS COMPLETED AND FAXED TO  
CABLEVISION SYSTEMS FOR THE EMAIL  
ADDRESS OF (b)(6) (b)(7)(C)

COM.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

ON 31-MAR-2011 SEVERAL ADDITIONAL GJ  
SUBPOENAS WERE ISSUED BY USAO-SDNY FOR  
THIS CASE. AUSA ROSEMARY "RUBY" NIDIRY  
HAS BEEN ASSIGNED AND THIS CASE HAS BEEN  
GIVEN SIGNIFICANT PROSECUTIVE INTEREST.

\*\*\*\*\*

\*\*\*\*\*STAT\*\*\*\*\*

THIS CASE HAS BEEN ACCEPTED FOR  
PROSECUTION BY USAO-SDNY. 1 OCT 2011 WILL  
BE USED AS THE ACCEPTANCE DATE FOR  
REPORTING PURPOSES.

\*\*\*\*\*

ON 12-JUN-2012 DOE OIG AND NASA OIG  
INTERVIEWED (b)(6) (b)(7)(C)

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

AT ATI.

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

INDICATED THAT HE BECAME UNCOMFORTABLE  
WITH ATI'S WORK WITH RUSSIAN SCIENTISTS  
AFTER THEY BEGAN RECEIVING FUNDING FROM  
NASA AND VOLUNTARILY LEFT THE COMPANY  
AFTER DISAGREEMENT WITH (b)(6) (b)(7)(C)

AND

(b)(6) (b)(7)(C) STATED THAT THE RESEARCH FOR THE DOE AWARDS IN 2005 WAS ALREADY PERFORMED BY RUSSIAN SCIENTISTS AT LEBEDEV INSTITUTE AND THAT THEY SOUGHT FUNDING TO REFINE THE RESEARCH. (b)(6) (b)(7)(C) HAS RETAINED COUNSEL AND IS SCHEDULED FOR A PROFFER SESSION IN SEPTEMBER WITH THE USAO-SDNY. AN ATTORNEY PROFFER WAS HELD BETWEEN (b)(6) (b)(7)(C) ATTORNEY (b)(6) (b)(7)(C) AND AUSA NIDIRY (DOE OIG ATTENDED). (b)(6) (b)(7)(C) INDICATED (b)(6) (b)(7)(C) WAS (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) FUNDS TRANSFERS. (b)(6) (b)(7)(C) ALSO ADMITTED RUSSIANS WORKED ON THE DOE GRANT AND THE NASA PHASE I GRANT. A PROFFER IS SCHEDULED FOR THE NEAR FUTURE.

As of January 2015, the USAO-SDNY has indicated an unwillingness to prosecute this case merely for false statements, as none of ATI or MET TECH's contracts can be positively determined as "export controlled" under U.S. law. ATI and MET TECH both employed foreign scientists on research grants issued by the US government, contrary to the regulations of those awards, but SDNY does not view this alone as sufficient to warrant a criminal prosecution.

This case has been briefed to USAO-EDNY in Brooklyn, NY, which has expressed both criminal and civil prosecutive interest. A number of OIG subpoenas from NASA OIG and Army CID have been issued, and both ATI and MET TECH have produced significant documentation, which is currently under review for additional evidence.

SDNY Civil Division has still not offered a declination or approval for prosecuting this case civilly. The Department of the Army is currently preparing a Suspension/Debarment memorandum for consideration.

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ANTICIPATED INVESTIGATIVE STEPS  
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Pursue civil prosecution.

Finding Summary:

**Violations:**

**Subject:** AMPLIFICATION TECHNOLOGIES INC.

**Description:** 18 USC 1001 - False Statement or Entries Generally

**Other:**

**Other:**

**Summary:**

**Result:** Unresolved

**Subject:** AMPLIFICATION TECHNOLOGIES INC.

**Description:** 18 USC 287 - False, Fictitious or Fraudulent Claims

**Other:**

**Other:**

**Summary:**

**Result:** Unresolved

**Evidence #1:** SCAN RECORDS INTO DIGITAL FORMAT

**Evidence #2:** SCAN RECORDS INTO DIGITAL FORMAT

**Evidence #3:** SCAN RECORDS INTO DIGITAL FORMAT

**Evidence #4:** SCAN RECORDS INTO DIGITAL FORMAT

**Evidence #5:** SCAN RECORDS INTO DIGITAL FORMAT



**Subject**

**Name:** (b)(6) (b)(7)(C)  
**AKA:**  
**Bargaining Unit Employee:** No  
**Victim:** No  
**Employment Status:** DOE Contractor/Subcontractor  
**Waive Confidentiality:** N/A  
**Work**  
**Address:**  
**DOB:** Work  
**Address 2:**  
**Org.:** Work City: BROOKLYN  
Work State: NY  
Work Zip  
Code:  
**Pay Band:** [Unknown] **Country:**  
**Location:** [Other] **Work:**  
**Home:** **Mobile:**  
**Other:**  
**Office Info:**

**Subject**

**Name:** LEBEDEV INSTITUTE OF PHYSICS  
**AKA:**  
**Bargaining Unit Employee:** No  
**Victim:** No  
**Employment Status:** Other  
**Waive Confidentiality:** N/A  
**Work**  
**Address:**  
**DOB:** Work  
**Address 2:**  
**Org.:** Work City: MOSCOW

**Pay Band:** [Unknown]  
**Location:** [Other]  
**Home:**  
**Other:**  
**Office Info:**

**Work State:** XX  
**Work Zip**  
**Code:**  
**Country:**  
**Work:**  
**Mobile:**

**Subject**

**Name:** (b)(6) (b)(7)(C)

**AKA:**

**Bargaining Unit Employee:** No

**Victim:** No

**Employment Status:** DOE Contractor/Subcontractor

**Waive Confidentiality:** N/A

**Work**  
**Address:**

**DOB:** **Work**

**Address 2:**

**Org.:** **Work City:** MONSEY

**Work State:** NY

**Work Zip**

**Code:**

**Pay Band:** [Unknown]

**Country:**

**Location:** [Other]

**Work:**

**Home:**

**Mobile:**

**Other:**

**Office Info:**

**Subject**

**Name:** AMPLIFICATION TECHNOLOGIES INC.

**AKA:**

**Bargaining Unit Employee:** No

**Victim:** No  
**Employment Status:** DOE Contractor/Subcontractor  
**Waive Confidentiality:** N/A  
**Work**  
**Address:**  
**DOB:** Work  
**Address 2:**  
**Org.:** **Work City:** BROOKLYN  
**Work State:** NY  
**Work Zip**  
**Code:**  
**Pay Band:** [Unknown] **Country:**  
**Location:** [Other] **Work:**  
**Home:** **Mobile:**  
**Other:**  
**Office Info:**

**Subject**

**Name:** (b)(6) (b)(7)(C)  
**AKA:**  
**Bargaining Unit Employee:** No  
**Victim:** No  
**Employment Status:** DOE Contractor/Subcontractor  
**Waive Confidentiality:** N/A  
**Work**  
**Address:**  
**DOB:** Work  
**Address 2:**  
**Org.:** **Work City:** BROOKLYN  
**Work State:** NY  
**Work Zip**  
**Code:**  
**Pay Band:** [Unknown] **Country:**  
**Location:** [Other] **Work:**  
**Home:** **Mobile:**

Other:

Office Info:

Subject

Name:

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

AKA:

Bargaining Unit Employee:

No

Victim: No

Employment Status:

DOE Contractor/Subcontractor

Waive Confidentiality:

N/A

Work

Address:

DOB:

Work

Address 2:

Org.:

Work City: BROOKLYN

Work State: NY

Work Zip

Code:

Pay Band: [Unknown]

Country:

Location: [Other]

Work:

Home:

Mobile:

Other:

Office Info:

Subject

Name:

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

AKA:

Bargaining Unit Employee:

No

Victim: No

Employment Status:

DOE Contractor/Subcontractor

Waive Confidentiality:

N/A

Work

Address:

DOB:

Work

**Org.:**

**Address 2:**

**Work City:** PARAMUS

**Work State:** NJ

**Work Zip**

**Code:**

**Pay Band:** [Unknown]

**Country:**

**Location:** [Other]

**Work:**

**Home:**

**Mobile:**

**Other:**

**Office Info:**

**Subject**

**Name:**

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

**AKA:**

**Bargaining Unit Employee:**

No

**Victim:** No

**Employment Status:**

DOE Contractor/Subcontractor

**Waive Confidentiality:**

N/A

**Work**

**Address:**

**DOB:**

**Work**

**Address 2:**

**Org.:**

**Work City:** BROOKLYN

**Work State:** NY

**Work Zip**

**Code:**

**Pay Band:** [Unknown]

**Country:**

**Location:** [Other]

**Work:**

**Home:**

**Mobile:**

**Other:**

**Office Info:**

**Subject**

**Name:**

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

**AKA:**

**Bargaining Unit Employee:** No

**Victim:** No

**Employment Status:** DOE Contractor/Subcontractor

**Waive Confidentiality:** N/A

**Work**

**Address:**

**DOB:** Work

**Address 2:**

**Org.:** Work City: BROOKLYN

**Work State:** NY

**Work Zip**

**Code:**

**Pay Band:** [Unknown]

**Country:**

**Location:** [Other]

**Work:**

**Home:**

**Mobile:**

**Other:**

**Office Info:**

**Subject**

**Name:**

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

**AKA:**

**Bargaining Unit Employee:** No

**Victim:** No

**Employment Status:** DOE Contractor/Subcontractor

**Waive Confidentiality:** N/A

**Work**

**Address:**

**DOB:** Work

**Address 2:**

**Org.:** Work City: BROOKLYN

**Work State:** NY

**Work Zip**

**Code:**

**Pay Band:** [Unknown]

**Country:**

**Location:** [Other]  
**Home:**  
**Other:**  
**Office Info:**

**Work:**  
**Mobile:**

**Subject**

**Name:** (b)(6) (b)(7)(C)  
**AKA:**  
**Bargaining Unit Employee:**  
**Victim:** No  
**Employment Status:**  
**Waive Confidentiality:**

No  
  
DOE Contractor/Subcontractor  
N/A

**DOB:**

**Work**  
**Address:**

**Org.:**

**Work**  
**Address 2:**  
**Work City:** BROOKLYN  
**Work State:** NY  
**Work Zip**  
**Code:**

**Pay Band:** [Unknown]  
**Location:** [Other]  
**Home:**  
**Other:**  
**Office Info:**

**Country:**  
**Work:**  
**Mobile:**

**Complainant**

**Name:** (b)(6) (b)(7)(C)  
**AKA:**  
**Bargaining Unit Employee:**  
**Victim:** No  
**Employment Status:**  
**Waive Confidentiality:**

No  
  
Other  
N/A  
**Work**

<b>DOB:</b>	<b>Address:</b>
	<b>Work</b>
	<b>Address 2:</b>
<b>Org.:</b>	<b>Work City:</b> HIGHLAND PARK
	<b>Work State:</b> IL
	<b>Work Zip</b>
	<b>Code:</b>
<b>Pay Band:</b> [Unknown]	<b>Country:</b>
<b>Location:</b> [Other]	<b>Work:</b>
<b>Home:</b>	<b>Mobile:</b>
<b>Other:</b>	
<b>Office Info:</b>	

**Complainant**

<b>Name:</b>	(b)(6) (b)(7)(C)
<b>AKA:</b>	
<b>Bargaining Unit Employee:</b>	No
<b>Victim:</b> No	
<b>Employment Status:</b>	Other Federal Government Employee
<b>Waive Confidentiality:</b>	N/A
	<b>Work</b>
	<b>Address:</b>
<b>DOB:</b>	<b>Work</b>
	<b>Address 2:</b>
<b>Org.:</b>	<b>Work City:</b> TRENTON
	<b>Work State:</b> NJ
	<b>Work Zip</b>
	<b>Code:</b>
<b>Pay Band:</b> [Unknown]	<b>Country:</b>
<b>Location:</b> [Other]	<b>Work:</b>
<b>Home:</b>	<b>Mobile:</b>
<b>Other:</b>	
<b>Office Info:</b>	



**User chronology entries:**

06MAY2014 (b)(6) (b)(7)(C)  
File Review  
Case seems to be getting stale. Update IEB with latest activity and path forward.

28JUL2014 (b)(6) (b)(7)(C)  
File Review  
Case review completed. Need to update case summary tab.

16OCT2014 (b)(6) (b)(7)(C)  
File Review  
Case reviewed. Case being transferred to the Eastern District of NY. Agent will update IEB to reflect case status.

30DEC2014 (b)(6) (b)(7)(C)  
File Review  
Update the IEB by 8 Jan 2015. Identify the affected program office under the initiation tab.

23MAR2015 (b)(6) (b)(7)(C)  
File Review  
(b)(6) (b)(7)(C) contact the USAO EDNY and see if they have made a prosecution decision. If they are not going to pursue lets discuss a way forward.

27MAY2015 (b)(6) (b)(7)(C)  
File Review  
Review complete. Let's discuss results of teleconference with USAO. We need to decide on a path forward.

20AUG2015 (b)(6) (b)(7)(C)  
File Review  
File review complete. If USAO is not going to pursue this we need to discuss a path forward.

01SEP2015 (b)(6) (b)(7)(C)  
Case Notes  
USAO EDNY Civil is considering pursuing this case civilly.

12NOV2015 (b)(6) (b)(7)(C)  
File Review  
File review complete. Continue to monitor civil status and S&D.

05FEB2016

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

File Review

File review complete. No activity since last review. If the AUSA is not going to move forward let's discuss our next move.

0 hours since last review

27APR2016

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

Case Notes

In the absence of investigative team's ability to secure interest from DOJ Civil Division in pursuing damages in this case, and in the wake of the company and its affiliates recent dissolution, NASA OIG has elected to close their case. Recommended case closure.

28APR2016

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

File Review

File review complete. Update IEB with any new information and complete the close actions screen within the dates tab. Once completed I will close this case.

Summary

06FEB2017

Document Number 3

12-0050-I (b)(6) (b)(7)(C): CONFLICT OF INTEREST: INL

**Compliant Summary:** ON MAY 30, 2012, RECEIVED AN ALLEGATION FROM (b)(6) (b)(7)(C) BEA HUMAN RESOURCES REGARDING AN ALLEGATION THAT (b)(6) (b)(7)(C) BEA (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) IT CONTRACTS TO A COMPANY WHICH SHE HAD A FINANCIAL INTEREST.

**Current Status:** Closed  
**Date Received:** 06JUN2012  
**Date Initiated:** 14JUN2012  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** [Other]  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Conflict of Interest [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:** Idaho Falls  
**HQ Program Office:** Other  
**Recovery Act:** No

### Initial Allegation

**Allegation:**  
**Location:** Idaho National Laboratory  
**Summary:** PREDICATION:  
On 30-May-2012, The Department of Energy, Office of Inspector General (DOE OIG), received an allegation from (b)(6) (b)(7)(C) Battelle Energy Alliance (BEA) a BEA Human Resources employee regarding an allegation that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) BEA (b)(6) (b)(7)(C)

IT contracts to a company which she had a financial interest.

**FBI NOTIFICATION:**

On 12-Aug-2013 Federal Bureau of Investigations (FBI) (b)(6) (b)(7)(C)  
(b)(6) (b)(7)(C) was notified via letter that the OIG has initiated an investigation regarding the predication.

**CASE ASSIGNMENT:**

On 06-JUN-2012 -- complaint predicated in EIGPT  
On 14-JUN-2012 -- case opened and assigned to SA (b)(6) (b)(7)(C)

**BACKGROUND:**

DOE OIG requested (b)(6) (b)(7)(C) personal records and emails. (b)(6) (b)(7)(C) is a BEA (b)(6) (b)(7)(C) for the BEA IT department.

**INVESTIGATIVE ACTIVITY:**

Requested email history on (subject)

SA (b)(6) (b)(7)(C) spoke with (b)(6) (b)(7)(C) for Battelle Energy Alliance (BEA) and requested all financial and conflict of interest forms filed by (b)(6) (b)(7)(C)

SA (b)(6) (b)(7)(C) reviewed (b)(6) (b)(7)(C) and several of her direct reports emails and did not find any compelling emails related to her actions and contracts associated with her prior employer. One email was recovered which was from a former INL worker who was working at INSEI [former company in which (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) prior to coming to the INL. In this email (b)(6) (b)(7)(C) asked about employment opportunities. Subsequent investigation revealed that (b)(6) (b)(7)(C) has been hired as a contract employee for BEA who is the operational managing contractor for the INL.

SA (b)(6) (b)(7)(C) has contacted DOE Idaho requesting contract information regarding the awarding of a small two month contract shown on (b)(6) (b)(7)(C) employment history. This contract came within a few months of his email to (b)(6) (b)(7)(C)

SA (b)(6) (b)(7)(C) obtained a copy of (b)(6) (b)(7)(C) conflict of interest form(s). On a form dated in 2011 (b)(6) (b)(7)(C) disclosed that she (b)(6) (b)(7)(C) in INSEI. (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) noted the conflict on the form but no information was found which showed if any action was taken to address the conflict. The other conflict of interest form which was also disclosed in 2011, (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) sought permission to work as the (b)(6) (b)(7)(C) Bingham County Commissioners. This was in an unpaid capacity. This form was approved and working conditions were explained to (b)(6) (b)(7)(C) by the INL Conflict of Interest Office.

On April 7, 2015, DOE OIG SA's (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) admitted recommending a former INSEI employee for a position at

the INL because he was highly talented.

Based on the results of the interview the investigation will be closed.

#### INVESTIGATIVE RESULTS:

#### PLANNED ACTION:

Complete final paperwork, close case

#### DISPOSITION:

Case is open and ongoing

#### **Finding Summary:**

#### **Additional Allegations**

#### **Process Dates**

#### **Financial**

[if documents!=null]

Summary

06FEB2017

Document Number 4

13-0025-I (b)(6) (b)(7)(C) KBs - PUBLIC CORRUPTION;  
GFO

**Compliant Summary:** SA (b)(6) (b)(7)(C) SMALL BUSINESS  
ADMINISTRATION-OIG, STATED (b)(6) (b)(7)(C) DEPARTMENT  
(b)(6) (b)(7)(C) DOE GOLDEN FIELD OFFICE, ACCEPTED BRIBES  
IN EXCHANGE FOR FOR FAVORABLE CONTRACT RECOMMENDATIONS.

**Current Status:** Closed  
**Date Received:** 04SEP2013  
**Date Initiated:** 04SEP2013  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** Other Government Agency Employee/Contractor  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Bribery [None]  
**Received by:** [Other]  
**Complaint Source:** Law Enforcement  
**Complainant Location:** Western Area Power Administration  
**Allegation Location:** Western Area Power Administration  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Colorado  
**FOIA Interest:** No  
**INV Assigned Office:** Denver  
**HQ Program Office:** Other  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** IEB  
**Location:** Western Area Power Administration  
**Summary:** PREDICTION:

SA (b)(6) (b)(7)(C) SMALL BUSINESS ADMINISTRATION-OIG, STATED  
(b)(6) (b)(7)(C) DEPARTMENT (b)(6) (b)(7)(C)  
WESTERN AREA POWER ADMINISTRATION, ACCEPTED BRIBES IN  
EXCHANGE FOR FAVORABLE CONTRACT RECOMMENDATIONS.

FBI NOTIFICATION: ON 4-SEP-13, SA (b)(6) (b)(7)(C) COORDINATED AND MET WITH THE FBI, DENVER OFFICE. SA (b)(6) (b)(7)(C) ADVISED THAT THE FBI WILL OPEN A CASE.

NOTE: BECAUSE THE FBI JOINED THE INVESTIGATION IMMEDIATELY AND WERE PART OF THE INITIAL INTERVIEWS, NO FBI LETTER WAS GENERATED.

THE DEPARTMENT'S OIG IS COORDINATING THIS INVESTIGATION WITH THE U.S. VETERANS AFFAIRS-OIG (VA), SMALL BUSINESS ADMINISTRATION-OIG (SBA), AND THE FBI.

04-SEP-13--COMPLAINT PREDICATED IN EIGHT

CASE ASSIGNMENT:

04-SEP-13 -- CASE OPENED AND ASSIGNED TO SA (b)(6) (b)(7)(C)  
19-FEB-15 -- CASE REASSIGNED TO SA (b)(6) (b)(7)(C)

**\*\*GRAND JURY INVESTIGATION REPORT DETAILS ARE LIMITED\*\***

CURRENT STATUS:

AS OF SEPTEMBER 2015, THE DEPARTMENT'S NEXUS TO THIS INVESTIGATION ENDED. THE USAO DECIDED TO NOT PURSUE ACTION AGAINST THE ORIGINAL COMPLAINANTS THAT PAYED A BRIBE TO OBTAIN A FICTITIOUS DOE WAPA CONTRACT. CURRENTLY, THE TARGETS OF THIS INVESTIGATION ARE VETERANS' AFFAIRS AND SMALL BUSINESS ADMINISTRATION EMPLOYEES. IF DEPARTMENT EMPLOYEES ARE IDENTIFIED THROUGH SUBSEQUENT LAW ENFORCEMENT OPERATIONS, THE DEPARTMENT'S OIG WILL BE NOTIFIED BY THE CURRENT INVESTIGATIVE TEAM.

THE CASE IS STILL BEING PURSUED BY THE USAO FOR THE DISTRICT OF COLORADO.

BACKGROUND:

(b)(6) (b)(7)(C) IS THE (b)(6) (b)(7)(C) AMERICAN METALS RECYCLING (AMR), WHICH IS LOCATED IN COMMERCE CITY, CO. (b)(6) (b)(7)(C) IS THE (b)(6) (b)(7)(C) DOES NOT HAVE AN (b)(6) (b)(7)(C) IN AMR AND IS ONLY AN EMPLOYEE OF AMR. AMR WAS FORMED IN 2013 IN THE DENVER AREA BY (b)(6) (b)(7)(C)

THE (b)(6) (b)(7) (C) WANTED TO ENTER GOVERNMENT CONTRACTING AND SIGNED A CONTRACT WITH A COMPANY CALLED AUXILIOUS (AUX) IN DENVER. AUX IS A CONSULTING COMPANY THAT CLAIMED TO HELP SMALL BUSINESSES GET FEDERAL CONTRACTS, SUCH AS WITH THE DOE. (b)(6) (b)(7) (C) AND (b)(6) (b)(7) (C) WERE THE (b)(6) (b)(7) (C) AUX. AUX WORKED WITH (b)(6) (b)(7) (C) A (b)(6) (b)(7) (C) THAT IS EMPLOYED BY THE US VETERANS AFFAIRS IN DENVER. WHEN THE (b)(6) (b)(7) (C) FIRST MET (b)(6) (b)(7) (C) HE WAS A (b)(6) (b)(7) (C) FOR THE SMALL BUSINESS ADMINISTRATION (SBA). PRIOR TO WORKING FOR THE SBA (b)(6) (b)(7) (C) WAS A (b)(6) (b)(7) (C) FOR THE US. DEPT OF ENERGY (DOE) IN GOLDEN CO. IN MARCH 2013, THE (b)(6) (b)(7) (C) AGREED AND SIGNED A BUSINESS ARRANGEMENT WITH AUX THAT WOULD RESULT IN A (b)(6) (b)(7) (C) SPLIT ON PROCEEDS OF DOE AND OTHER FEDERAL CONTRACTS OBTAINED THROUGH THE ASSISTANCE OF AUX. THE (b)(6) (b)(7) (C) PAID AUX \$12,500 CASH IN MARCH 2013 WITH THE UNDERSTANDING THAT THEY WOULD SECURE A \$100 MILLION CONTRACT WITH THE DOE WESTERN AREA POWER ADMINISTRATION (WAPA). AUX TOLD THE (b)(6) (b)(7) (C) THAT THE \$12,500 WOULD BE USED TO "GREASE THE WHEELS" OF DOE WAPA CONTRACTING OFFICERS. AUX TOLD THE (b)(6) (b)(7) (C) THAT (b)(6) (b)(7) (C) HAD RELATIONSHIPS WITH DOE WAPA CONTRACTING OFFICERS. THE (b)(6) (b)(7) (C) STATED THAT (b)(6) (b)(7) (C) WAS BEING PAID BY AUX TO HELP FACILITATE AWARDED CONTRACTS. THE (b)(6) (b)(7) (C) NEVER RECEIVED ANY DOE CONTRACTS AND SAID THAT THEY WERE SCAMMED BY AUX.

#### INVESTIGATIVE ACTIVITY:

##### ALLEGATION 1:

THE (b)(6) (b)(7) (C) ALLEGED THAT VA (b)(6) (b)(7) (C) (b)(6) (b)(7) (C) ACCEPTED BRIBES TO STEER FEDERAL CONTRACTS ON 10-SEP-13 (b)(6) (b)(7) (C) DOE. (b)(6) (b)(7) (C) WAS INTERVIEWED BY THE OIG. (b)(6) (b)(7) (C) PROVIDED THE OIG WITH CONTRACT RECORDS THAT (b)(6) (b)(7) (C) WAS ASSOCIATED WITH WHILE WORKING FOR THE DOE IN 2009-2010. (b)(6) (b)(7) (C) STATED THAT (b)(6) (b)(7) (C) WAS AN EMPLOYEE OF THE DOE FIELD OFFICE IN LAKEWOOD, CO AND WAS NEVER AN EMPLOYEE OF WAPA. (b)(6) (b)(7) (C) ADVISED THAT (b)(6) (b)(7) (C) JOB RESPONSIBILITIES WHILE AT THE DOE INCLUDED AWARDED CONTRACTS \$25K AND LESS TO SMALL BUSINESSES. FURTHER, AFTER (b)(6) (b)(7) (C) LEFT THE DOE TO WORK FOR SBA, HE RECOMMENDED A NUMBER OF 8(A) SMALL BUSINESSES (UNIDENTIFIED) TO THE DOE IN 2012, IN ACCORDANCE WITH HIS JOB ROLE. (b)(6) (b)(7) (C) SAID THAT (b)(6) (b)(7) (C) JOB ROLE AT THE SBA INVOLVED RECOMMENDING SMALL BUSINESSES TO DOE, AS (b)(6) (b)(7) (C) WAS PART OF SBA'S SMALL BUSINESS ACQUISITION DEPT.



ON 23-SEP-13, (b)(6) (b)(7)(C) AGELESS MEN'S HEALTH, WAS INTERVIEWED. (b)(6) (b)(7)(C) STATED THAT HE WAS INTRODUCED TO (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) BY THE (b)(6) (b)(7)(C) DURING A MEETING IN JULY 2013. (b)(6) (b)(7)(C) SHOWED (b)(6) (b)(7)(C) A DOCUMENT SUMMARIZING FUTURE VA EXPENDITURES AND ADVISED THAT THE VA HAD A REQUIREMENT TO AWARD A PERCENTAGE OF THESE CONTRACTS TO SMALL BUSINESSES. (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) PROPOSED THAT (b)(6) (b)(7)(C) FORM HIS OWN MEDICAL RELATED COMPANY AND THEY WOULD HELP HIM SET UP THE SMALL BUSINESS. FURTHER, (b)(6) (b)(7)(C) SAID THAT (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) OFFERED HIM A BUSINESS ARRANGMENT TO SPLIT THE PROFITS ON ANY FEDERAL CONTRACTS 50/50 THEY COULD GET AWARDED TO HIM. (b)(6) (b)(7)(C) WAS GIVEN THE IMPRESSION THAT (b)(6) (b)(7)(C) WAS PART OF (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) COMPANY AUXILIOUS AND WAS BEING COMPENSATED. FURTHER, THE (b)(6) (b)(7)(C) TOLD (b)(6) (b)(7)(C) THAT THEY WERE PAYING "BRIBE MONEY THROUGH THE BACK DOOR" TO SECURE FEDERAL CONTRACTS. (b)(6) (b)(7)(C) NEVER FORMED A BUSINESS AND DID NOT AGREE TO ANY BUSINESS ARRANGEMENT WITH (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C)

ON 26-SEP-13, (b)(6) (b)(7)(C) EMPLOYEE BLUELINE CONSTRUCTION (BLUELINE) WAS INTERVIEWED BY SA (b)(6) (b)(7)(C) AND THE VA OIG. IN 2013, (b)(6) (b)(7)(C) TOLD THE (b)(6) (b)(7)(C) THAT HE HELPED THE (b)(6) (b)(7)(C) GET WAPA CONTRACTS. THE (b)(6) (b)(7)(C) MET WITH (b)(6) (b)(7)(C) AND DISCUSSED (b)(6) (b)(7)(C) STATED THAT IN 2012, HIM AND HIS (b)(6) (b)(7)(C) BLUELINE, WERE APPROACHED BY (b)(6) (b)(7)(C) OF AUXILIOUS. (b)(6) (b)(7)(C) TOLD THE (b)(6) (b)(7)(C) THAT HE COULD HELP THEM GET GOVERNMENT CONTRACTS FOR A FEE. (b)(6) (b)(7)(C) STATED THAT HE NEVER PAID ANY MONEY TO (b)(6) (b)(7)(C) BECAUSE HE DID NOT TRUST HIM. FURTHER, (b)(6) (b)(7)(C) SAID THAT HIS (b)(6) (b)(7)(C) DID NOT HAVE A BUSINESS RELATIONSHIP WITH (b)(6) (b)(7)(C) AND NEVER PAID HIM ANYTHING EITHER. THE (b)(6) (b)(7)(C) HAVE RECEIVED WAPA CONTRACTS BUT (b)(6) (b)(7)(C) STATED THAT (b)(6) (b)(7)(C) NEVER HELPED THEM GET THE WAPA CONTRACTS.

ON 9-OCT-13, THE OIG, FBI, AND VA OIG RE-INTERVIEWED (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) TO CLARIFY INFORMATION THEY HAD PREVIOUSLY GIVEN ABOUT THEIR RELATIONSHIP WITH (b)(6) (b)(7)(C) AND OTHERS. (b)(6) (b)(7)(C) STATED THAT HE UNDERSTOOD THAT THE \$12K CASH HE GAVE EARLIER IN 2013 TO (b)(6) (b)(7)(C) WAS TO BE USED TO PROCURE WAPA CONTRACTS. FURTHER, (b)(6) (b)(7)(C) UNDERSTOOD THE CASH PAYMENT TO (b)(6) (b)(7)(C) WOULD BE USED TO BRIBE GOVERNMENT OFFICIALS, SO THAT (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) COULD OBTAIN CONTRACTS. ON A SEPARATE OCCASION, EARLIER IN 2013, (b)(6) (b)(7)(C) TOLD (b)(6) (b)(7)(C) HE NEEDED TO PAY (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) GAVE (b)(6) (b)(7)(C) \$500 CASH BUT (b)(6) (b)(7)(C) CLARIFIED HE WANTED \$5,000, NOT \$500 BUT THE (b)(6) (b)(7)(C) DIDN'T HAVE ANYMORE MONEY.

(b)(6) (b)(7)(C) KEPT THE \$500 AND THE (b)(6) (b)(7)(C) NEVER GOT ANY CONTRACTS.  
(b)(6) (b)(7)(C) LATER DENIED KEEPING THE MONEY AND CLAIMED THAT HE  
GAVE THE MONEY BACK TO (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C)  
NOW BELIEVE THAT (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) NEVER INTENDED TO GET  
THEM CONTRACTS AND INSTEAD JUST KEPT THEIR MONEY. THE OIG,  
FBI AND VA OIG PRESENTED THE INVESTIGATIVE FINDINGS TO THE  
USAO-DENVER. THE USAO ASSIGNED AUSA THOMAS O'ROURKE TO THE  
CASE. ON 26-FEB-14, SA (b)(6) (b)(7)(C) MET WITH AGENTS FROM THE VA-OIG  
AND SBA-OIG AND DISCUSSED FUTURE SURVEILLANCE OF (b)(6) (b)(7)(C)

ON 12-MAR-14, SA (b)(6) (b)(7)(C) AND SA (b)(6) (b)(7)(C) SBA OIG, CONDUCTED  
SURVEILLANCE ON INVESTIGATIVE SUBJECT (b)(6) (b)(7)(C)  
WAS NOT LOCATED ON THIS SURVEILLANCE OPERATION.

ON 13-MAR-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) SBA-  
OIG. (b)(6) (b)(7)(C) ADVISED SA (b)(6) (b)(7)(C) THAT ON MARCH 13, 2014, SBA-OIG  
SEIZED (b)(6) (b)(7)(C) OLD COMPUTER WHILE EMPLOYED AT THE  
SBA. SBA-OIG WILL CONDUCT A FORENSIC ANALYSIS OF THE HARD  
DRIVE.

ON 8-APR-14, SA (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) US DEPT OF VETERANS  
AFFAIRS-OIG (VETERANS AFFAIRS OIG), AND SA (b)(6) (b)(7)(C) FBI,  
CONDUCTED SURVEILLANCE WHILE AN FBI AGENT ATTENDED A TRADE  
FAIR TO ATTEMPT TO CONTACT INDIVIDUALS ASSOCIATED WITH  
ALLEGATIONS OF CORRUPT BUSINESS PRACTICES. THE FBI AGENT MET  
BRIEFLY WITH (b)(6) (b)(7)(C) AT THE TRADE FAIR AND DISCUSSED  
GETTING A BUSINESS INVOLVED IN GOVERNMENT CONTRACTING.  
(b)(6) (b)(7)(C) DID NOT PROVIDE ANY INFORMATION OF VALUE TO THE FBI  
AGENT.

ON 5-JUN-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) VA OIG. SA  
(b)(6) (b)(7)(C) ADVISED THAT THE FBI WOULD LIKE TO GO AHEAD WITH A  
LONG TERM UNDERCOVER OPERATION THAT WILL INCLUDE CREATING  
A FICTITIOUS VETERAN OWNED SMALL BUSINESS THAT WILL  
EVENTUALLY APPROACH (b)(6) (b)(7)(C) THE AUSA ASSIGNED TO THIS CASE  
HAS AGREED TO THE LONG TERM UNDERCOVER OP. SA (b)(6) (b)(7)(C) HAS  
DISCUSSED THE PLANS OF THE UC OP WITH (b)(6) (b)(7)(C)

ON 9-JUL-14, SA (b)(6) (b)(7)(C) COORDINATED WITH THE SA (b)(6) (b)(7)(C) VA-OIG, IN  
REGARDS TO THE UPCOMING UC OP THAT WILL BE CONDUCTED WITH  
THE FBI-DENVER.

ON 29-JUL-14, SA (b)(6) (b)(7)(C) COORDINATED WITH THE FBI & VA-OIG.

ON 30-JUL-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) SBA-OIG.

ON 27-AUG-14, SA (b)(6) (b)(7)(C) COORDINATED WITH THE VA-OIG AND DISCUSSED NEXT INVESTIGATIVE STEPS TO BE TAKEN.

ON 3-SEP-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) VA-OIG IN REGARDS TO PREPARATION OF PRESERVATION LETTER.

ON 17-SEP-14, SA (b)(6) (b)(7)(C) COORDINATED WITH NEWLY ASSIGNED CASE AGENT (b)(6) (b)(7)(C) SBA-OIG.

ON 22-SEP-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) VA-OIG.

ON 23-SEP-14, SA (b)(6) (b)(7)(C) PARTICIPATED IN A TELECONFERENCE WITH THE FBI, VA OIG AND SBA OIG. THE FBI IS CURRENTLY IN THE PROCESS OF OBTAINING APPROVALS FOR A UC OP INVOLVING SETTING UP A FICTIOUS MINORITY OWNED SMALL BUSINESS. FBI SA (b)(6) (b)(7)(C) ADVISED THAT HE IS REQUESTING A 20K BUDGET FOR THE OP. SA (b)(6) (b)(7)(C) WAS UNABLE TO PROVIDE AGENTS WITH AN EXPECTED TIME FRAME THAT THE OP COULD LIKELY BE APPROVED BY FBI MGMT IN ORDER TO MOVE FORWARD. SA (b)(6) (b)(7)(C) HAS GATHERED INFO THAT (b)(6) (b)(7)(C) MAY HAVE RECENTLY ACCEPTED SPORTING EVENT TICKETS FROM A VA CONTRACTOR IN THE DENVER AREA. AGENTS DISCUSSED CONDUCTING SURVEILLANCE ON (b)(6) (b)(7)(C) IN THE NEAR FUTURE.

ON 15-OCT-14, SA (b)(6) (b)(7)(C) COORDINATED W/ AGENTS FROM THE VA OIG AND SBA OIG RELATED TO UPCOMING UC & SURVEILLANCE OP.

ON 17-OCT-14, SA (b)(6) (b)(7)(C) AND CASE AGENTS CONDUCTED SURVEILLANCE ON (b)(6) (b)(7)(C)

ON 30-OCT-14, SA (b)(6) (b)(7)(C) AND CASE AGENTS CONDUCTED SURVEILLANCE ON (b)(6) (b)(7)(C)

ON 4-NOV-14, SA (b)(6) (b)(7)(C) COORDINATED WITH SA (b)(6) (b)(7)(C) SBA OIG AND DISCUSSED POSSIBLE NEXT INVESTIGATIVE STEPS.

ON 5-NOV-14, SA (b)(6) (b)(7)(C) COORDINATED WITH VA OIG. VA OIG IS LOOKING INTO A VA CONTRACT THAT IS SET TO BE AWARDED BY 12/26/14. VA OIG BELIEVES ITS POSSIBLE THAT (b)(6) (b)(7)(C) VA CONTRACTING SPECIALIST IS ATTEMPTING TO STEER THIS CONTRACT TO A MEDICAL SUPPLY COMPANY.

ON 17-NOV-14, SA (b)(6) (b)(7)(C) COORDINATED WITH THE SBA-OIG. THE DOE OIG WAS NOTIFIED THAT (b)(6) (b)(7)(C) DRIVERS LICENSE WAS TAKEN BY AUTHORITIES FOR RECKLESS DRIVING AND DRIVING WHILE UNDER SUSPENSION.

ON 4-DEC-14, SA (b)(6) (b)(7)(C) COORDINATED WITH THE VA OIG.

ON 5-JAN-15, SA (b)(6) (b)(7)(C) COORDINATED WITH THE FBI, SBA-OIG AND VA-OIG.

ON 31-AUG-15, SA (b)(6) (b)(7)(C) FBI, STATED THERE WAS NO LONGER A NEXUS TO ANY DEPARTMENT PERSONNEL OR CONTRACTS.

On 14 JAN 16, SA (b)(6) (b)(7)(C) RETURNED ALL GJ MATERIAL FOR THIS CASE TO SA (b)(6) (b)(7)(C) VA OIG, DENVER, CO.

**Finding Summary:** AS OF SEPTEMBER 2015, THE DEPARTMENT'S NEXUS TO THIS INVESTIGATION ENDED. THE USAO DECIDED TO NOT PURSUE ACTION AGAINST THE ORIGINAL COMPLAINANTS THAT PAYED A BRIBE TO OBTAIN A FICTITIOUS DOE WAPA CONTRACT. CURRENTLY, THE TARGETS OF THIS INVESTIGATION ARE VETERANS' AFFAIRS AND SMALL BUSINESS ADMINISTRATION EMPLOYEES. IF DEPARTMENT EMPLOYEES ARE IDENTIFIED THROUGH SUBSEQUENT LAW ENFORCEMENT OPERATIONS, THE DEPARTMENT'S OIG WILL BE NOTIFIED BY THE CURRENT INVESTIGATIVE TEAM.

## Additional Allegations

## Process Dates

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

16OCT2013 **Techniques Actions:** Subpoena - Grand Jury

30DEC2013 **Techniques Actions:** Subpoena - Grand Jury

30DEC2013 **Techniques Actions:** Subpoena - Grand Jury

02JAN2014 **Techniques Actions:** Subpoena - Grand Jury

03MAR2014**Techniques Actions:** Subpoena - Grand Jury

03MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

04MAR2014**Techniques Actions:** Subpoena - Grand Jury

02SEP2014**Techniques Actions:** Subpoena - Grand Jury

02SEP2014**Techniques Actions:** Subpoena - Grand Jury

02SEP2014**Techniques Actions:** Subpoena - Grand Jury

04SEP2014**Admin Actions:** Preservation Letter

## Financial

[if documents!=null]



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

# Investigative Report to Management

14-0001-I

October 1, 2015

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

October 1, 2015

MEMORANDUM FOR THE DEPUTY ASSOCIATE ADMINISTRATOR FOR  
ACQUISITIONS AND PROJECT MANAGEMENT,  
NATIONAL NUCLEAR SECURITY ADMINISTRATION  
and MANAGER, LOS ALAMOS FIELD OFFICE, NATIONAL  
NUCLEAR SECURITY ADMINISTRATION

FROM:

(b)(6) (b)(7)(C) (b)(6) (b)(7)(C)  
Special Agent-in-Charge  
Central Field Office

SUBJECT:

(b)(6) (b)(7)(C) Illegal Importation of Oxycodone (OIG Case No.  
14-0001-1)

This report serves to inform you of the results of an investigation by U.S. Department of Energy, Office of Inspector General, regarding allegations (b)(6) (b)(7)(C) Quality & Performance Assurance Division, Los Alamos National Laboratory (LANL), Los Alamos, New Mexico, illegally ordered Oxycodone.

In summary, the investigation determined (b)(6) (b)(7)(C) illegally ordered and possessed Oxycodone. LANL Office of Personnel Security revoked (b)(6) (b)(7)(C) access to LANL and (b)(6) (b)(7)(C) resigned in lieu of termination. (b)(6) (b)(7)(C) was prosecuted in the State of New Mexico for violating a restraining order and damage to property.

The investigation was coordinated with the U.S. Attorney's Office (USAO) for the District of New Mexico. A decision regarding prosecution by the USAO has been delayed until (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) completes probation pertaining to the State of New Mexico charges unrelated to the procurement of the Oxycodone.

The attached report makes two recommendations for corrective action. Please contact me with any questions at (505) 845- (b)(6) (b)(7)(C)

OIG Case No. 14-0001-1

i

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## INVESTIGATIVE REPORT TO MANAGEMENT

### **I. ALLEGATION**

On October 18, 2013, the U.S. Department of Energy (Department), Office of Inspector General (OIG), Office of Investigations received allegations from U.S. Department of Homeland Security, Homeland Security Investigations regarding a Los Alamos National Laboratory (LANL) employee under investigation for illegally ordering Oxycodone from China. This employee was later identified as (b)(6) (b)(7)(C)

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

The investigation focused on potential violations of 21 United States Code (USC) 952 Importation of controlled substances and 21 USC 841, Prohibited acts.

### **III. BACKGROUND**

LANL is one of the United States' three nuclear weapons laboratories. As a Department laboratory, LANL performs sensitive national security missions, including helping to ensure that the United States' nuclear weapons stockpile is safe, secure, and reliable. Since June 1, 2006, Los Alamos National Security, LLC has served as the management and operations contractor at LANL.

(b)(6) (b)(7)(C) worked in Quality & Performance Assurance Division at LANL. He was an active employee since 1999 and had a Q clearance with no restrictions. (b)(6) (b)(7)(C) last known mailing address is (b)(6) (b)(7)(C) Santa Fe, NM.

### **IV. INVESTIGATIVE FINDINGS**

The Department OIG investigation determined (b)(6) (b)(7)(C) illegally ordered and possessed Oxycodone.

#### *Interception*

On July 30, 2013, a United States Postal Service Express mail parcel, arriving from Hong Kong, was intercepted and examined by U.S. Customs and Border Protection. The mail parcel was found to contain 398 Oxycodone tablets. The package was addressed to (b)(6) (b)(7)(C) at (b)(6) (b)(7)(C) Santa Fe, NM.



### *Controlled Delivery*

On August 1, 2013, law enforcement attempted a controlled delivery of the intercepted package at (b)(6) (b)(7)(C) Santa Fe, NM. The resident of the address, (b)(6) (b)(7)(C) explained she was (b)(6) (b)(7)(C) further explained that (b)(6) (b)(7)(C) lived across the street from the church, but he had all of his mail delivered to her house.

On August 2, 2013, law enforcement conducted a controlled delivery of the intercepted package to a parking lot on Highway 503 on the Nambe Indian Reservation and encountered (b)(6) (b)(7)(C). (b)(6) (b)(7)(C) admitted to law enforcement that he had received multiple packages of smuggled Oxycodone from China. Additionally, (b)(6) (b)(7)(C) stated he knew it was illegal to order the Oxycodone.

### *Consensual Search*

On August 2, 2013, (b)(6) (b)(7)(C) gave law enforcement consent to search his residence. During the search, law enforcement recovered 195.44 grams of Oxycodone tablets in a pair of shoes. The tablets seized during this consensual search were later tested at the New Mexico Department of Public Safety Forensic Laboratories. In a report dated September 6, 2013, the New Mexico Department of Public Safety Forensic Laboratories identified each of the analyzed tablets as Oxycodone.

### *Resignation in Lieu of Termination*

On January 14, 2014, (b)(6) (b)(7)(C) was questioned by LANL Employee Relations and Security with respect to allegations he possessed illegal drugs. (b)(6) (b)(7)(C) admitted that he purchased, possessed, and used drugs for which he did not have a valid prescription. On this same date, (b)(6) (b)(7)(C) requested to resign in lieu of termination. His resignation was accepted and his last day at LANL was January 14, 2014.

### *State of New Mexico Plea and Disposition*

During the course of the OIG's investigation it was learned that on August 13, 2014, (b)(6) (b)(7)(C) plead guilty to two counts of violation of a restraining order prohibiting domestic violence and one count of criminal damage to property in the First Judicial District Court in the State of New Mexico. (b)(6) (b)(7)(C) was sentenced to a total of 18 months supervised probation.

The OIG learned the U.S. Attorney's Office was aware of the State of New Mexico charges and plea agreement and will make a prosecutorial decision regarding the illegal importation investigation when (b)(6) (b)(7)(C) completes his State of New Mexico sentence.

## V. EXHIBITS

1. Resignation in Lieu of Termination Memorandum (dated January 14, 2014)
2. State of New Mexico Plea and Disposition Agreement (dated August 13, 2014)

## VI. COORDINATION

The recommendations in this report were coordinated with the National Nuclear Security Administration's (NNSA) Office of Acquisitions and Property Management and the Los Alamos Field Office (LAFO).

## VII. RECOMMENDATIONS

Based on the findings of this report, and other information that may be available to you, the OIG recommends the:

1. LAFO Manager consider if the information regarding (b)(6) (b)(7)(C) in this report warrants notification to the appropriate security clearance personnel; and,
2. NNSA Office of Acquisitions and Property Management consider if suspension and debarment action against (b)(6) (b)(7)(C) is appropriate.

## VIII. FOLLOW-UP REQUIREMENTS

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

## IX. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

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STATE OF NEW MEXICO  
COUNTY OF SANTA FE  
FIRST JUDICIAL DISTRICT

FILED  
FIRST JUDICIAL  
DISTRICT COURT

2014 AUG 13 AM 9:38

STATE OF NEW MEXICO,

Plaintiff,

vs.

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

Defendant.

No

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

Judge Sheri A. Raphaelson

### PLEA AND DISPOSITION AGREEMENT

The State of New Mexico and the defendant hereby agree to the following disposition of this case:

**Plea:** The defendant agrees to plead guilty to the following offenses:

**Count 1: Violation of a restraining order prohibiting domestic violence**, a misdemeanor, in that on or about the 22<sup>nd</sup> day of February, 2014, in Santa Fe County, New Mexico, the above named Defendant did violate an order of protection issued pursuant to the Family Violence Protection Act [40-13-1 NMSA 1978], contrary to section 40-13-6(D) NMSA 1978 Comp., as amended.

**Count 2: Criminal Damage to Property**, a petty misdemeanor, in that on or about the 22<sup>nd</sup> day of February, 2014, in Santa Fe County, New Mexico, the above named Defendant did cause criminal damage to property which consists of intentionally damaging any real or personal property without consent of the owner of the property, contrary to Section 30-15-1 NMSA, 1978 Comp., as amended.

**Count 3: Violation of a restraining order prohibiting domestic violence**, a misdemeanor, in that on or about the 12<sup>th</sup> day of April, 2014, in Santa Fe County, New Mexico, the above named Defendant did violate an order of protection issued pursuant to the Family Violence Protection Act [40-13-1 NMSA 1978], contrary to section 40-13-6(D) NMSA 1978 Comp., as amended.

**Terms:** This agreement is made subject to the following conditions:

1. The sentence is to be deferred.

**Count 1: Violation of a restraining order prohibiting domestic violence**, 364 days incarceration, all suspended in favor of supervised probation.

**Count 2: Criminal Damage to Property**, 180 days incarceration, all suspended in favor of supervised probation.

**Count 3: Violation of a restraining order prohibiting domestic violence**, 364 days incarceration, all suspended in favor of supervised probation. No contact with the alleged victim [REDACTED] or with her immediate family. ~~Alcohol and drug screening and either 28 day in-patient or 90-day outpatient treatment~~ 90 days TAD or Soberlink.

Counts 1 and 3 to be run concurrent. Count 2 to run consecutive for a total of 18 (eighteen) months supervised probation.

2. **Additional charges.** The following charges will be dismissed, or if not yet filed, shall not be brought against the defendant:

**Breaking and Entering**, as charged in Count 1 of the Criminal Complaint;

**Criminal Damage to Property (Under \$1000)**, as charged in Count 3 of the Criminal Complaint;

The State may bring habitual offender proceedings as provided by law based on any conviction not admitted in this plea agreement. The State may also, at its option, withdraw this plea agreement if it discovers any such undisclosed conviction.

3. **Restitution.** The defendant agrees to pay restitution as follows: Restitution will be ordered in accordance with §31-17-1, NMSA 1978. The defendant agrees to make restitution on all charges whether or not dismissed or not filed pursuant to this agreement.
4. **Effect on charging document.** That this agreement, unless rejected or withdrawn, serves to amend the complaint, indictment or information to charge the offense to which the defendant pleads, without the filing of any additional pleading. If the plea is rejected or withdrawn, the original charges are automatically reinstated.
5. **Waiver of defenses and appeal.** Unless this plea is rejected or withdrawn, the defendant gives up any and all motions, defenses, objections or requests which the defendant has made or raised, or could assert hereafter, to the court's entry of judgment and imposition of a sentence consistent with this agreement. The defendant waives the right to appeal the conviction that results from the entry of this plea agreement.
6. **Withdrawal permitted if agreement rejected.** If after reviewing this agreement and any presentence report the court concludes that any of its provisions are unacceptable, the court will allow the withdrawal of the plea, and this agreement will be void. If the plea is

State v. [REDACTED]

Plea and Disposition Agreement

[REDACTED]

Page 3

withdrawn, neither the plea nor any statements arising out of the plea proceedings shall be admissible as evidence against the defendant in any criminal proceedings.

I understand that entry of this plea agreement may have an effect upon my immigration or naturalization status, and I acknowledge that, if I am represented by an attorney, my attorney has advised me of the immigration consequences of this plea agreement.

*(Domestic violence or felony cases only)* I understand that an entry of a plea for a crime of domestic violence or felony will affect my constitutional right to bear arms, including shipping, receiving, possessing or owning any firearm or ammunition, all of which are crimes punishable under federal law for a person convicted of domestic violence.

I have read and understand the above. I have discussed the case and my constitutional rights with my lawyer. I understand that by pleading guilty I will be giving up my right to a trial by jury, to confront, cross-examine and examine the testimony of witnesses and my privilege against self-incrimination.

I understand that if the court grants me probation, a suspended sentence, a deferred sentence or a conditional discharge, the terms and conditions thereof are subject to modification in the event that I violate any of the terms or conditions imposed.

[REDACTED]

#### DEFENSE COUNSEL REVIEW

I have reviewed the plea and disposition agreement with my client. I have discussed this case with my client and I have advised my client of my client's constitutional rights and possible

[REDACTED]

8-12-14  
Date

#### PROSECUTOR REVIEW

I have reviewed and approve this plea and disposition agreement and find that it is appropriate and consistent with the best interests of justice.

[REDACTED]

8/12/14

Date

### DISTRICT COURT APPROVAL

The defendant personally appearing before me and I have concluded as follows:

1. That the defendant understands the charges set forth in the Criminal Complaint.
2. That the defendant understands the range of possible sentences for the offenses charged, from probation to a maximum of:

**Count 1: Violation of restraining order prohibiting domestic violence, a misdemeanor with a basic sentence of three hundred sixty-four (364) days and a fine of \$1,000. The Court must also impose a \$5.00 Domestic Violence Treatment Fee.**

**Count 2: Criminal Trespass (Unposted), a misdemeanor with a basic sentence of three hundred sixty-four (364) days and a fine of \$1,000. The Court must also impose a \$5.00 Domestic Violence Treatment Fee.**

**Count 3: Violation of restraining order prohibiting domestic violence, a misdemeanor with a basic sentence of three hundred sixty-four (364) days and a fine of \$1,000. The Court must also impose a \$5.00 Domestic Violence Treatment Fee.**

3. That the defendant understands the following constitutional rights which the defendant gives up by pleading guilty:
  - (a) the right to trial by jury, if any;
  - (b) the right to the assistance of an attorney at trial, and to an appointed attorney, to be furnished free of charge, if the defendant cannot afford one;
  - (c) the right to confront the witnesses against the defendant and to cross-examine them as to the truthfulness of their testimony;
  - (d) the right to present evidence on the defendant's own behalf, and to have the state compel witnesses of the defendant's choosing to appear and testify;


State v. [REDACTED]  
Plea and Disposition Agreement

[REDACTED]

Page 5

- (e) the right to remain silent and to be presumed innocent until proven guilty beyond a reasonable doubt.
  - (f) the right to appeal this conviction.
4. That the defendant wishes to give up the constitutional rights of which the defendant has been advised.
  5. That there exists a basis in fact for believing the defendant is guilty of the offenses charged and that an independent record for such factual basis has been made.
  6. That the defendant and the prosecutor have entered into a plea agreement and that the defendant understands and consents to its terms.
  7. That the plea is voluntary and not the result of force, threats or promises other than a plea agreement.
  8. That under the circumstances, it is reasonable that the defendant plead guilty.
  9. That the defendant understands that a conviction may have an effect upon the defendant's immigration or naturalization status and that, if the defendant is represented by counsel, the defendant has been advised by counsel of the immigration consequences of the plea.

On the basis of these findings, I conclude that the defendant knowingly, voluntarily and intelligently plead guilty to the above charges and accepts such plea. These findings shall be made a part of the record in the above-captioned case.

  
\_\_\_\_\_  
District Judge

8-12-64  
\_\_\_\_\_  
Date

Name:  
DOB:  
POB:  
SSN:

[REDACTED]

State Tracking No.:



Summary

06FEB2017

Document Number 7

## 14-0057-I NUCLEAR ENERGY UNIVERSITY PROGRAM; GRANT FRAUD; OFFICE OF NUCLEAR ENERGY

**Compliant Summary:** PROACTIVE GRANT FRAUD INVESTIGATION IN CONJUNCTION WITH THE NUCLEAR REGULATORY COMMISSION OIG. NO SPECIFIC TARGET OR SPECIFIC FRAUD ALLEGATIONS AT THE CASE INITIATION. THIS PROACTIVE WILL REVIEW UNIVERSITIES THAT RECEIVED BOTH DOE NEUP GRANTS AND NRC FACULTY DEVELOPMENT GRANTS DURING THE SAME FISCAL YEAR.

**Current Status:** Closed  
**Date Received:** 04MAR2014  
**Date Initiated:** 04MAR2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** [Other]  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Project Grants (Incl. SBIR; STTR) [None]  
**Received by:** [Other]  
**Complaint Source:** Proactive Initiative  
**Complainant Location:** Headquarters-Forrestal  
**Allegation Location:** Headquarters-Forrestal  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Unknown  
**FOIA Interest:** No  
**INV Assigned Office:** Washington DC  
**HQ Program Office:** HQ, Ofc Of Nuclear Energy  
**Recovery Act:** No

### Initial Allegation

**Allegation:** Executive Brief  
**Location:** Headquarters-Forrestal  
**Summary:** PREDICATION:

PROACTIVE GRANT FRAUD INVESTIGATION IN CONJUNCTION WITH THE NUCLEAR REGULATORY COMMISSION (NRC) OIG. THIS PROACTIVE WILL



REVIEW UNIVERSITIES THAT RECEIVED BOTH DEPARTMENT OF ENERGY (DOE) NEUP GRANTS AND NRC FACULTY DEVELOPMENT GRANTS DURING THE SAME FISCAL YEAR.

ON 26-FEB-2014, SPECIAL AGENT (SA) (b)(6) (b)(7)(C) SPOKE WITH SA (b)(6) (b)(7)(C) NUCLEAR REGULATORY COMMISSION (NRC) OIG, (b)(6) (b)(7)(C) @NRC.GOV, (301)415 (b)(6) (b)(7)(C) REGARDING WORKING A JOINT PROACTIVE INVESTIGATION FOR GRANT FRAUD AT UNIVERSITIES THAT RECEIVE BOTH DOE AND NRC GRANTS WITHIN THE SAME FISCAL YEAR.

CASE ASSIGNMENT:

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4-MAR-2014 -- PREDICATED IN EIGPT.

4-MAR-2014 -- CASE OPENED AS A PROACTIVE (PA) CASE.

BACKGROUND:

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THE DEPARTMENT OF ENERGY (DOE) OFFICE OF NUCLEAR ENERGY (NE) CREATED THE NUCLEAR ENERGY UNIVERSITY PROGRAM (NEUP) IN 2009 TO BETTER INTEGRATE UNIVERSITY RESEARCH WITHIN NE'S TECHNICAL PROGRAMS. THE NEUP PROGRAM INCLUDES RESEARCH AND DEVELOPMENT (R&D) GRANTS, INTEGRATED RESEARCH PROJECT (IRP) GRANTS, INFRASTRUCTURE SUPPORT AWARDS, SCHOLARSHIPS, AND FELLOWSHIPS GIVEN TO UNIVERSITIES. NE HAS AWARDED MORE THAN \$290 MILLION TO UNIVERSITIES SINCE 2009. THE NUCLEAR REGULATORY COMMISSION (NRC) AWARDS FACULTY DEVELOPMENT GRANTS, SCHOLARSHIPS, AND FELLOWSHIPS TO UNIVERSITIES. SA (b)(6) (b)(7)(C) NRC-OIG, AND SA (b)(6) (b)(7)(C) WILL DETERMINE WHICH UNIVERSITIES RECEIVED MONEY FOR GRANTS, AWARDS, SCHOLARSHIPS, OR FELLOWSHIPS FROM BOTH DOE AND NRC DURING A GIVEN FISCAL YEAR. WE WILL THEN REVIEW ALL FUNDING AWARDED TO THOSE UNIVERSITIES LOOKING FOR DOUBLE BILLING OR OTHER FRAUDULANT/FALSE CLAIMS.

INVESTIGATIVE ACTIVITY:

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ON 27-FEB-2014, SA (b)(6) (b)(7)(C) REVIEWED THE NUCLEAR ENERGY UNIVERSITY PROGRAM'S (NEUP) RESEARCH & DEVELOPMENT (R&D) GRANTS, INTEGRATED RESEARCH PROJECT (IRP) AWARDS, SCHOLARSHIPS, AND FELLOWSHIPS AWARDED FOR FY13 WHILE SA (b)(6) (b)(7)(C) NUCLEAR REGULATORY COMMISSION (NRC), REVIEWED THE FACULTY DEVELOPMENT GRANTS, SCHOLARSHIPS, AND FELLOWSHIPS AWARDED BY THE NRC TO DETERMINE WHICH UNIVERSITIES WERE AWARDED GRANTS AND FELLOWSHIPS BY BOTH THE DOE AND NRC DURING FY13. (SEE SPREADSHEET TITLED FY12 & FY13 NEUP FUNDING)

ON 4-MAR-2014, SA (b)(6) (b)(7)(C) AND SA (b)(6) (b)(7)(C) CONDUCTED A SIMILAR REVIEW OF AWARDS FOR FY12. (SEE SPREADSHEET TITLED FY12 & FY13 NEUP FUNDING)

ON 5-MAR-2014, SA (b)(6) (b)(7)(C) CONTACTED NEUP (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) OFFICE OF NUCLEAR ENERGY (NE), (b)(6) (b)(7)(C) @NUCLEAR.ENERGY.GOV, (301)903-(b)(6) (b)(7)(C) AND REQUESTED THE APPLICATION PACKAGES TO INCLUDE THE QUARTERLY EXPENSE AND PROGRESS REPORTS FOR FY12 NEUP AWARDS GIVEN TO UNIVERSITIES THAT DOE AND NRC HAD BOTH FUNDED. ADDITIONALLY, NEUP WAS ASKED TO PROVIDE THE DOCUMENTATION FOR EACH SCHOLARSHIP OR FELLOWSHIP AWARDED TO THESE UNIVERSITIES.

ON 23-APR-2014, SA (b)(6) (b)(7)(C) MET WITH SA (b)(6) (b)(7)(C) NRC-OIG, TO DISCUSS INITIAL REVIEW OF FY12 GRANT AWARDS AND TO DEVELOP A DOCUMENT REVIEW STRATEGY.

DURING MAY-2014, SA (b)(6) (b)(7)(C) REVIEWED THE REQUESTED FY12 NEUP GRANT DOCUMENTATION RECEIVED FROM (b)(6) (b)(7)(C) AND COMPILED A SPREADSHEET DETAILING AWARD RECIPIENTS, GRANT DETAILS, AND EXPENSES. (SEE SPREADSHEET TITLED FY12 & FY13 NEUP FUNDING)

ON 30-MAY-2014, SA (b)(6) (b)(7)(C) PROVIDED THE SUMMARY SPREADSHEET TO SA (b)(6) (b)(7)(C) NRC-OIG, FOR REVIEW AND COMPARISON WITH NRC AWARD DATA.

ON 11-JUL-2014, SA (b)(6) (b)(7)(C) NRC-OIG, PROVIDED THE FOLLOWING NRC COMPARISON AWARD DATA. SIX RESEARCHERS AT THREE UNIVERSITIES RECEIVED BOTH NRC AND DOE GRANTS IN FY12. FUTURE INVESTIGATION ACTIVITIES WILL FOCUS ON THE FOLLOWING UNIVERSITIES / RESEARCHERS RECEIVING DOE AND NRC GRANTS: GA TECH (b)(6) (b)(7)(C) GA TECH (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) AND COLLABORATORS (b)(6) (b)(7)(C) AND (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) NORTH CAROLINA STATE (b)(6) (b)(7)(C); VIRGINIA COMMONWEALTH (b)(6) (b)(7)(C) THE CORRESPONDING DOE GRANTS WERE AWARDED IN FY12 AND HAVE A THREE YEAR PERFORMANCE PERIOD. ADDITIONALLY, SA (b)(6) (b)(7)(C) STATED THAT THE NRC PART OF THIS INVESTIGATION WAS BEING TRANSFERRED TO SA (b)(6) (b)(7)(C) @NRC.GOV, (301)415-(b)(6) (b)(7)(C)

ON 16-JUL-2014, SA (b)(6) (b)(7)(C) CONTACTED SA (b)(6) (b)(7)(C) NRC-OIG, TO COORDINATE FURTHER INVESTIGATIVE ACTION. SA (b)(6) (b)(7)(C) STATED THAT NRC HAD LOST SEVERAL AGENTS AND WAS CURRENTLY

EXPERIENCING A STAFFING SHORTAGE, AND HE WOULD SERVE AS THE NRC POINT OF CONTACT, BUT WOULD NOT BE ABLE TO ACTIVELY WORK THE INVESTIGATION. SA (b)(6) (b)(7)(C) FURTHER STATED THAT NRC WOULD KEEP THE INVESTIGATION OPEN AND IT WOULD BE REASSIGNED TO A NEWLY HIRED CASE AGENT IN THE FUTURE.

ON 18-JUL-2014, SA (b)(6) (b)(7)(C) REQUESTED ADDITIONAL AWARD DOCUMENTATION FOR THE DURATION OF THE GRANT AWARD PERIOD FOR THE ABOVE MENTIONED FOUR DOE GRANTS FROM (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DOE NEUP (b)(6) (b)(7)(C) NE. A REQUEST WAS ALSO MADE TO SEARCH THE NE DATABASE FOR OTHER DOE AWARDS GIVEN TO THE ABOVE MENTIONED PROFESSORS THAT RUN CONCURRENTLY WITH THESE AWARDS.

ON 17-SEP-2014, SA (b)(6) (b)(7)(C) RECEIVED ADDITIONAL AWARD DOCUMENTATION FROM (b)(6) (b)(7)(C) FOR NEUP AWARDS (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) A DATABASE SEARCH FOR OTHER FUNDING AWARDED TO THESE RESEARCHERS WAS NOT CONDUCTED BY NE AS REQUESTED. (b)(6) (b)(7)(C) INFORMED ME THAT (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) @NUCLEAR.ENERGY.GOV, (301)903-(b)(6) (b)(7)(C) MANAGEMENT OF THE UNIVERSITY PROGRAMS AND WOULD BE THE NEUP CONTACT FROM THIS POINT FORWARD.

ON 19-AUG-2015, SA (b)(6) (b)(7)(C) CONTACTED SA (b)(6) (b)(7)(C) NRC-OIG REGARDING ASSIGNMENT OF A NEW CASE AGENT. DUE TO CURRENT STAFFING AND WORKLOAD LIMITATIONS, THE NRC-OIG WILL NOT BE ABLE TO CONTINUE THIS PROACTIVE INVESTIGATION. THIS JOINT INVESTIGATION CENTERED ON DUPLICATE FUNDING AND DOUBLE BILLING, AND WITHOUT NRC INPUT THESE ALLEGATIONS CAN NOT BE SUBSTANTIATED. THIS PROACTIVE EFFORT IS NO LONGER AN EFFICIENT USE OF DOE-OIG TIME AND RESOURCES SO THIS CASE IS BEING CLOSED.

#### INVESTIGATIVE RESULTS:

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#### PLANNED ACTION:

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REVIEW OF AWARD DOCUMENTATION IN CONJUNCTION WITH NRC. (ON-GOING)

REQUEST GRANT BILLING RECORDS FROM GEORGIA TECH (b)(6) (b)(7)(C) NORTH CAROLINA STATE (b)(6) (b)(7)(C) AND VIRGINIA COMMONWEALTH (b)(6) (b)(7)(C)

DETERMINE OTHER DOE FUNDING RECEIVED BY (b)(6) (b)(7)(C) DURING THE TIMEFRAME THAT NEUP GRANT 3870 WAS ACTIVE; REQUEST DOE

GRANT DOCUMENTATION; REQUEST BILLING DOCUMENTATION FROM GEORGIA TECH. (REQUESTED A FUNDING SEARCH OF NE DATABASE, BUT NE DID NOT COMPLY; ON-GOING PUBLICATION SEARCH BY SA (b)(6) (b)(7)(C) TO DETERMINE GRANT NUMBERS)

DETERMINE OTHER DOE FUNDING RECEIVED BY (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DURING THE TIMEFRAME THAT NEUP GRANT WAS ACTIVE; REQUEST DOE GRANT DOCUMENTATION; REQUEST BILLING DOCUMENTATION FROM GEORGIA TECH. (REQUESTED A FUNDING SEARCH OF NE DATABASE, BUT NE DID NOT COMPLY; ON-GOING PUBLICATION SEARCH BY SA (b)(6) (b)(7)(C) TO DETERMINE GRANT NUMBERS)

DETERMINE OTHER DOE FUNDING RECEIVED BY (b)(6) (b)(7)(C) DURING THE TIMEFRAME THAT NEUP GRANT (b)(6) (b)(7)(C) WAS ACTIVE; REQUEST DOE GRANT DOCUMENTATION; REQUEST BILLING DOCUMENTATION FROM NORTH CAROLINA STATE. (REQUESTED A FUNDING SEARCH OF NE DATABASE, BUT NE DID NOT COMPLY; ON-GOING PUBLICATION SEARCH BY SA (b)(6) (b)(7)(C) TO DETERMINE GRANT NUMBERS)

DETERMINE OTHER DOE FUNDING RECEIVED BY (b)(6) (b)(7)(C) DURING THE TIMEFRAME THAT NEUP GRANT (b)(6) (b)(7)(C) WAS ACTIVE; REQUEST DOE GRANT DOCUMENTATION; REQUEST BILLING DOCUMENTATION FROM VIRGINIA COMMONWEALTH. (REQUESTED A FUNDING SEARCH OF NE DATABASE, BUT NE DID NOT COMPLY; ON-GOING PUBLICATION SEARCH BY SA (b)(6) (b)(7)(C) TO DETERMINE GRANT NUMBERS)

CONDUCT INTERVIEWS.

DISCUSS PROSECUTORIAL MERITS OF ANY FRAUD FOUND WITH THE APPROPRIATE UNITED STATES ATTORNEY'S OFFICE.

DETERMINE IF CRIMINAL STATUTES WERE VIOLATED / ARREST / PROSECUTE.

DETERMINE IF AN IRM IS WARRANTED.

DISPOSITION:

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CASE IS CLOSED

**Finding Summary:** Determination of specific violations is pending.

## Additional Allegations

## Process Dates

## Financial

[if documents!=null]

Summary

06FEB2017

Document Number 8

## 14-0066-I Sandia Corporation; Prohibited Lobbying Activity; SNL-NM

**Compliant Summary:** During a Special Inquiry conducted by the Department of Energy, Office of Inspector General, Office of Audits and Inspections, evidence was found that Sandia Corporation used Federally appropriated funds to engage in prohibited lobbying and influencing activities regarding the extension and award of the Department Prime Contract to manage and operate Sandia National Laboratories.

**Current Status:** Closed  
**Date Received:** 25APR2014  
**Date Initiated:** 09MAY2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**

**Type:** Civil  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Civil False Claims [None]  
**Received by:** E-Mail  
**Complaint Source:** DOE OIG Employee  
**Complainant Location:** Sandia National Laboratory  
**Allegation Location:** Sandia National Laboratory  
**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:** Prohibited Lobbying Activity  
**Location:** Sandia National Laboratory  
**Summary:** Since 2009, Sandia Corporation (Sandia) utilized federal funds to form a strategy team, hire consultants and held meetings with federal and Congressional officials with the intent to influence an extension or



secure a new non-competitive managing and operating contract for Sandia National Laboratories.

On 25-APR-14, after Senior Office of Inspector General management coordinated a draft Special Inquiry Inspection report (S13IS011), it was decided that the facts should be coordinated with the DOE OIG Office of Investigations.

On the same date, (b)(6) (b)(7)(C) received a copy of Draft Inspection Report from (b)(6) (b)(7)(C) Western Inspections Division, for review and coordinated with Main DOJ to arrange a briefing. Office of Inspections Senior staff (S. Bruce) authorized the release of the report to (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Civil Litigation Main DOJ for review and discussion.

On 09-MAY-14, (b)(6) (b)(7)(C) from the Office of Inspections participated with (b)(6) (b)(7)(C) in a telephonic briefing of (b)(6) (b)(7)(C). Based upon the facts, (b)(6) (b)(7)(C) agreed to open a case in his office and requested all of the Office of Inspections supporting documentation.

On 21-MAY-2014, Inspector (b)(6) (b)(7)(C) provided all the documents that support the report regarding lobbying activities at Sandia National Laboratories.

On 22-MAY-2014, Case Agent sent the documents to (b)(6) (b)(7)(C) for his review.

On 27-JUN-2014, DOJ (b)(6) (b)(7)(C) contacted Sandia Corporation's (b)(6) (b)(7)(C) and informed her of their involvement on the matter regarding lobby activities and Sandia National Laboratories.

On 30-JUN-2014, a teleconference briefing was held with Case Agent (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) and DOJ (b)(6) (b)(7)(C). The Office of Inspections was releasing a coordination draft of their report to NNSA and wanted to ensure DOJ was fine with the release. It was determined that the Office of Inspections could proceed with their normal course of business regarding the release of the report.

On 17-JUL-2014, the Office of Inspections released their coordination draft report to the National Nuclear Security Administration (NNSA).

On 11-AUG-2014, NNSA provided a "no comment at this time" regarding the coordination draft report.

On 05-SEP-2014, the Office of Inspections released their Official Draft Report to NNSA. NNSA has 15 business days to provide comments.

On 14-OCT-2014, NNSA provided comments on to the report. NNSA concurred with all the recommendations in the report.

On 21-OCT-2014, Case Agent and (b)(6) (b)(7)(C) met with Sandia Field Office (SFO) personnel to discuss OIG Investigations involvement and DOJ Civil Division involvement in matter.

On 14-NOV-2014, the Office of Inspections released their Official Report regarding lobbying activities at Sandia National Laboratories.

On 19-NOV-2014, Case Agent and DOJ (b)(6) (b)(7)(C) met with SFO personnel to discuss path forward on matter and coordinate work efforts.

On 20-NOV-2014, Case Agent, DOJ (b)(6) (b)(7)(C) and SFO personnel met with Sandia Corporation Outside Counsel and In-House Counsel to discuss on-going civil investigation.

Over the time period 04-FEB-2015 through 06-FEB-2015, Case Agent and DOJ Trial Attorneys conducted depositions of key current and past Sandia Corporation personnel. This included (b)(6) (b)(7)(C)

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

On 15-APR-2015 conducted a meeting with DOJ, Sandia, Sandia Outside Counsel and Department NNSA individuals. Sandia and their counsel presented a presentation on why they believe they did not violate Lobbying Restrictions, thus they did not violate the False Claims Act. Another meeting was scheduled for late May 2015.

On 21-MAY-2015 conducted a meeting with DOJ Trial Attorneys, Sandia, Sandia Outside Counsel and Department NNSA individuals, to include NNSA (b)(6) (b)(7)(C)

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

DOJ presented the government's position on the matter and proposed to settle the case for a (b)(5)

(b)(6)

Sandia and their outside counsel will discuss the offer with appropriate individuals and provide a response back to DOJ in the coming weeks.

On 14-JUL-2015 conducted a meeting with DOJ Trial Attorneys, Sandia, Sandia Outside Counsel and Department NNSA individuals, to include NNSA (b)(6) (b)(7)(C)

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

Sandia and their outside counsel presented their rebuttal to the government's position on the matter and offered a (b)(5)

(b)(5)

(b)(5)

DOJ informed Sandia and their outside counsel that the government would review the rebuttal material and offer and would provide a response back within the next week.



On 20-JUL-2015 DOJ proposed a (b)(5) [redacted]  
(b)(5) [redacted]

On 21-JUL-2015 Sandia's Outside Counsel offered a (b)(5) [redacted]  
(b)(5) [redacted] for payments  
already made by Sandia for the Heather Wilson consulting agreement. This  
equates to a total payment of (b)(5) [redacted]

On 21-JUL-2015 DOJ proposed a single damage amount of \$1,916,017 million  
with a multiplier of 2.5 for a total payment of \$4,790,042 million.

On 22-JUL-2015 Sandia's outside counsel indicated that Sandia would be willing  
to settle for the amount proposed by DOJ on 21-JUL-2015.

On 20-AUG-2015, a settlement agreement was signed with Sandia Corporation.  
Sandia Corporation will pay \$4,790,042 to settle allegations of False Claims Act  
violations.

On 25-AUG-2015, case agent was informed that Sandia Corporation made their  
payment of \$4,790,042 on 25-AUG-2015 to the Department of Justice.

On 23-SEP-2015, case agent was informed that the Department of the Air Force  
issued a Show Cause Letter to Sandia Corporation regarding possible  
debarment from government contracting. Additionally, a Request for Information  
Letter was issued by the Department of the Air Force to Lockheed Martin  
Corporation requesting information regarding their role in the lobbying activities.  
The Department of the Air Force has given each entity until November 2, 2015,  
to provide a response before action is taken.

On 14-OCT-2015, case agent was informed that the Department of Justice  
transferred funds to the Department for the single damages amount of  
\$1,916,017 on 05-OCT-2015.

NOTE: Documents #055 and #056, PST File(s) and Legacy documents from  
TCS files, respectively, were uploaded to the case file by TCS in February 2016.  
Although these documents do not directly relate to case 14-0066-I, the  
documents were in support of Inspection S13IS011. Since 14-0066-I was  
created from the information found in Inspection S13IS011, it was decided that  
documents #055 and #056 would be placed into the case file for archival  
purposes.

**Finding Summary:** Sandia Corporation agreed to pay \$4,790,042 to  
settle False Claims Act violations. The Department/NNSA will receive  
\$1,916,017 of this for single damage recovery. The remainder will be received by  
the U.S. Treasury.

**Allegation:** Prohibited Lobbying Activity

**Location:** Sandia National Laboratory  
**Summary:** Since 2009, Sandia Corporation (Sandia) utilized federal funds to form a strategy team, hire consultants and held meetings with federal and Congressional officials with the intent to influence an extension or secure a new non-competitive managing and operating contract for Sandia National Laboratories.

On 25-APR-14, after Senior Office of Inspector General management coordinated a draft Special Inquiry Inspection report (S13IS011), it was decided that the facts should be coordinated with the DOE OIG Office of Investigations.

On the same date, (b)(6) (b)(7)(C) received a copy of Draft Inspection Report from (b)(6) (b)(7)(C) Western Inspections Division, for review and coordinated with Main DOJ to arrange a briefing. Office of Inspections Senior staff (S. Bruce) authorized the release of the report to (b)(6) (b)(7)(C) Attorney Civil Litigation Main DOJ for review and discussion.

On 09-MAY-14, (b)(6) (b)(7)(C) from the Office of Inspections participated with (b)(6) (b)(7)(C) in a telephonic briefing of (b)(6) (b)(7)(C). Based upon the facts, (b)(6) (b)(7)(C) agreed to open a case in his office and requested all of the Office of Inspections supporting documentation.

On 21-MAY-2014, Inspector (b)(6) (b)(7)(C) provided all the documents that support the report regarding lobbying activities at Sandia National Laboratories.

On 22-MAY-2014, Case Agent sent the documents to (b)(6) (b)(7)(C) for his review.

On 27-JUN-2014, DOJ (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) contacted Sandia Corporation's (b)(6) (b)(7)(C) and informed her of their involvement on the matter regarding lobby activities and Sandia National Laboratories.

On 30-JUN-2014, a teleconference briefing was held with Case Agent, (b)(6) (b)(7)(C) and DOJ Trial Attorneys (b)(6) (b)(7)(C). The Office of Inspections was releasing a coordination draft of their report to NNSA and wanted to ensure DOJ was fine with the release. It was determined that the Office of Inspections could proceed with their normal course of business regarding the release of the report.

On 17-JUL-2014, the Office of Inspections released their coordination draft report to the National Nuclear Security Administration (NNSA).

On 11-AUG-2014, NNSA provided a "no comment at this time" regarding the coordination draft report.

On 05-SEP-2014, the Office of Inspections released their Official Draft Report to NNSA. NNSA has 15 business days to provide comments.

On 14-OCT-2014, NNSA provided comments on to the report. NNSA concurred with all the recommendations in the report.

On 21-OCT-2014, Case Agent and ASAC (b)(6) (b)(7)(C) met with Sandia Field Office (SFO) personnel to discuss OIG Investigations involvement and DOJ Civil Division involvement in matter.

On 14-NOV-2014, the Office of Inspections released their Official Report regarding lobbying activities at Sandia National Laboratories.

On 19-NOV-2014, Case Agent and DOJ (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) met with SFO personnel to discuss path forward on matter and coordinate work efforts.

On 20-NOV-2014, Case Agent, DOJ (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) and SFO personnel met with Sandia Corporation Outside Counsel and In-House Counsel to discuss on-going civil investigation.

Over the time period 04-FEB-2015 through 06-FEB-2015, Case Agent and DOJ Trial Attorneys conducted depositions of key current and past Sandia Corporation personnel. This included (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C)

On 15-APR-2015 conducted a meeting with DOJ, Sandia, Sandia Outside Counsel and Department NNSA individuals. Sandia and their counsel presented a presentation on why they believe they did not violate Lobbying Restrictions, thus they did not violate the False Claims Act. Another meeting was scheduled for late May 2015.

On 21-MAY-2015 conducted a meeting with DOJ Trial Attorneys, Sandia, Sandia Outside Counsel and Department NNSA individuals, to include NNSA (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DOJ presented the government's position on the matter and proposed to settle the case for a (b)(5) (b)(5) Sandia and their outside counsel will discuss the offer with appropriate individuals and provide a response back to DOJ in the coming weeks.

On 14-JUL-2015 conducted a meeting with DOJ Trial Attorneys, Sandia, Sandia Outside Counsel and Department NNSA individuals, to include NNSA (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Sandia and their outside counsel presented their rebuttal to the government's position on the matter and offered a (b)(5)

(b)(5)

(b)(5)

DOJ informed Sandia and their outside counsel that the government would review the rebuttal material and offer and would provide a response back within the next week.

On 20-JUL-2015 DOJ proposed a (b)(5)

(b)(5)

On 21-JUL-2015 Sandia's Outside Counsel offered a (b)(5)

(b)(5)

for payments already made by Sandia for the Heather Wilson consulting agreement. This equates to a total payment of (b)(5)

On 21-JUL-2015 DOJ proposed a single damage amount of \$1,916,017 million with a multiplier of 2.5 for a total payment of \$4,790,042 million.

On 22-JUL-2015 Sandia's outside counsel indicated that Sandia would be willing to settle for the amount proposed by DOJ on 21-JUL-2015.

On 20-AUG-2015, a settlement agreement was signed with Sandia Corporation. Sandia Corporation will pay \$4,790,042 to settle allegations of False Claims Act violations.

On 25-AUG-2015, case agent was informed that Sandia Corporation made their payment of \$4,790,042 on 25-AUG-2015 to the Department of Justice.

On 23-SEP-2015, case agent was informed that the Department of the Air Force issued a Show Cause Letter to Sandia Corporation regarding possible debarment from government contracting. Additionally, a Request for Information Letter was issued by the Department of the Air Force to Lockheed Martin Corporation requesting information regarding their role in the lobbying activities. The Department of the Air Force has given each entity until November 2, 2015, to provide a response before action is taken.

On 14-OCT-2015, case agent was informed that the Department of Justice transferred funds to the Department for the single damages amount of \$1,916,017 on 05-OCT-2015.

NOTE: Documents #055 and #056, PST File(s) and Legacy documents from TCS files, respectively, were uploaded to the case file by TCS in February 2016. Although these documents do not directly relate to case 14-0066-I, the documents were in support of Inspection S13IS011. Since 14-0066-I was created from the information found in Inspection S13IS011, it was decided by TCS that documents #055 and #056 would be placed into the case file for archival purposes.

**Finding Summary:** Sandia Corporation agreed to pay \$4,790,042 to settle False Claims Act violations. The Department/NNSA will receive \$1,916,017 of this for single damage recovery. The remainder will be received by the U.S. Treasury.

## Additional Allegations

### Process Dates

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23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

23JAN2015 **Legal Actions:** Civil Demand Letter

28JAN2015 **Legal Actions:** Civil Demand Letter

29JAN2015 **Legal Actions:** Civil Demand Letter

29JAN2015 **Legal Actions:** Civil Demand Letter

30OCT2015 **Admin Actions:** Improve Policy/Program - Local

30OCT2015 **Admin Actions:** Notable Positive Change

30OCT2015 **Admin Actions:** Major Positive Change

30OCT2015 **Admin Actions:** Major Positive Change

30OCT2015 **Admin Actions:** Improve Policy/Program - Local

30OCT2015 **Admin Actions:** Notable Positive Change

30OCT2015 **Admin Actions:** Improve Policy/Program - Local

30OCT2015**Admin Actions:** Major Positive Change

30OCT2015**Admin Actions:** Reduction in Grade/Demoted

## Financial

<b>Financial Action:</b>	Recovered Funds (Civil)
<b>Date:</b>	20AUG2015
<b>Amount:</b>	\$4790042.0

[if documents!=null]

Summary

06FEB2017

Document Number 9

## 14-0077-I GOLDBELT EAGLE; URS; Alleged False Claims on NETL Maintenance Contract

**Compliant Summary:** On June 10, 2014, an individual who wishes to keep his identity confidential advised the OIG that Pittsburgh National Energy Technology Laboratory (NETL) site maintenance personnel were not conducting preventative maintenance on the gas leak sensors and allowing the sensors to fail before replacing them. To obscure this fact maintenance personnel disabled the gas sensor alarm system from sending notifications to NETL's security control center.

**Current Status:** Closed  
**Date Received:** 10JUN2014  
**Date Initiated:** 13JUN2014  
**Primary Investigator:**  
**Other Investigators:**

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

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

**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
False Claims False Statements  
**Received by:** In Person  
**Complaint Source:** DOE Contractor/Subcontractor  
**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:** Pittsburgh  
**HQ Program Office:** HQ, Ofc Of Fossil Energy  
**Recovery Act:** No

### Initial Allegation

**Allegation:** IEB  
**Location:** National Energy Technology Lab



**Summary:** Predication:

On June 10, 2014, an individual who wishes to keep his identity confidential advised the OIG that Pittsburgh National Energy Technology Laboratory (NETL) site maintenance personnel were not conducting preventative maintenance on the gas leak sensors and allowing the sensors to fail before replacing them. To obscure this fact maintenance personnel disabled the gas sensor alarm system from sending notifications to NETL's security control center.

**Background:**

The Hazardous Gas Monitoring system is overseen by NETL's Environmental Safety, Security and Health (ESS&H) division. However the maintenance of the system is conducted by the site support contractor Goldbelt Eagle (Goldbelt) and its prime subcontractor URS Corporation (URS).

Approximately four to six weeks prior to the date of this complaint, a gas sensor alarm at NETL's Research and Development (R & D) plateau triggered a notification to NETL Security. Maintenance personnel advised the security officers to disregard the alarm as a nuisance alarm and did not respond. The alarm continued to trigger numerous times over the same weekend, and maintenance continued to not respond. It was later revealed that at some point (no further information) maintenance disabled the gas sensor malfunction alarms from triggering at NETL's security control center and instead re-routed the notifications to an office that was not manned 24 hours a day.

**Finding Summary:** Review of maintenance calibration records, emails and interview of GbE and URS employees revealed that GbE (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) was not properly fulfilling his responsibilities to maintain the gas sensor system.

In August 2012 ESS&H and Site Operation personnel determined that all replacement sensors for the gas alarm systems would be purchased through the Office of Research and Development (ORD). GbE would submit a request for the replacement sensors prior to their end of their life cycle so as to allow for ORD to purchase the sensors and have them shipped to the site for installation. GbE was following these guidelines at both the Morgantown and Albany sites. However, the Pittsburgh site failed to follow these guidelines.

From January 2012 until August 2012 the gas sensors were being properly maintained at the Pittsburgh site. There were only five out of 205 sensors that expired during this timeframe and all were replaced within three months. However, starting in September 2012 a significant change in maintenance of the gas sensors at Pittsburgh developed. It is not clear from the documentation what caused the change, but from September 2012 to the end of the reporting period it was apparent that sensors were allowed to expire and were not replaced in most



cases until a year or more later, if at all. The situation became progressively worse as more sensors expired each month with little to no replacements. By June 2014 when the gas alarm incident occurred there were 90 sensors that were beyond their expiration/replacement dates and as of August 2014 there were 102 sensors expired and awaiting replacement.

Interviews with GbE and URS managers revealed that (b)(6) (b)(7)(C) was calibrating the sensors, but was not ordering replacement sensors for those reaching the end of their lifespan. This was allowed to perpetuate due to multiple turnovers in maintenance supervisors in Pittsburgh. When GbE management became aware of the situation they took corrective actions by appointing an administrator over the system, assessing the situation by checking every sensor and ordering all the necessary replacement sensors.

GbE (b)(6) (b)(7)(C) also reported that, it all boiled down to (b)(6) (b)(7)(C) not doing his job. He believed (b)(6) (b)(7)(C) became complacent under (b)(6) (b)(7)(C). When (b)(6) (b)(7)(C) was (b)(6) (b)(7)(C) for not doing his job GbE hired (b)(6) (b)(7)(C) was working hard at his job, but was not focusing on this area. Bottom line, it was (b)(6) (b)(7)(C) responsibility to stay on top of the situation and make requests for replacement sensors. This was the direction that was given to (b)(6) (b)(7)(C) long before (b)(6) (b)(7)(C) was hired by GbE.

(b)(6) (b)(7)(C) was aware (b)(6) (b)(7)(C) was not doing his job adequately and should have been terminated. However, (b)(6) (b)(7)(C) was counseled and allowed to remain in his position because he is a union employee and is entitled to grievance procedures. Termination of an employee causes immediate arbitration which costs GbE upwards of \$6,000 immediately. (b)(6) (b)(7)(C) is comfortable that (b)(6) (b)(7)(C) can calibrate the sensors, just not comfortable that he can manage the program. Therefore, now, (b)(6) (b)(7)(C) sole function on the hazgas system is calibration of the sensors. He reports to (b)(6) (b)(7)(C) on the calibration results and to (b)(6) (b)(7)(C) for all other NETL maintenance work.

On 11 Mar 15, (b)(6) (b)(7)(C) advised that effective February 1, 2015 USSE2 became the new contractor that replaced GbE on the site support contract for NETL. URS is still the prime subcontractor on the site support contract but they were recently bought by AECOM and will be subsumed by AECOM in the next six months.

On 5 May 15, ESS&H (b)(6) (b)(7)(C) reported the management of the gas monitoring program has changed, making a narrow but clearer path of responsibility and authority, directed primarily by the ESS&H Division. (b)(6) (b)(7)(C) advised this will assure that problems, such as a repeated failure of a component, is acknowledged and corrected instead of allowed to linger with any consequent abridgements of protocol. Furthermore, the R&D folks are in the

process of reviewing the current configurations of sensors and alarms in their labs with goal of eliminating those that are no longer relevant/applicable and ensuring ones needed are installed.

Based on the information provided by ESS&H, the change in the site support contract and the absence of evidence of criminality on the part of Goldbelt Eagle or URS, reporting agent and (b)(6) (b)(7)(C) determined no further action was warranted on this investigation. All positive changes were based on NETL's concurrent inquiry, not as a result of this investigation; therefore this investigation will be closed without further actions.

## **Additional Allegations**

## **Process Dates**

## **Financial**

[if documents!=null]

Summary

06FEB2017

**14-0085-I** (b)(6) (b)(7)(C) **Adult Porn; NETL Pittsburgh**

**Compliant Summary:** The Department of Energy (DOE) Office of Inspector General (OIG) Technology Crimes Section (TCS) was informed that a user was visiting and viewing adult pornography websites and pictures.

On June 2, 2014, Special Agent (SA) (b)(6) (b)(7)(C) requested an image of (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) computer from (b)(6) (b)(7)(C) NETL IT.

On June 12, 2014, SA (b)(6) (b)(7)(C) received a hard drive containing the image of (b)(6) (b)(7)(C) computer.

**Current Status:** Closed  
**Date Received:** 30MAY2014  
**Date Initiated:** 08JUL2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Administrative  
**Subject Type:** DOE Employee (GS-14 equivalent or below)  
**Special Flags:**  
**Category:** Computer Crimes  
Inappropriate Use - Admin. Investigation Only [None]  
**Received by:** Telephone  
**Complaint Source:** DOE Employee  
**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:** HQ, Ofc Of Fossil Energy  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** I.E.B.  
**Location:** National Energy Technology Lab  
**Summary:** EXECUTIVE SUMMARY:

SA (b)(6) (b)(7)(C) conducted a forensic re-examination of the data at the request of (b)(6) (b)(7)(C) (DOE-OIG-TCS).

Numerous adult pornography images were found on the system, but the majority of these images were found in unallocated space and are therefore not attributable to a specific Microsoft Windows user account. Three pornographic images were found within allocated space in files associated with a user of the (b)(6) (b)(7)(C) user account. These images depict females masturbating, and the creation of these images appears to coincide with a visit to the social media image sharing website Tumblr through a search executed on <http://www.google.com> for "Female masturbation" by a user of the (b)(6) (b)(7)(C) user account. There were numerous other search engine and / or web search queries of a sexual or pornographic nature executed by a user of the (b)(6) (b)(7)(C) user account.

On February 29, 2016, SA (b)(6) (b)(7)(C) (DOE-OIG-TCS) finalized a forensic examination report which was emailed to (b)(6) (b)(7)(C) per instructions by (b)(6) (b)(7)(C). The findings of this report were discussed in detail with (b)(6) (b)(7)(C) whom advised (b)(6) (b)(7)(C) is scheduled to serve a 3 day suspension without pay beginning pay period 7 on March 6, 2016. This 3 day suspension was proposed based on previous findings by (b)(6) (b)(7)(C) of NETL IT.

This case is closed.

#### PREDICATION:

The Department of Energy (DOE) Office of Inspector General (OIG) Technology Crimes Section (TCS) was informed that a user was visiting and viewing adult pornography websites and pictures.

#### ALLEGATIONS:

(b)(6) (b)(7)(C) is viewing adult pornography on a DOE issued computer.

On June 12, 2014, Special Agent (SA) (b)(6) (b)(7)(C) United States Department of Energy (DOE) Office of Inspector General (OIG) Technology Crimes Section (TCS) received a hard drive containing the image of (b)(6) (b)(7)(C) computer. The drive was one provided to (b)(6) (b)(7)(C) National Energy Technology Laboratory, 626 Cochran Mill Road, PO Box 10940, Pittsburgh, PA 15236-0940.

On June 17, 2014, SA (b)(6) (b)(7)(C) faxed a DOE eOPF access request for investigators to (b)(6) (b)(7)(C) NETL (412) 386- (b)(6) (b)(7)(C) The request was for access to (b)(6) (b)(7)(C) eOPF.

On August 12, 2014, SA (b)(6) (b)(7)(C) used Internet Evidence Finder (IEF) to extract all parsed query searches conducted by (b)(6) (b)(7)(C). SA (b)(6) (b)(7)(C) also began reviewing the image of the computer for any activity of (b)(6) (b)(7)(C) looking at adult pornography.

On December 9, 2014, (b)(6) (b)(7)(C) began working on the forensic report for (b)(6) (b)(7)(C) hard drive.

On November 6, 2015, SA (b)(6) (b)(7)(C) (DOE-OIG-TCS) was re-assigned this investigation as primary investigator and was requested to conduct a new full forensic examination by (b)(6) (b)(7)(C) (DOE-OIG-TCS) as the previous forensic examination by (b)(6) (b)(7)(C) was never completed. SA (b)(6) (b)(7)(C) will complete a forensic examination report and conduct the remaining investigative actions necessary for this case.

#### SYNOPSIS:

The Department of Energy (DOE) Office of Inspector General (OIG) Technology Crimes Section (TCS) was informed that a user was visiting and viewing adult pornography websites and pictures.

On June 7, 2014, the members of the National Energy Technology Laboratory (NETL) Information Technology (IT) department imaged the computer assigned to (b)(6) (b)(7)(C).

On December 15, 2014, (b)(6) (b)(7)(C) transferred the case to SA (b)(6) (b)(7)(C).

On February 17, 2015, (b)(6) (b)(7)(C) is continuing the work on the forensic report to be presented to SA (b)(6) (b)(7)(C).

On November 6, 2015, SA (b)(6) (b)(7)(C) (DOE-OIG-TCS) was re-assigned this investigation as primary investigator and was requested to conduct a new full forensic examination by (b)(6) (b)(7)(C) (DOE-OIG-TCS) as the previous forensic examination by (b)(6) (b)(7)(C) was never completed. SA (b)(6) (b)(7)(C) will complete a forensic examination report and conduct the remaining investigative actions necessary for this case.

**Finding Summary:** Numerous adult pornographic images and web search queries were found. Three pornographic images were found within allocated space in files associated with a user of the (b)(6) (b)(7)(C) user account. These images depict females masturbating, and the creation of these images appears to coincide with a visit to the social media image sharing website Tumblr through a search executed on <http://www.google.com> for "Female masturbation" by a user of the (b)(6) (b)(7)(C) user account.

#### Additional Allegations

## Process Dates

29FEB2016 **Admin Actions:** Admonished/Reprimanded (Verbal/Written)

## Financial

[if documents!=null]



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

# **Investigative Report to Management**

**14-0091-I**

**August 18, 2014**

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

August 18, 2014

MEMORANDUM FOR THE DIRECTOR, OFFICE OF THE CHIEF FINANCIAL OFFICER

FROM:

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

Office of Investigations  
National Capital Field Office

SUBJECT:

Violation of DOE EITS Program Cyber Security Plan, General  
Users/End Users Rules of Behavior (OIG File No. 14-0091-I)

This report serves to inform you of the results of an investigation by the U.S. Department of Energy's (Department) Office of Inspector General (OIG) regarding allegations of violating the Department's Energy IT Services (EITS) Program Cyber Security Plan (PCSP) General Users/End Users Rules of Behavior by (b)(6) (b)(7)(C) a Department employee working as an (b)(6) (b)(7)(C). Specifically, it was alleged that (b)(6) (b)(7)(C) inappropriately used Government equipment and resources to view sexually explicit materials, a violation of PCSP Section 2.1.5.4.

In summary, the investigation determined that (b)(6) (b)(7)(C) viewed sexually explicit and pornographic materials over the Department's computer network. (b)(6) (b)(7)(C) completed the 2013 Annual Cyber Security Awareness Training on July 9, 2013 and the 2014 DOE Annual Cyber Security Awareness training on July 28, 2014.

Should you have any questions regarding this matter to (b)(6) (b)(7)(C) at (202) 586- (b)(6) (b)(7)(C)



## INVESTIGATIVE REPORT TO MANAGEMENT

### I. ALLEGATION

On July 1, 2014, the U.S. Department of Energy (Department) Office of Inspector General (OIG) received a complaint from Department's Joint Cybersecurity Coordination Center (JC3), that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) an (b)(6) (b)(7)(C) employed by the Department, viewed and transmitted sexually explicit material over the Department's computer network.

### II. POTENTIAL STATUTORY OR REGULATORY VIOLATIONS

The investigation focused on a potential violation of Title 18, United States Code (U.S.C.), § 2252A: Certain Activities Relating to Material Constituting or Containing Child Pornography. Additionally, this investigation focused on any violations of the Department's EITS Program Cyber Security Plan, General Users/End Users Rules of Behavior agreement.

### III. BACKGROUND

On July 1, 2014, during a routine network scan, JC3 received alerts for potential sexually explicit website traffic. JC3 contacted the Department's OIG. The OIG's Technology Crimes Section (TCS) received JC3's complaint and initiated an investigation into the allegation. TCS obtained all network logs and network packet capture (PCAP) data relating to the incident for forensic analysis and review. The JC3 incident claimed potential child pornography websites, inappropriate adult websites, and pornographic images may have been visited and viewed.

### IV. INVESTIGATIVE FINDINGS

#### Summary

The investigation determined that (b)(6) (b)(7)(C) visited and viewed sexually explicit and pornographic websites and images over the Department's computer network.

#### Details

On July 1, 2014, the user account (b)(6) (b)(7)(C) with IP address (b)(6) (b)(7)(C) assigned to (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) visited and viewed sexually explicit and pornographic websites and images over the Department's computer network. This IP address was determined to have been assigned to a Department employee, accessing Department internet resources through the Citrix remote access environment.

PCAP data of this user's internet traffic was forensically analyzed by the TCS, who confirmed the content was pornography and a violation of the DOE EITS Program Cyber Security Plan, General Users/End Users Rules of Behavior, Section 2.1.5.4. A sampling of the websites visited from the PCAP data and Blue Coat logs of this user included the following websites:

http://adventuresofagayboy.blogspot.com  
http://www.boysinpanties.info  
http://showrlads.blogspot.com  
http://boysundiheaven.blogspot.com  
http://somecocksilove.tumblr.com  
http://undiesboysoccer.blogspot.com  
http://sensualboysandfriends.blogspot.com  
http://badboysneedspanking.blogspot.com  
http://uniformboy.blogspot.com  
http://picsforthebigcockfans.blogspot.com

Hundreds of sexually explicit images were recovered from this user's internet traffic. The images were forensically hashed and compared against known child pornography hash databases maintained by the Federal Bureau of Investigation. None of the recovered images' hash values matched the hash values of any known child pornography images.

Visitation of these websites, which hosted the child or adult pornography, potentially can deliver malicious software creating the potential for a serious breach of Departmental infrastructure.

## **V. COORDINATION**

The investigation was coordinated with the Department's Joint Cybersecurity Coordination Center.

## **VI. EXHIBITS**

The following exhibits are attached:

1. (b)(6) (b)(7)(C) 2013 Annual Cyber Security Awareness training certificate.
2. 2014 DOE Annual Cyber Security Awareness training certificate.

## **VII. RECOMMENDATIONS**

Based on the findings of this report and other information which may be available to you, the OIG recommends that your office determine if:

- A. Adequate training is in place for use of the Department's computer network and equipment; and
- B. A review is warranted of the telework policies and telework training for contractor

- employees; and
- C. The use of government equipment for personal use is not being abused; and
- D. Ensure all employees have a signed Program Cyber Security Plan, General Users/End Users Rules of Behavior Agreement; and
- E. Ensure all signed copies of the Program Cyber Security Plan, General Users/End Users Rules of Behavior Agreement are retained; and
- F. Update the DOE annual Cyber Security Awareness training to clearly state the viewing of sexually explicit materials using Government equipment and resources is prohibited and a violation of the General Users/End Users Rules of Behavior agreement.

## **VIII. 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.

## **IX. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE**

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Department of Energy  
Washington, DC 20585

April 22, 2015

Document Number 12

MEMORANDUM FOR (b)(6) (b)(7)(C) NATIONAL CAPITOL FIELD  
OFFICE (b)(6) (b)(7)(C)

FROM:

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

SUBJECT: Complaint Closure (OIG File No. 14-0097-I)

This memorandum serves to advise you of the closure of OIG File Number 14-0097-I. A review of the item associated with this file yielded no investigative leads. The item was a privately owned hard drive obtained through consent from a private residence. An investigation and analysis of a privately owned hard drive yielded no evidence that supported an allegation that contractor (b)(6) (b)(7)(C) at the Idaho National Laboratory (INL) had child pornography and classified data. (b)(6) (b)(7)(C) conducted the reviewed the user created documents and did not find any with markings. Furthermore, (b)(6) (b)(7)(C) extracted the documents and provided them to the Office of Intelligence to de-classify. During the process, the owner of the hard drive filed a Freedom of Information Act (FOIA) request through Congress to request the return of her hard drive since it was provided via consent. The hard drive was then provided to INL's (b)(6) (b)(7)(C) to be returned to the owner. At this time, no further investigative steps are warranted.

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

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Summary

06FEB2017

Document Number 13

**14-0104-I** (b)(6) (b)(7)(C) **Explicit Computer Content; Lawrence  
Livermore National Laboratory**

**Compliant Summary:** On 8/20/14, Special Agent (SA) (b)(6) (b)(7)(C) U.S. Department of Energy (DOE), Office of Inspector General (OIG) was notified that (b)(6) (b)(7)(C) Cyber Security, Lawrence Livermore National Laboratory (LLNL), had located net flow data for LLNL employee (b)(6) (b)(7)(C) that showed searches for keywords to include; lolita nude, teeny sex, young nude, young sex, and additional keywords that would return explicit content. In addition, the weblogs indicated (b)(6) (b)(7)(C) had viewed an image labeled; Dad-and-daughter-sex-(8)-1.jpg. (b)(6) (b)(7)(C) is a (b)(6) (b)(7)(C) in the HPC Hotline in the Livermore Computing group.

**Current Status:** Closed

**Date Received:** 20AUG2014

**Date Initiated:** 22AUG2014

**Primary Investigator:** (b)(6) (b)(7)(C)

**Other Investigators:**

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

**Type:** Criminal

**Subject Type:** DOE Contractor/Grantee Company

**Special Flags:**

**Category:** Computer Crimes  
Child Pornography [None]

**Received by:** In Person

**Complaint Source:** DOE Contractor/Subcontractor

**Complainant Location:** Lawrence Livermore National Laboratory

**Allegation Location:** Lawrence Livermore National Laboratory

**Priority:** Level 3 (Routine)

**Retaliation:** No

**Offense Location:** California

**FOIA Interest:** No

**INV Assigned Office:** Technology Crimes Section

**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)

**Recovery Act:** No

**Initial Allegation**

**Allegation:** Potential Violation - 18 USC 2252  
**Location:** Lawrence Livermore National Laboratory  
**Summary:** The LLNL Office of Investigative Services advised the DOE OIG SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) has potentially viewed explicit content on his DOE/LLNL issue computer. The explicit content potentially includes sexually explicit images of children which would be a violation of 18 USC 2256.

**Finding Summary:** Investigation ongoing.

**Allegation:** IEB

**Location:** Lawrence Livermore National Laboratory

**Summary:** Executive Summary: The DOE OIG conducted a forensic analysis of remotely obtained forensic image of the DOE/LLNL desktop issued to (b)(6) (b)(7)(C) that was used to conduct online searches for lolita nude, teeny sex, young nude, and young sex. The forensic analysis of the remotely obtained forensic image did not locate images of child exploitation. SA (b)(6) (b)(7)(C) and SA (b)(6) (b)(7)(C) (FBI) conducted an interview of (b)(6) (b)(7)(C) at LLNL. (b)(6) (b)(7)(C) stated he did not search for images of children under 18 years old. (b)(6) (b)(7)(C) gave written consent to search his LLNL issued iPad, iPhone, and DOE/LLNL stored at his residence. The forensic analysis of the above items and the DOE/LLNL is ongoing.

**Predication:** On 8/20/14, Special Agent (SA) (b)(6) (b)(7)(C) U.S. Department of Energy (DOE), Office of Inspector General (OIG) was notified that (b)(6) (b)(7)(C) Cyber Security, Lawrence Livermore National Laboratory (LLNL), had located net flow data for LLNL employee (b)(6) (b)(7)(C) that showed searches for keywords to include; lolita nude, teeny sex, young nude, young sex, and additional keywords that would return explicit content. In addition, the weblogs indicated (b)(6) (b)(7)(C) had viewed an image labeled; Dad-and-daughter-sex-(8)-1.jpg. (b)(6) (b)(7)(C) is a (b)(6) (b)(7)(C) in the HPC Hotline in the Livermore Computing group.

**FBI Notification:** SA (b)(6) (b)(7)(C) faxed a FBI Notification Letter to the FBI, San Francisco, CA, on 8/22/14. FBI SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) to advise the FBI would work the investigation jointly with DOE OIG.

#### Investigative Findings:

SA (b)(6) (b)(7)(C) reviewed the 30 day net pull sample provided LLNL OIG Investigator (b)(6) (b)(7)(C). SA (b)(6) (b)(7)(C) located additional links for images to include the following:

Dad-and-daughter-sex-(8)-1.jpg , Nudist-Daughter-and-Father-On-The-Beach.jpg, father-daughter-sex-pics.jpg, father-daughter-anal-sex.jpg, and dirty\_uncle\_gives\_his\_niece\_sex\_lessons.jpg.

SA (b)(6) (b)(7)(C) requested and was provided a remotely obtained forensic image of

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the system (b)(6) (b)(7) (C) used to view online the above images. The preliminary forensic analysis of the remotely obtained forensic image did not locate images of child exploitation.

On 12/1/14, SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) conducted a voluntary non-custodial interview of (b)(6) (b)(7) (C) at LLNL. (b)(6) (b)(7) (C) stated he likes women with smaller breasts, lack of hair, and they can be eighteen and wearing a school girl outfit and he will like that. SA (b)(6) (b)(7) (C) then provided a list of search terms that had been recorded for the user (b)(6) (b)(7) (C) on the LLNL network. The search terms highlighted by SA (b)(6) (b)(7) (C) included "pr0n0" on 11/20/14 and "pr0nz0rz" on 11/20/14 search on www.google.com. (b)(6) (b)(7) (C) stated he possibly searched for those terms between breaks. SA (b)(6) (b)(7) (C) also provided to (b)(6) (b)(7) (C) that he searched "underage pr0n." (b)(6) (b)(7) (C) stated he will type "underage pr0n" to locate women that look like the women he had described before. (b)(6) (b)(7) (C) explained he did not figure the internet was being watched this widely.

(b)(6) (b)(7) (C) signed a DOE OIG Consent to Search form for his DOE/LLNL iPhone, iPad, and laptop. The laptop was located at his residence. SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) followed (b)(6) (b)(7) (C) to his residence at (b)(6) (b)(7) (C) Livermore, CA. (b)(6) (b)(7) (C) provided his DOE/LLNL laptop at his residence.

The forensic analysis of the all DOE/LLNL property is currently being completed by the DOE OIG and the FBI.

LLNL Staff relations provided SA (b)(6) (b)(7) (C) a copy of the Notice of Intent to Dismiss issued to (b)(6) (b)(7) (C) and dated 12/23/14 with an effective date of 12/28/14.

SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) FBI, are in the process of completing the forensic analysis of the three LLNL/DOE computers, 1 LLNL/DOE Apple iPhone, and 1 LLNL/DOE Apple iPad assigned to (b)(6) (b)(7) (C).

On 3/10/16, SA (b)(6) (b)(7) (C) completed a forensic report for the three LLNL/DOE systems assigned to (b)(6) (b)(7) (C). The forensic analysis did not located images of child pornography. The forensic analysis report has been uploaded the TCS Support Request.

There are not additional investigative steps to pursue. (b)(6) (b)(7) (C) has been terminated from LLNL for administrative violations and no appeals for consideration of the actions have been filed by (b)(6) (b)(7) (C).

The investigation is requested to be closed at this time.

Future Investigative Steps:

Final disposition.



**Finding Summary:** The investigation revealed (b)(6) (b)(7) (C) to be searching using keywords that could possibly located images of child pornography. The forensic analysis did not located images of child pornography on (b)(6) (b)(7) (C) three LLNL/DOE issued computers.

## Additional Allegations

## Process Dates

08SEP2014 **Admin Actions:** Preservation Letter

01DEC2014 **Techniques Actions:** Search - Consent

01DEC2014 **Techniques Actions:** Search - Consent

01DEC2014 **Techniques Actions:** Search - Consent

01DEC2014 **Admin Actions:** Employee Suspended from Work

## Financial

[if documents!=null]





Department of Energy  
Washington, DC 20585

March 2, 2016

MEMORANDUM

Document Number 14

FROM:

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

TO:

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

Technology Crimes Section

SUBJECT:

Closing Memorandum for OIG Investigation 14-0105-I

This memorandum serves to recommend closure of an investigation conducted by the U.S. Department of Energy (DOE), Office of Inspector General (OIG), Office of Investigations, Technology Crimes Section (Region 1).

As background, the investigation originated (b)(6) (b)(7)(C) at DOE's Oak Ridge Operations Office, 865-576 (b)(6) (b)(7)(C) contacted the OIG to inform them of a contractor employee using a DOE wireless network to view pornography, possibly child pornography.

SA (b)(6) (b)(7)(C) requested the log files containing the websites accessed by (b)(6) (b)(7)(C). The review of the sites showed that (b)(6) (b)(7)(C) accessed several blog sites containing pornography using a personally owned tablet device connected to the Oak Ridge Office visitor Wi-Fi network. The computer assigned to (b)(6) (b)(7)(C) was imaged and examined for evidence of child pornography. The examination did not locate any child pornography. Several questionable images were located in the review of the browsing history, however they did not meet prosecutorial guidelines for child pornography.

On October 23, 2014, SA (b)(6) (b)(7)(C) and SA (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) at the Oak Ridge Office. (b)(6) (b)(7)(C) admitted to viewing pornography at work, as well as using his tablet to view pornography from the parking lots of several local area restaurants through the use of free Wi-Fi. (b)(6) (b)(7)(C) stated he had not tried "to seek out child pornography". (b)(6) (b)(7)(C) gave consent to search his tablet device for evidence of child pornography. Following the interview, (b)(6) (b)(7)(C) had all access to the Oak Ridge Office revoked and was escorted off the premises.

A forensic examination of (b)(6) (b)(7)(C) tablet was conducted by SA (b)(6) (b)(7)(C). The examination was unable to locate any evidence of the possession of child pornography. The tablet has been returned to (b)(6) (b)(7)(C) and all other evidence in the case has been disposed of.

The DOE OIG case is requested to be closed, as there are no further investigative or administrative steps needed to be taken by the DOE OIG.

~~OFFICIAL USE ONLY~~

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

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

Special Agent

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

Summary

06FEB2017

Document Number 15

## 14-0109-I Dioxide Materials Inc.; SBIR Fraud; Office of Science

**Compliant Summary:** Proactive case originated from liaison efforts with the National Science Foundation (NSF) on Sep 3, 2014.

NSF program staff relayed concerns that Dioxide Materials Inc. may have received duplicate federal funding. The company has received SBIR and STTR phase I awards from DOE, NSF, DOD, and DOC and phase II awards from DOE and NSF totaling over \$3 million since 2010.

Dioxide Materials Inc. received a DOE phase I STTR in 2010 and a phase II STTR in 2011 (DE-FG02-10ER86437) for a project titled Catalysts For Electrochemical Conversion of CO<sub>2</sub>. The company also received a 2014 sequential SBIR award (DE-SC0004453) for a project titled Cells, Membranes and Separators for Carbon Dioxide Conversion to Formic Acid using a company name of Dioxide Materials DBA Dioxide Recycle. The total DOE funding received by the company totaled nearly \$2 million.

According to the Illinois Secretary of State database, Dioxide Materials, Inc. was incorporated in the state of Illinois on 06/11/09 and is currently an active company operating under the assumed name of Dioxide Recycle. The (b)(6) (b)(7)(C) of the company is listed as (b)(6) (b)(7)(C)

Coordinating with NSF SA (b)(6) (b)(7)(C)@nsf.gov; 703-292-(b)(6) (b)(7)(C) in a joint investigation.

**Current Status:** Closed  
**Date Received:** 03SEP2014  
**Date Initiated:** 05SEP2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Project Grants (Incl. SBIR; STTR) Wire Fraud

**Received by:** E-Mail  
**Complaint Source:** Other Federal Government Employee or Agency  
**Complainant Location:** [Other]  
**Allegation Location:** Headquarters-Germantown  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Illinois  
**FOIA Interest:** No  
**INV Assigned Office:** Washington DC  
**HQ Program Office:** HQ, Ofc Of Science  
**Recovery Act:** No

### Initial Allegation

**Allegation:** Executive Brief  
**Location:** [Other]  
**Summary:** PREDICATION:

-----  
National Science Foundation (NSF) program staff have concerns that Dioxide Materials Inc. may have received duplicate federal funding. The company has received SBIR and STTR phase I awards from DOE, NSF, DOD, and DOC and phase II awards from DOE and NSF totaling over \$3 million since 2010.

### CASE ASSIGNMENT:

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04-SEP-2014 – Predicated in iPRISM.

05-SEP-2014 – Case opened and assigned to SA

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

### BACKGROUND:

-----  
Dioxide Materials Inc. received a DOE phase I STTR in 2010 and a phase II STTR in 2011 (DE-FG02-10ER86437) for a project titled Catalysts For Electrochemical Conversion of CO2. The company also received a 2014 sequential SBIR award (DE-SC0004453) for a project titled Cells, Membranes and Separators for Carbon Dioxide Conversion to Formic Acid using a company name of Dioxide Materials DBA Dioxide Recycle. The total DOE funding received by the company totaled nearly \$2 million.

According to the Illinois Secretary of State database, Dioxide Materials was incorporated in the state of Illinois on 06/11/09 and is currently an active company operating under the assumed name of Dioxide Recycle. The (b)(6) (b)(7)(C) of the company is listed as (b)(6) (b)(7)(C)

Coordinating with NSF SA (b)(6) (b)(7)(C) @nsf.gov; 703-292-(b)(6) (b)(7)(C) in a joint investigation.

## INVESTIGATIVE ACTIVITY:

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On 03-SEP-2014, a Google Map search of the address of Dioxide Materials, 60 Hazelwood Drive, Champaign, IL revealed the business was located in the University of Illinois research park. A subsequent search of the University of Illinois directory database revealed (b)(6) (b)(7)(C) listed as faculty in the Department of Chemistry. On (b)(6) (b)(7)(C) personal website, [http://www.\(b\)\(6\) \(b\)\(7\)\(C\).com](http://www.(b)(6) (b)(7)(C).com), he stated that he (b)(6) (b)(7)(C) from the Chemical and Biomolecular Engineering Department at the University of Illinois in (b)(6) (b)(7)(C) reported over \$28 million in grant support while at the University.

Continuing on 03-SEP-2014, SA (b)(6) (b)(7)(C) requested from (b)(6) (b)(7)(C) SBIR/STTR (b)(6) (b)(7)(C) @science.doe.gov, 301-903 (b)(6) (b)(7)(C) all Dioxide Materials Inc. SBIR/STTR applications and progress reports.

On 17-SEP-2014, SA (b)(6) (b)(7)(C) received from (b)(6) (b)(7)(C) the phase I, II, and sequential phase II applications and a continuation progress report submitted to DOE by Dioxide Materials.

On 06-AUG-2015, SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) NSF-OIG. After review of NSF and DOE grant applications, progress reports, and related journal articles, NSF program staff determined that the NSF and DOE grants received by Dioxide Materials are not duplicate awards. This case is being closed.

## INVESTIGATIVE RESULTS:

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### PLANNED ACTION:

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Review of SBIR/STTR documentation and coordination with NSF OIG.

### DISPOSITION:

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Investigation did not substantiate the allegation of duplicate awards. This case is closed.

### Finding Summary:

### 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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**14-0113-I**

**April 16, 2015**

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

April 16, 2015

**MEMORANDUM FOR THE MANAGER, NATIONAL NUCLEAR SECURITY  
ADMINISTRATION PRODUCTION OFFICE**

**FROM:**

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

Region 3 Investigations Group

**SUBJECT:**

False Statements Investigation  
(OIG Case No. 14-0113-I)

This report serves to inform you of the results of an investigation by the U.S. Department of Energy, Office of Inspector General. This investigation involved allegations received from the National Nuclear Security Administration's Production Office (NPO), National Security Complex (Y-12), Oak Ridge, Tennessee regarding an unauthorized release of sensitive information to the news media.

During our investigation, we were unable to conclusively determine who leaked the sensitive information. However, based on evidence collected during this investigation, (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Consolidated Nuclear Services, Y-12, Oak Ridge, Tennessee was considered a person of interest. In his interview with OIG Special Agents, (b)(6) (b)(7)(C) provided false statements, contrary to evidentiary materials, regarding his involvement with the release of sensitive information.

This report makes one recommendation for corrective action. If you have questions, please contact me at (865) 574- (b)(6) (b)(7)(C)

Attachments



## **INVESTIGATIVE REPORT TO MANAGEMENT**

### **I. ALLEGATION**

On September 9, 2014, the U.S. Department of Energy (Department), Office of Inspector General (OIG) received notification from the National Nuclear Security Administration's (NNSA) Production Office (NPO), National Security Complex (Y-12), Oak Ridge, Tennessee regarding an unauthorized release of sensitive information to the news media.

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

The investigation focused on possible violations of Section 148 of the Atomic Energy Act of 1954, as amended.

### **III. BACKGROUND**

Consolidated Nuclear Services (CNS) is NNSA's Management and Operating contractor at Y-12. (b)(6) (b)(7)(C) was a CNS employee who worked in Y-12's Global Security & Strategic Partnerships division.

Due to the origin of evidence collected during this investigation, the OIG is not permitted to disclose it in this report.

### **IV. INVESTIGATIVE FINDINGS**

During our investigation, we were unable to conclusively determine who leaked the sensitive information. However, evidence collected during this investigation resulted in (b)(6) (b)(7)(C) being considered a person of interest. In his interview with OIG Special Agents, (b)(6) (b)(7)(C) provided false statements, contrary to evidentiary materials, regarding his involvement with the release of the sensitive information.

On January 8, 2015, OIG Special Agents interviewed (b)(6) (b)(7)(C) regarding the unauthorized release of sensitive information. Prior to beginning the interview, OIG Special Agents identified themselves to (b)(6) (b)(7)(C) by displaying their OIG issued credentials. (b)(6) (b)(7)(C) was also shown the OIG's "Acknowledgement of Penalties for False Statements to the DOE OIG" form, advising him that lying to Federal Agents could have criminal consequences. A copy of this one-page form is attached to this report. (b)(6) (b)(7)(C) was asked to read and sign the form to verify he understood it. (b)(6) (b)(7)(C) said he did not have a lawyer with him and, therefore, was not going to sign it. (b)(6) (b)(7)(C) was advised that he did not have to sign it, but his lack of signature did not release him from the law.

During the course of the interview, (b)(6) (b)(7)(C) was shown various evidentiary materials that clearly demonstrated his involvement in the release of sensitive information. Although (b)(6) (b)(7)(C) denied having any involvement with the evidence presented to him, he made the following comments during the course of the interview: "It looks pretty damning" and "It's hard to argue with that one." The interview concluded when (b)(6) (b)(7)(C) stated he wanted to consult with his attorney.

Based on evidence collected during this investigation, (b)(6) (b)(7)(C) made false statements to OIG Special Agents in his interview by denying his involvement in the release of sensitive information.

On January 8, 2015, after his interview with OIG Special Agents, CNS placed (b)(6) (b)(7)(C) on administrative leave. On February 5, 2015, (b)(6) (b)(7)(C) submitted his letter of resignation to CNS, effective February 6, 2015.

## V. COORDINATION

On March 19, 2015, this investigation was coordinated with the U.S. Attorney's Office, Eastern District of Tennessee, who declined prosecution in lieu of administrative action. The recommendation in this report was coordinated on March 5, 2015, with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) NPO.

## VI. RECOMMENDATION

Based on the findings of this report, and other information that may be available to you, the OIG recommends that the Manager, NPO:

1. Determine if the information included in this report warrants notification to appropriate security clearance personnel.

For your assistance, (b)(6) (b)(7)(C) information is as follows:

(b)(6) (b)(7)(C)  
Knoxville, TN 37922  
Date of Birth: (b)(6) (b)(7)(C)  
Social Security Number: (b)(6) (b)(7)(C)

## VII. FOLLOW-UP REQUIREMENTS

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

## VIII. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

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Summary

06FEB2017

Document Number 17

## 15-0004-I E. Olszewski; Explicit Computer Content; Lawrence Livermore National Laboratory

**Compliant Summary:** On September 30, 2014 (b)(6) (b)(7)(C) Investigator (Inv.), Office of Investigative Services (OIS) at Lawrence Livermore National Laboratory (LLNL) notified Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy (DOE), Office of Inspector General (OIG) of an allegation that LLNL contractor Edward Olszewski conducted internet searches using sexual terms.

Inv. (b)(6) (b)(7)(C) stated OIS had been notified on 9/16/14 by (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) LLNL that they had discovered search terms for the LLNL ID user olszewski1 that were sexual in nature. The LLNL user ID olszewski1 corresponds to Olszewski. Examples of the search terms located and provided by (b)(6) (b)(7)(C) include: "sex bengali girl", "sex tour costa rica", "shower girl selfie", and "sleeping girl sex".

**Current Status:** Closed  
**Date Received:** 30SEP2014  
**Date Initiated:** 09OCT2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:** (b)(6) (b)(7)(C)

**Type:** Administrative  
**Subject Type:** DOE Contractor/Grantee Company  
**Special Flags:**  
**Category:** Computer Crimes  
Inappropriate Use - Admin. Investigation Only [None]  
**Received by:** In Person  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** Lawrence Livermore National Laboratory  
**Allegation Location:** Lawrence Livermore National Laboratory  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** California  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)  
**Recovery Act:** No

## Initial Allegation

**Allegation:** Potential Violation - 18 USC 2252  
**Location:** Lawrence Livermore National Laboratory  
**Summary:** The LLNL Office of Investigative Services advised the DOE OIG SA (b)(6) (b)(7)(C) that Edward Olszewski has potentially viewed explicit content on his DOE/LLNL issue computer. The explicit content potentially includes sexually explicit images of children which would be a violation of 18 USC 2256.  
**Finding Summary:**

## Additional Allegations

**Allegation:** IEB  
**Location:** Lawrence Livermore National Laboratory  
**Summary:** Executive Summary: The LLNL Cyber Security identified network logs of Edward Olszewski searching for "sex bengali girl", "sex tour costa rica", "shower girl selfie", and "sleeping girl sex". SA (b)(6) (b)(7)(C) received a forensic image of the Olszewski's LLNL issued laptop used to conduct the above searches. SA (b)(6) (b)(7)(C) identifies images of suspected child exploitation. SA (b)(6) (b)(7)(C) determined Olszewski lived in Modesto, CA. SA (b)(6) (b)(7)(C) reviewed the suspected images of child exploitation with Modesto Police Department (MPD). (b)(6) (b)(7)(C) obtained a Stanislaus County Search Warrant for the Olszewski's residence and vehicle. Concurrent to Modesto Police Department's execution of a search warrant, SA (b)(6) (b)(7)(C) and SA (b)(6) (b)(7)(C) conducted non-custodial interview of Olszewski. Olszewski denied viewing images of child exploitation. SA (b)(6) (b)(7)(C) is assisting MPD in the processing of the electronic media seized pursuant to the search warrant. All forensic findings will be presented for prosecutorial consideration pending the completion of forensic analysis.

**Predication:** On September 30, 2014 (b)(6) (b)(7)(C) Investigator (Inv.), Office of Investigative Services (OIS) at Lawrence Livermore National Laboratory (LLNL) notified Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy (DOE), Office of Inspector General (OIG) of an allegation that LLNL contractor Edward Olszewski conducted internet searches using sexual terms. Inv. (b)(6) (b)(7)(C) stated OIS had been notified on 9/16/14 by (b)(6) (b)(7)(C) LLNL that they had discovered search terms for the LLNL ID user olszewski1 that were sexual in nature. The LLNL user ID olszewski1 corresponds to Mr. Olszewski. Examples of the search terms located and provided by (b)(6) (b)(7)(C) include: "sex bengali girl", "sex tour costa rica", "shower girl selfie", and "sleeping girl sex".

**FBI Notification:** SA (b)(6) (b)(7)(C) faxed a FBI Notification Letter to the FBI, San Francisco, CA, on 10/16/14. SA (b)(6) (b)(7)(C) was contacted by SA (b)(6) (b)(7)(C) and advised the FBI would work the case jointly with the DOE OIG.

### Investigative Findings:

The LLNL Cyber Security obtained a forensic image of Olszewski's DOE/LLNL issued laptop on 9/26/14. The forensic image was obtained over the network and was a logical image of the laptop's hard drive. The image was provided to SA (b)(6)(b)(7)(C) for review.

SA (b)(6)(b)(7)(C) conducted a forensic analysis of the logical drive. The analysis located several items of investigative interest. SA (b)(6)(b)(7)(C) located an email sent from Olszewski's DOE/LLNL official email address to (b)(6)(b)(7)(C)@yahoo.com had two images attached of females that are suspected to be under 18 years old. In additions, SA (b)(6)(b)(7)(C) located 18 additional suspected images of child exploitation.

The review of LLNL personnel records for Olszewski showed Olszewski to live in Modesto CA. SA (b)(6)(b)(7)(C) met with (b)(6)(b)(7)(C) Modesto Police Department. SA (b)(6)(b)(7)(C) provided (b)(6)(b)(7)(C) a report generated by the EnCase Forensic Application that documented the above listed email sent by Olszewski with images of suspected child exploitation and the 18 additional images of suspected child exploitation.

Pursuant to the evidence SA (b)(6)(b)(7)(C) provided to (b)(6)(b)(7)(C) obtained a Stanislaus County Search warrant for the Olszewski's residence, vehicles, and his person.

On 10/28/14, Modesto Police Department (MPD) executed a Stanislaus County search warrant in relation to the allegation of possession of child pornography. MPD (b)(6)(b)(7)(C) and (b)(6)(b)(7)(C) conducted a search of Olszewski's vehicle and person at LLNL. (b)(6)(b)(7)(C) seized multiple items from Olszewski to include his cell phone.

Continuing on 10/28/14, SA (b)(6)(b)(7)(C) and SA (b)(6)(b)(7)(C) conducted a voluntary (non-custodial) interview of Olszewski in Building 490 at LLNL. Olszewski was advised he was not being detained and that he was free to leave at anytime. Olszewski acknowledged he understood he was free to leave. Olszewski provided that he had searched pornography from his LLNL computer. Olszewski also provided that he had not searched the child pornography terms SA (b)(6)(b)(7)(C) provided. SA (b)(6)(b)(7)(C) stated to Olszewski that these terms were searched by him. Olszewski explained he did not search the child pornography terms but that the terms might have interested him at one time. Olszewski stated he had stolen the email account (b)(6)(b)(7)(C)@yahoo.com from a person name (b)(6)(b)(7)(C) in the National Guard.

Continuing on 10/28/14, SA (b)(6)(b)(7)(C) asked Olszewski for consent to search his office and all electronic equipment located in the office. Olszewski gave SA



(b)(6) (b)(7) (C) verbal consent to search his LLNL office and all electronic equipment located in it. In addition, Olszewski signed a DOE OIG Consent to Search Form and a DOE OIG Consent to Search Electronic Equipment. Continuing on 10/28/14, SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) conducted a search of Olszewski's LLNL assigned office. SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) located a LLNL/DOE camera, documents with the alias (b)(6) (b)(7) (C) listed, and the LLNL/DOE issued laptop.

LLNL terminated Olszewski effective 12/5/14 for violation of LLNL computer use policies.

Det. (b)(6) (b)(7) (C) has requested the assistance of the DOE OIG in processing electronic media seized from Olszewski's residence pursuant to the Stanislaus County Search Warrant.

SA (b)(6) (b)(7) (C) is conducting the examination of electronic media seized from Olszewski's residence. SA (b)(6) (b)(7) (C) has located suspected images and videos of child exploitation on a laptop hard drive located at Olszewski's residence. SA (b)(6) (b)(7) (C) submitted the suspected images and video of child exploitation to the National Center for Missing and Exploited Children identification of potential victims.

In addition, SA (b)(6) (b)(7) (C) located images and video of Olszewski engaged in sexual acts with a suspected child under 18 years old.

SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) interviewed two Modesto High School (b)(6) (b)(7) (C) and two Modesto High School (b)(6) (b)(7) (C) to help identify the potential victim seen in the images and videos. SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) attempts to identify the victim were met with negative results.

On 4/16/15, SA (b)(6) (b)(7) (C) reviewed the completed forensic analysis of Olszewski's LLNL assigned laptop and his personally owned laptop with (b)(6) (b)(7) (C) (MPD). In addition, SA (b)(6) (b)(7) (C) reviewed with (b)(6) (b)(7) (C) the images located of child exploitation of known child victims identified by the National Center for Missing and Exploited Children (NCMEC).

On 4/16/15, Modesto Police Department (MPD) arrested Olszewski for possession of child pornography in violation of California penal code 311.11 PC. SA (b)(6) (b)(7) (C) and Det. (b)(6) (b)(7) (C) interviewed Olszewski at Modesto Police Department. (b)(6) (b)(7) (C) advised Olszewski of his Miranda rights. After being advised of his Miranda rights, Olszewski answered biographical questions and then requested legal counsel. The interview was concluded.

On 8/10/15, MPD (b)(6) (b)(7) (C) notified SA (b)(6) (b)(7) (C) that a subpoena had been issued for SA (b)(6) (b)(7) (C) to testify at the Preliminary Hearing in Stanislaus County Superior Court on 9/28/15 in the case against Olszewski. The Preliminary Hearing was continued to 1/6/16 and then once again to 3/9/16.

On March 9, 2016, Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy (DOE), Office of Inspector General (OIG), Technology Crimes Section (TCS), received notification from (b)(6) (b)(7)(C) (b)(6) (b)(7)(C)@standa.org) that Edward Olszewski had pled guilty to being in possession of child pornography and violating California Penal Code 311.11(A). Olszewski entered his plea of guilty at Stanislaus County Superior Court located at 800 11th Street, Modesto CA in Department 8. Olszewski entered his plea before Superior Court Judge Ricardo Cordova. Olszewski's defense counsel was in attendance and identified as (b)(6) (b)(7)(C).

(b)(6) (b)(7)(C) further advised that Judge Cordova made an order on the record stating that all child pornography on the case can be destroyed at this time. (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) also provided for DOE OIG to handle the remaining evidence as DOE OIG would in normal course given a guilty plea by a subject.

The date of sentencing hearing will be provided at a later date.

#### Remaining Investigative Steps

Final disposition of evidence to include destruction of child pornography materials and return of evidence items to the LLNL.

**Finding Summary:** The allegation was substantiated and the subject, Edward Olszewski pled guilty to possession of child pornography in violation of California Penal Code 311.11.

#### Process Dates

08OCT2014 **Legal Statuses:** Federal-Declined

10OCT2014 **Admin Actions:** Preservation Letter

28OCT2014 **Techniques Actions:** Search - Consent

28OCT2014 **Techniques Actions:** Search - Consent

28OCT2014 **Techniques Actions:** Search - Warrant

28OCT2014 **Admin Actions:** Employee Suspended from Work

31OCT2014 **Techniques Actions:** Other Agency Specialized Technique/Assistance

31OCT2014 **Techniques Actions:** Analysis - Forensic Lab



05DEC2014**Admin Actions:** Employee Terminated/Removed

16APR2015**Legal Actions:** Arrested

09MAR2016**Legal Actions:** Guilty

## Financial

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[if documents!=null]

Summary

06FEB2017

## 15-0020-I Allegation of Mismanagement; NETL

Document Number 18

**Compliant Summary:** On 07 November 2014, the Hotline received an email complaint from (b)(6) (b)(7)(C) alleging that NETL management harassed his company, colluded with one of his subcontractors to change experimental data, colluded with one of his subcontractors to obtain payment for work not performed, and obtained financial information from his company's accountant without permission.

**Current Status:** Closed  
**Date Received:** 07NOV2014  
**Date Initiated:** 17NOV2014  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** DOE Employee (GS-14 equivalent or below)  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Conspiracy to Submit False Claims False Statements  
**Received by:** E-Mail  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** [Other]  
**Allegation Location:** National Energy Technology Lab  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** West Virginia  
**FOIA Interest:** No  
**INV Assigned Office:** Hotline  
**HQ Program Office:** HQ, Ofc Of Fossil Energy  
**Recovery Act:** No

### Initial Allegation

**Allegation:** IEB  
**Location:** National Energy Technology Lab  
**Summary:** Predication:

On 07 November 2014, the Hotline received an email complaint from (b)(6) (b)(7)(C) (b)(6) (b)(7) alleging that NETL management harassed his company, colluded with one of his subcontractors to change experimental data, colluded with one of his

subcontractors to obtain payment for work not performed, and obtained financial information from his company's accountant without permission.

- FBI Notification letter sent to the Pittsburgh Division

#### Background:

3H was awarded provisional financial assistant agreement number FE-0004274 by the National Energy Technology Laboratory on 27-Sep-2010 to confirm the feasibility of 3H's proposed Self Absorbent CO2 Capture Process and to construct a Slip Stream Demonstration Facility at on of EON's Power Plant facilities in the US. The award was a cooperative agreement valued at \$3,484,770 with DOE's share being \$2,737,272 and 3H's share being \$747,498. The period of performance was 1-Oct-2010 through 31-Mar-2012.

During the provisional award negotiations, with 3H's permission, the NETL (b)(6) (b)(7)(C) worked with 3H's (b)(6) (b)(7)(C) to develop an acceptable incurred cost proposal.

The initial provisional award was not immediately funded, partly due to continued negotiations with 3H. Amendment 001 of the award dated 16-Mar-2011 incrementally funded the award by \$1,297,859. The correspondence section of the award was extremely voluminous having numerous emails and written correspondence from NETL to (b)(6) (b)(7)(C) and from (b)(6) (b)(7)(C) to the NETL. Many of the correspondences highlighted multiple difficulties with the project. The project did not proceed into budget period 2 at the request of the NETL.

(b)(6) (b)(7)(C) submitted invoices to the NETL and was paid for work performed by sub-contractor Nexant. 3H failed to submit payments to Nexant. NETL intervened by sending a letter to 3H asking why Nexant was not paid.

3H retained the law firm of Cohn & Mohr, Washington, DC to ascertain why NETL decided not to continue the project into budget period 2.

#### Investigative Findings:

(b)(6) (b)(7)(C) followed proper Project Management protocols and recommended not continuing 3H's award due to a litany of problems with the project to include (b)(6) (b)(7)(C) inability to manage 3H's portion of the project. (b)(6) (b)(7)(C) gave the NETL permission to contact his outside accountant to clarify questions related to invoices submitted by 3H.

(b)(6) (b)(7)(C) refused to pay NEXANT which was an approved sub-tier contractor under the award. As a result (b)(6) (b)(7)(C) returned approximately \$200k to the NETL for monies that were intended for NEXANT. NEXANT and 3H are engaged in civil litigation to resolve the issue.

Investigative Activities:

Investigative Results:

The allegations were unsubstantiated and for the most part disproved. No further investigative activity is warranted. Case to be closed.

Planned Investigative Activity:

**Finding Summary:**

**Additional Allegations**

**Process Dates**

**Financial**

[if documents!=null]

Summary

06FEB2017

Document Number 19

## 15-0034-I Ahtna Facility Services; Procurement Irregularities, Bribery, and Waste of Funds; Fossil Energy

**Compliant Summary:** On 25 November 2014, the Hotline received an anonymous complaint alleging (b)(6) (b)(7)(C) a former DOE Employee, improperly awarded a contract to Ahtna Facility Services; Subsequently after resigning from the Department of Energy (b)(6) (b)(7)(C) was award a position with Ahtna Professional Services.

**Current Status:** Closed

**Date Received:** 25NOV2014

**Date Initiated:** 11DEC2014

**Primary Investigator:** (b)(6) (b)(7)(C)

**Other Investigators:**

**Type:** Criminal

**Subject Type:** [Other]

**Special Flags:**

**Category:** Contract and Grant Fraud  
Conspiracy to Defraud the Government Conflict of Interest

**Received by:** Letter

**Complaint Source:** Anonymous

**Complainant Location:** Headquarters-Forrestal

**Allegation Location:** Headquarters-Forrestal

**Priority:** Level 3 (Routine)

**Retaliation:** No

**Offense Location:** District of Columbia

**FOIA Interest:** No

**INV Assigned Office:** Washington DC

**HQ Program Office:** HQ, Ofc Of Fossil Energy

**Recovery Act:** No

### Initial Allegation

**Allegation:** IEB

**Location:** [Other]

**Summary:** -----

**PREDICATION:**  
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On 25 November 2014, the Hotline received an anonymous complaint alleging (b)(6) (b)(7)(C) a former DOE Employee, improperly awarded a contract to Athna Facility Services; subsequently, after resigning from the Department of Energy (b)(6) (b)(7)(C) was awarded a position with Athna Professional Services. Specifically, it is alleged that (b)(6) (b)(7)(C) with coordination with Athna Facility Services coordinated a payment to consultant (b)(6) (b)(7)(C) to secure a contract in September 2010. In Jan 2011 (b)(6) (b)(7)(C) resigned from the Department of Energy and was given a job at another Athna company (Athna Professional Services, Inc.) as pay for the initial award. According to the complaint to date, (b)(6) (b)(7)(C) rarely contributes to Athna, but is receiving a full-time salary for the ongoing profitability of the NPR Contract. The complainant stated there was an orchestrated pay for contract between Athna (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C). The complaint stated that Athna Facilities Services has continuously turned in defective pricing to the government for task orders. The task order estimates to the government include massive contingencies and estimates for new labor staff, they not intention of hiring. The resulting performance for Athna has been gross profits in excess of 30% on the work without the government containing sufficient competitive quotes.

According to the task order estimates for the government includes multiple full-time technical staff 100% dedicated to the NPR task orders. However, while the government funds, Athna facility services for these employee times, the employees are routinely out of the office, working far less than 40 hours per week, and work on other government proposals. The staff routinely turns in fraudulent timesheets, which inaccurately reflect their time supporting the contract.

The complainant stated the estimated task order rates include non-current and false indirect rates. Specifically, the Athna Facility staff also co-manages a new company, Athna Professional Services, Inc., without chagrining for their services. Therefore, the over-burden their current Athna Facility Services federal customers with the indirect rates of two companies.

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INVESTIGATIVE ACTIVITY:  
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On 11-DEC-2014, this case was accepted for investigation by R1 and assigned to SA (b)(6) (b)(7)(C)

On 15-DEC-2014, SA (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) Office of Petroleum Reserves (202-586 (b)(6) (b)(7)(C)) and (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) (202-586 (b)(6) (b)(7)(C)). Both stated that (b)(6) (b)(7)(C) served as (b)(6) (b)(7)(C) form (b)(6) (b)(7)(C). While in that position, (b)(6) (b)(7)(C) awarded a sole-source contract to Athna for environmental remediation at the former NPR-1 site in CA, and served as the (b)(6) (b)(7)(C) until her departure, at which time (b)(6) (b)(7)(C) took over as (b)(6) (b)(7)(C).

subsequently went to work for an Ahnta company. (b)(6) (b)(7)(C) stated that due to the nature of the allegations, he believed this matter should be investigated by the OIG rather than by management.

A CLEAR search revealed that (b)(6) (b)(7)(C) possesses a Virginia concealed handgun permit.

On 07-JAN-2015, a case opening notification was sent to the FBI.

On 19-FEB-2015, the OIG received a duplicate copy of this complaint from the DoDIG.

On 12-MAR-2015, SA (b)(6) (b)(7)(C) telephonically interviewed (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) SPR Field Office. (b)(6) (b)(7)(C) stated that there was no improper influence in the award of the Ahnta contract. FE officials evaluated a number of qualified Alaska Native Corporations, in conjunction with the SBA office in Anchorage, before deciding to award the contract to Ahnta. (b)(6) (b)(7)(C) also provided the OIG with copies of a Market Research Report, submitted by (b)(6) (b)(7)(C) which stated that Ahnta was the only 8(a) ANC which met all 8 criteria established by FE for the contract.

On 07-APR-2015, SA (b)(6) (b)(7)(C) requested additional information from (b)(6) (b)(7)(C) regarding the Ahnta contract. On 17-APR-2015, (b)(6) (b)(7)(C) provided the additional information. Upon questioning (b)(6) (b)(7)(C) stated that there was no indication of mischarging or impropriety by Ahnta in the performance of this contract.

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RESULT:  
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The investigation could not substantiate the allegations in the complaint, and as a result, this case will be closed.

**Finding Summary:**

**Additional Allegations**

**Process Dates**

**Financial**

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Summary

06FEB2017

Document Number 20

15-0041-I  
Pantex

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

Possession of Classified Documents;

**Compliant Summary:** On 12-JAN-2015, the Department of Energy's (Department's) Office of Inspector General (OIG) Office of Investigations (OI) received a telephone call from Special Agent (b)(6) (b)(7)(C) Federal Bureau of Investigations, Amarillo, Texas regarding allegations brought forth during the Department's background reinvestigation of (b)(6) (b)(7)(C)

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

Consolidated Nuclear

Security LLC, Pantex.

**Current Status:** Closed  
**Date Received:** 12JAN2015  
**Date Initiated:** 15JAN2015  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** DOE Contractor/Grantee Person  
**Special Flags:**  
**Category:** General and Other Crime  
Theft of Govt. Property, Money, Records [None]  
**Received by:** Telephone  
**Complaint Source:** Law Enforcement  
**Complainant Location:** Pantex Plant  
**Allegation Location:** Pantex Plant  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Texas  
**FOIA Interest:** No  
**INV Assigned Office:** Albuquerque  
**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)  
**Recovery Act:** No

Initial Allegation

**Allegation:** Possession of Classified Documents/TGP  
**Location:** Pantex Plant  
**Summary:** On 12-JAN-2015, the Department of Energy's (Department's) Office of Inspector General (OIG) Office of Investigations (OI) received a telephone call from Special Agent (b)(6) (b)(7)(C) Federal Bureau of

Investigations, Amarillo, Texas regarding allegations brought forth during the Department's background reinvestigation of (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) Consolidated Nuclear Security LLC, Pantex.

On 13-JAN-2015, SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) to obtain information regarding the allegations received by her office. According to SA (b)(6) (b)(7)(C) during a background reinvestigation of (b)(6) (b)(7)(C) the assigned investigator, (b)(6) (b)(7)(C) came across derogatory information.

According to SA (b)(6) (b)(7)(C) has been employed at the Pantex Plant since 1983 to present and makes an annual salary of approximately \$150,000.

According to SA (b)(6) (b)(7)(C) brought forth allegations during the background re-investigation. These allegations included (b)(6) (b)(7)(C) having a driving under the influence (DUI) charge, an assault and domestic violence charge, and possessing Classified documents at his personal residence. SA (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) Pantex Field Office (b)(6) (b)(7)(C) were able to corroborate the DUI charges and the assault and domestic violence charge.

During 2013, (b)(6) (b)(7)(C) was charged with a DUI as well as an assault and domestic violence charge involving (b)(6) (b)(7)(C) currently has a protection order against (b)(6) (b)(7)(C) stemming from the assault charges in 2013. (b)(6) (b)(7)(C) also alleged (b)(6) (b)(7)(C) was in possession of Department classified documents.

According to SA (b)(6) (b)(7)(C) during the background reinvestigation, (b)(6) (b)(7)(C) admitted to having someone else take a Urine Analysis for him as he is a heavy drinker. Furthermore, during the reinvestigation other issues surfaced to include: a former DUI (b)(6) (b)(7)(C) attained during a site visit to Lawrence Livermore National Laboratory at which time he over drank and fell asleep at a Stop Sign; (b)(6) (b)(7)(C) and a fellow friend assaulted a prostitute after money was stolen; and, (b)(6) (b)(7)(C) lost his Department credentials which (b)(6) (b)(7)(C) at the time (b)(6) (b)(7)(C) covered for him.

According to SA (b)(6) (b)(7)(C) shortly after (b)(6) (b)(7)(C) wed (b)(6) (b)(7)(C) she identified several boxes at (b)(6) (b)(7)(C) house of classified documents. (b)(6) (b)(7)(C) confronted (b)(6) (b)(7)(C) that he should not be in possession of the classified documents. (b)(6) (b)(7)(C) responded by threatening (b)(6) (b)(7)(C) and placed a loaded gun to her head to "shut the fuck up." He then later relocated the boxes to the attic. (b)(6) (b)(7)(C) last saw the boxes of classified documents within the attic during January/March 2013 as she was cleaning the household and basement. At this time she noted the documents were marked with a Secret Restricted Data (SRD) coversheet. Documents consisted of 3 inch, 3 ring binders and the majority of the documents were SRD. (b)(6) (b)(7)(C) was familiar with the documents and knew what they were as she was previously employed at the Pantex Plant and knew what classified

documents looked like. (b)(6) (b)(7)(C) threatened (b)(6) (b)(7)(C) stating "mind your own fucking business or I will hurt you." (b)(6) (b)(7)(C) was fearful for her life, because (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) had become physical with her before.

On April 29, 2015, SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) to determine the status of the case.

On May 6, 2015, SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) and informed her that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) had been suspended on March 5, 2015 for 30 days, but was now back at Pantex working in an unclassified area. The suspension was due to (b)(6) (b)(7)(C) DUI charge. SA (b)(6) (b)(7)(C) stated the FBI was continuing their investigation into the allegations that (b)(6) (b)(7)(C) possessed Classified documents at his personal residence.

On October 28, 2015, SA (b)(6) (b)(7)(C) attempted to contact SA (b)(6) (b)(7)(C) to determine if the FBI plans to move forward with the investigation. SA (b)(6) (b)(7)(C) left voicemail messages on both SA (b)(6) (b)(7)(C) office and mobile phones.

On November 11, 2015, SA (b)(6) (b)(7)(C) left a voicemail for SA (b)(6) (b)(7)(C) to discuss the case.

On December 14, 2015, SA (b)(6) (b)(7)(C) left a voicemail for SA (b)(6) (b)(7)(C) to discuss the case.

On January 21, 2016, SA (b)(6) (b)(7)(C) left voice mail for SA (b)(6) (b)(7)(C) to discuss the case.

On February 10, 2016, SA (b)(6) (b)(7)(C) contacted SA (b)(6) (b)(7)(C) to discuss the case.

On February 17, 2016, SA (b)(6) (b)(7)(C) emailed SA (b)(6) (b)(7)(C) information from (b)(6) (b)(7)(C) SF-86.

On March 8, 2016, SA (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) at Pantex. The interview was recorded by SA (b)(6) (b)(7)(C) provided no information regarding the alleged classified documents in his home other than to say (b)(6) (b)(7)(C) allegation was false. SA (b)(6) (b)(7)(C) will close the case but will continue to monitor (b)(6) (b)(7)(C) as a Counterintelligence risk.

Planned Activity:

Close case

**Finding Summary:** Allegations were unsubstantiated.

### Additional Allegations

## Process Dates

## Financial

[if documents!=null]

Summary

06FEB2017

Document Number 21

**15-0056-I** (b)(6) (b)(7)(C) Removal of Sensitive Files; SRS

**Compliant Summary:** On 2/13/15, the OIG received information from the FBI SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) a contractor employee of Savannah River Nuclear Solutions (SRNS), allegedly copied a large volume of files to a thumb drive prior to retiring from SRNS on (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) is assigned as the (b)(6) (b)(7)(C) at the Savannah River Site. (b)(6) (b)(7)(C) worked for the SRNS (b)(6) (b)(7)(C) office and was employed at SRS for approximately 29 years before retiring. (b)(6) (b)(7)(C) office was located in SRS H-Area, building number 704-2H. SRS Security Officials report that (b)(6) (b)(7)(C) had a 'Q' clearance before retiring. (b)(6) (b)(7)(C) immediate manager at SRS was (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) now works for Plant Vogtle.

**Current Status:** Closed  
**Date Received:** 13FEB2015  
**Date Initiated:** 19FEB2015  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** Other Government Agency Employee/Contractor  
**Special Flags:**  
**Category:** Computer Crimes  
Computer Fraud and Related Activity [None]  
**Received by:** In Person  
**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:** Savannah River  
**HQ Program Office:** HQ, Ofc Of Environmental Management  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** Complaint Form

**Location:**  
**Summary:**

[Other]

\*\*No indices hits associated with

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

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

On 2/13/15, the OIG received information from the FBI SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) a contractor employee of Savannah River Nuclear Solutions (SRNS), allegedly copied a large volume of files to a thumb drive prior to retiring from SRNS on (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) is assigned as the (b)(6) (b)(7)(C) at the Savannah River Site.

(b)(6) (b)(7)(C) worked for the SRNS (b)(6) (b)(7)(C) office and was employed at SRS for approximately 29 years before retiring. (b)(6) (b)(7)(C) office was located in SRS H-Area, building number 704-2H. SRS Security Officials report that (b)(6) (b)(7)(C) had a 'O' clearance before retiring. (b)(6) (b)(7)(C) immediate manager at SRS was (b)(6) (b)(7)(C) now works for Plant Vogtle. On 2/18/2015, (b)(6) (b)(7)(C) Internal Investigations, SRNS provided the OIG with copies of (b)(6) (b)(7)(C) SRNS related out-processing forms (Attachment 1). These forms indicate that (b)(6) (b)(7)(C) began his employment at SRS on (b)(6) (b)(7)(C) and that his last day worked was (b)(6) (b)(7)(C). Additionally, the 'Employment Termination Statement' form contains a certification that, "Employee certifies to have returned to [SRNS] all drawings, blueprints, manuals, letters, notes, notebooks, reports, property, and all other materials which belong to [SRNS] or are of a secret or confidential nature relating to said Company's business which were in his/her possession or under his/her control." The document contains (b)(6) (b)(7)(C) printed name as well as a signature in the 'Employee's Signature' block.

On 2/17/15, the OIG learned from SRNS Security Officials the SRS network has a program that alerts cyber security officials when there are large data transfers occurring within the network. It was this network program alert that notified DOE cyber officials that on 2/10/15, (b)(6) (b)(7)(C) had transferred a large volume of files to a thumb drive. SRNS cyber officials imaged (b)(6) (b)(7)(C) computer and learned that he copied approximately 7,180 files from his SRNS desktop computer to a San Disk thumb drive on 2/10/15 at 1:58 PM and concluded the transfer at approximately 2:29 PM. The SRNS cyber security group performed a review of 20 of the 7,180 files and found that some of the 20 files sampled were identified as Unclassified Controlled Nuclear Information (UCNI) and Official Use Only (OUO) files. The Department defines UCNI certain unclassified information about nuclear facilities and nuclear weapons that must be controlled because its unauthorized release could have a significant adverse effect on the national security or public health and safety.

On 2/17/2015, the Case Agent requested that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Cyber Security Operations, SRNS determine whether the thumb drive used by (b)(6) (b)(7)(C) to copy the files to was shown to have been used on other SRS user computers. (b)(6) (b)(7)(C) query for this information revealed that since November 2014, the thumb drive was identified as being



inserted into the computers of multiple employees associated with (b)(6) (b)(7)(C) section (Attachment 2). Additionally, the query shows that after (b)(6) (b)(7)(C) copied the files on 2/10/15, the thumb drive was inserted into the computer of (b)(6) (b)(7)(C) who works within (b)(6) (b)(7)(C) division on 2/11/15 at 7:54 AM.

On 2/18/15, (b)(6) (b)(7)(C) who is the (b)(6) (b)(7)(C) for the (b)(6) (b)(7)(C) Group, provided the Case Agent with the thumb drive that (b)(6) (b)(7)(C) copied the files to on 2/10/15. (b)(6) (b)(7)(C) explained that because (b)(6) (b)(7)(C) was retiring, she provided (b)(6) (b)(7)(C) with the San Disk thumb drive on 2/9/15 and asked that he copy over all files relating to the work he had performed for the (b)(6) (b)(7)(C) group. (b)(6) (b)(7)(C) said that after (b)(6) (b)(7)(C) copied the requested files to the thumb drive she provide that he hand delivered the thumb drive to her during a staff meeting held on the afternoon of 2/10/15. (b)(6) (b)(7)(C) said that requesting copies of files from employees who are leaving their job or retiring, such as (b)(6) (b)(7)(C) was a common practice and allowed her to copy the files to a more permanent storage location, such as a compact disk or DVD. (b)(6) (b)(7)(C) said that she had not removed any of the files provided to her by (b)(6) (b)(7)(C) and that she had accessed the thumb drive earlier in the week while looking for a particular file that (b)(6) (b)(7)(C) could have provided if he was not retired. She explained that some of the files contained on the thumb drive could be marked as UCNl due to being associated with fire hazard analyses performed on sensitive buildings at SRS and added that most of the files will likely be identified/marked as National Fire Protection Association (NFPA). (b)(6) (b)(7)(C) added that she did not request or receive any other thumb drives or information from (b)(6) (b)(7)(C) and she is not aware of anyone else within her section requesting additional information from (b)(6) (b)(7)(C) pertaining to the work her performed for the (b)(6) (b)(7)(C) group.

On 2/18/15, the Case Agent took the file to the SRNS cyber group and asked that (b)(6) (b)(7)(C) Cyber Security Operations, SRNS, determine whether the total number of files that were identified in the image taken of (b)(6) (b)(7)(C) computer as being copied to the San Disk thumb drive were consistent with the total number of files currently residing on that thumb drive. (b)(6) (b)(7)(C) confirmed that the file totals were consistent. During this meeting, (b)(6) (b)(7)(C) advised the Case Agent that there was another thumb drive that was identified as being plugged into (b)(6) (b)(7)(C) computer. (b)(6) (b)(7)(C) added that there is no record back to January 2015 that this thumb drive has been plugged into other SRS user computers. The Case Agent requested that (b)(6) (b)(7)(C) review (b)(6) (b)(7)(C) imaged drive to provide additional information regarding this thumb drive.

On 2/18/15, (b)(6) (b)(7)(C) reported to the Case Agent that the additional thumb drive was a San Disk Cruzer drive, S/N 20052243011E0E902D15 and that a query of activity relating to this thumb drive shows that it was connected to (b)(6) (b)(7)(C) computer on at least nine (9) separate occasions over the past six months. (b)(6) (b)(7)(C) review of the information copied to this drive revealed that on 2/3/15, (b)(6) (b)(7)(C) copied approximately 1477 files to this San Disk thumb drive. As of

2/18/15, (b)(6) (b)(7)(C) had reviewed 215 of the approximate 1477 files and found that one file that was copied was marked UCNI. (b)(6) (b)(7)(C) explained that some of the 1476 files copied to the San Disk were not located on (b)(6) (b)(7)(C) computer image and added that this could be caused by (b)(6) (b)(7)(C) copying these files from mapped network locations directly to the thumb drive and verses copying the files from (b)(6) (b)(7)(C) computer or local drives to the thumb drive. (b)(6) (b)(7)(C) is continuing to search (b)(6) (b)(7)(C) computer image.

(b)(6) (b)(7)(C) later advised that the one file that was marked as UCNI and contained in the 1,400 plus files copied by (b)(6) (b)(7)(C) to a USB device was determined by an SRS Document Classification Review Official to not be UCNI.

On 2/19/15, the Case Agent continued the coordination efforts in this matter with (b)(6) (b)(7)(C) of the Department's Office of Safeguards, Security, and Emergency Services at SRS. (b)(6) (b)(7)(C) agreed to provide the necessary resources to assist with determining whether any of the other files copied by (b)(6) (b)(7)(C) on 2/3 to the San Disk are sensitive in nature (UCNI).

(b)(6) (b)(7)(C) provided his forensic report relating to this matter (Attachment 3). The report identifies a total of 7 USB devices that were inserted into (b)(6) (b)(7)(C) computer over the life of that computer. Of these 7 devices, (b)(6) (b)(7)(C) identified that only the following devices were connected within the last 6 months:

- SanDisk device containing the originally questioned more than 7,000 files that the OIG located on site;
- SanDisk device containing more than 1,400 files that remains unaccounted;
- 3 1/2 inch external floppy drive with no records of any file transfers; and,
- Corsair device that was inserted into (b)(6) (b)(7)(C) computer on 1/27/2015 and later identified as being inserted into a computer assigned to (b)(6) (b)(7)(C) SRS user identification number (b)(6) (b)(7)(C) is located at SRS building number 773-42A, Room 132.

### **Finding Summary:**

**Allegation:** IEB  
**Location:** [Other]  
**Summary:** Predication

On 2/13/15, the OIG received information from the FBI SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) a contractor employee of Savannah River Nuclear Solutions (SRNS), allegedly copied a large volume of files to a thumb drive prior to retiring from SRNS on 2/12/2015. SA (b)(6) (b)(7)(C) is assigned as the counterintelligence agent at the Savannah River Site.

### **Investigative Findings**

This a joint case with the FBI. As such, an FBI opening notification will not be issued.



The SRS network has a program that alerts cyber security officials when there are large data transfers occurring within the network. It was this network program alert that notified DOE cyber officials that on 2/10/15 (b)(6) (b)(7)(C) had transferred a large volume of files to a thumb drive. SRNS cyber officials imaged (b)(6) (b)(7)(C) computer and learned that he copied approximately 7,180 files from his SRNS desktop computer to a San Disk thumb drive on 2/10/15 at 1:58 PM and concluded the transfer at approximately 2:29 PM. The SRNS cyber security group performed a review of 20 of the 7,180 files and found that some of the 20 files sampled were identified as Unclassified Controlled Nuclear Information (UCNI) and Official Use Only (OUO) files. The Department defines UCNI as certain unclassified information about nuclear facilities and nuclear weapons that must be controlled because its unauthorized release could have a significant adverse effect on the national security or public health and safety.

The thumb-drive that was inserted into (b)(6) (b)(7)(C) computer and used in the transfer of the approximate 7k files was located by the OIG. The (b)(6) (b)(7)(C) assigned to (b)(6) (b)(7)(C) division had the drive. The (b)(6) (b)(7)(C) explained that she provided the drive to (b)(6) (b)(7)(C) on 2/9/15 and requested that he copy all files associated with his work to that drive prior to (b)(6) (b)(7)(C) retiring. (b)(6) (b)(7)(C) complied with this request, copied his working files to the thumb drive, and provided the thumb drive to the (b)(6) (b)(7)(C) during a staff meeting held in the afternoon of 2/11/15.

The thumb drive provided by the (b)(6) (b)(7)(C) was provided to SRNS cyber officials. The cyber officials compared the thumb drive files to the files imaged from (b)(6) (b)(7)(C) computer and determined that the total number of files contained on the thumb drive was consistent with the approximate 7k amount identified in (b)(6) (b)(7)(C) computer image as being transferred to the drive.

During the above review of the thumb drive, the OIG learned that there were other thumb drives identified by SRNS cyber officials that were plugged into (b)(6) (b)(7)(C) computer. One of the drives identified as being plugged into (b)(6) (b)(7)(C) computer also had files copied to it. Specifically, the cyber officials reported that on 2/3/14, (b)(6) (b)(7)(C) computer image shows that 1,477 files were copied to this thumb drive. Of the 1,477 files, the cyber officials located 431 of them on (b)(6) (b)(7)(C) computer image; however, the remaining files were not present on his image. The cyber officials explained that the additional files may not show on (b)(6) (b)(7)(C) imaged computer drive if the files were copied from network drive locations and not directly from (b)(6) (b)(7)(C) computer. Additionally, the cyber officials reported that in total, (b)(6) (b)(7)(C) inserted a total of 7 USB style devices/drives into his computer. Of the 7, two have been located- one by the OIG, and one determined to still be onsite at SRS due to showing as being inserted into another SRS users computer. There are no records or information to suggest that the other drives were used by (b)(6) (b)(7)(C) to copy files.

The 1,477 files that were not available on (b)(6) (b)(7)(C) computer image are being

reviewed by DOE, SRS Classification Security officials to determine if the file name itself would indicate that the file could be UCNi or sensitive.

On March 12, 2015 the DOE, Office of Safeguard Security and Emergency Services reported that a review of the 1,477 files and/or file names that were identified as being copied to a thumb drive on (b)(6) (b)(7) (C) computer were not found to be sensitive in nature (e.g. UCNi, OOU, etc.).

#### Disposition

This case will be processed for closure as there is no evidence provided suggesting that (b)(6) (b)(7) (C) removed sensitive information from SRS.

#### Finding Summary:

#### Additional Allegations

#### Process Dates

#### Financial

[if documents!=null]

Summary

06FEB2017

Document Number 22

## 15-0057-I (b)(6) (b)(7)(C) Removal of Sensitive Files; SRS

**Compliant Summary:** On 2/13/15, the OIG received information from the FBI SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) a contractor employee of Savannah River Nuclear Solutions (SRNS), allegedly copied a large volume of files to a thumb drive prior to retiring from SRNS on 2/12/2015. SA (b)(6) (b)(7)(C) is assigned as the (b)(6) (b)(7)(C) at the Savannah River Site.

(b)(6) (b)(7)(C) worked for the SRNS (b)(6) (b)(7)(C) office and was employed at SRS for approximately 29 years before retiring. (b)(6) (b)(7)(C) office was located in SRS H-Area, building number 704-2H. SRS Security Officials report that (b)(6) (b)(7)(C) had a 'Q' clearance before retiring. (b)(6) (b)(7)(C) immediate manager at SRS was (b)(6) (b)(7)(C) now works for Plant Vogtle.

On 2/17/15, the OIG learned from SRNS Security Officials the SRS network has a program that alerts cyber security officials when there are large data transfers occurring within the network. It was this network program alert that notified DOE cyber officials that on 2/10/15, (b)(6) (b)(7)(C) had transferred a large volume of files to a thumb drive. SRNS cyber officials imaged (b)(6) (b)(7)(C) computer and learned that he copied approximately 7,180 files from his SRNS desktop computer to a San Disk thumb drive on 2/10/15 at 1:58 PM and concluded the transfer at approximately 2:29 PM. The SRNS cyber security group performed a review of 20 of the 7,180 files and found that some of the 20 files sampled were identified as Unclassified Controlled Nuclear Information (UCNI) and Official Use Only (OUO) files. The Department defines UCNI certain unclassified information about nuclear facilities and nuclear weapons that must be controlled because its unauthorized release could have a significant adverse effect on the national security or public health and safety.

On 2/17/2015, the Case Agent requested that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Cyber Security Operations, SRNS determine whether the thumb drive used by (b)(6) (b)(7)(C) to copy the files to was shown to have been used on other SRS user computers. (b)(6) (b)(7)(C) query for this information revealed that since November 2014, the thumb drive was identified as being inserted into the computers of multiple employees associated with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) section. Additionally, the query shows that after (b)(6) (b)(7)(C) copied the files on 2/10/15, the thumb drive was inserted into the computer of (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) who works within (b)(6) (b)(7)(C) division on 2/11/15 at 7:54 AM.

On 2/18/15, (b)(6) (b)(7)(C) who is the (b)(6) (b)(7)(C) for the (b)(6) (b)(7)(C) Group, provided the Case Agent with the thumb drive that (b)(6) (b)(7)(C) copied the files to on 2/10/15. (b)(6) (b)(7)(C) explained that because (b)(6) (b)(7)(C) was retiring, she provided (b)(6) (b)(7)(C) with the San Disk thumb drive on 2/9/15 and asked that he copy over all files relating to the work he had performed for the (b)(6) (b)(7)(C) group. (b)(6) (b)(7)(C) said that after (b)(6) (b)(7)(C) copied the requested files to the thumb drive she provide that he hand delivered the thumb drive to her during a staff meeting held on the afternoon of 2/10/15. (b)(6) (b)(7)(C) said that requesting copies of files from employees who are leaving their job or retiring, such as (b)(6) (b)(7)(C) was a common practice and allowed her to copy the files to a more permanent storage location, such as a compact disk or DVD. (b)(6) (b)(7)(C) said that she had not removed any of the files provided to her by (b)(6) (b)(7)(C) and that she had accessed the thumb drive earlier in the week while looking for a particular file that (b)(6) (b)(7)(C) could have provided if he was not retired. She explained that some of the files contained on the thumb drive could be marked as UCNi due to being associated with fire hazard analyses performed on sensitive buildings at SRS and added that most of the files will likely be identified/marked as National Fire Protection Association (NFPA). (b)(6) (b)(7)(C) added that she did not request or receive any other thumb drives or information from (b)(6) (b)(7)(C) and she is not aware of anyone else within her section requesting additional information from (b)(6) (b)(7)(C) pertaining to the work her performed for the (b)(6) (b)(7)(C) group.

On 2/18/15, the Case Agent took the file to the SRNS cyber group and asked that (b)(6) (b)(7)(C) Cyber Security Operations, SRNS, determine whether the total number of files that were identified in the image taken of (b)(6) (b)(7)(C) computer as being copied to the San Disk thumb drive were consistent with the total number of files currently residing on that thumb drive. (b)(6) (b)(7)(C) confirmed that the file totals were consistent. During this meeting, (b)(6) (b)(7)(C) advised the Case Agent that there was another thumb drive that was identified as being plugged into (b)(6) (b)(7)(C) computer. (b)(6) (b)(7)(C) added that there is no record back to January 2015 that this thumb drive has been plugged into other SRS user computers. The Case Agent requested that (b)(6) (b)(7)(C) review (b)(6) (b)(7)(C) imaged drive to provide additional information regarding this thumb drive

On 2/18/15, (b)(6) (b)(7)(C) reported to the Case Agent that the additional thumb drive was a San Disk Cruzer drive, S/N 20052243011E0E902D15 and that a query of activity relating to this thumb drive shows that it was connected to (b)(6) (b)(7)(C) computer on at least nine (9) separate occasions over the past six months. (b)(6) (b)(7)(C) review of the information copied to this drive revealed that on 2/3/15,

(b)(6) (b)(7) (C) copied approximately 1476 files to this San Disk thumb drive. As of 2/18/15, (b)(6) (b)(7) (C) had reviewed 215 of the approximate 1476 files and found that one file that was copied was marked UCNI. (b)(6) (b)(7) (C) further advised that there were an additional three (3) thumb drives plugged into (b)(6) (b)(7) (C) computer and in the past six months, only one of those three thumb drives, a Corsair Voyager, was shown as being plugged into (b)(6) (b)(7) (C) computer on 1/27/15. (b)(6) (b)(7) (C) explained that some of the 1476 files copied to the San Disk were not located on (b)(6) (b)(7) (C) computer image and added that this could be caused by (b)(6) (b)(7) (C) copying these files from mapped network locations directly to the thumb drive and verses copying the files from (b)(6) (b)(7) (C) computer or local drives to the thumb drive. (b)(6) (b)(7) (C) is continuing to search (b)(6) (b)(7) (C) computer image.

On 2/19/15, the Case Agent continued the coordination efforts in this matter with (b)(6) (b)(7) (C) of the Department's Office of Safeguards, Security, and Emergency Services at SRS. (b)(6) (b)(7) (C) agreed to provide the necessary resources to assist with determining whether any of the other files copied by (b)(6) (b)(7) (C) on 2/3 to the San Disk are sensitive in nature (UCNI).

**Current Status:** Closed  
**Date Received:** 13FEB2015  
**Date Initiated:** 19FEB2015  
**Primary Investigator:** (b)(6) (b)(7) (C)  
**Other Investigators:**  
**Type:** Criminal  
**Subject Type:** Other Government Agency Employee/Contractor  
**Special Flags:**  
**Category:** Computer Crimes  
Computer Fraud and Related Activity [None]  
**Received by:** In Person  
**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:** Savannah River  
**HQ Program Office:** HQ, Ofc Of Environmental Management  
**Recovery Act:** No

Initial Allegation



**Allegation:** IEB  
**Location:** [Other]  
**Summary:** Predication

On 2/13/15, the OIG received information from the FBI SA (b)(6) (b)(7)(C) that (b)(6) (b)(7)(C) a contractor employee of Savannah River Nuclear Solutions (SRNS), allegedly copied a large volume of files to a thumb drive prior to retiring from SRNS on 2/12/2015. SA (b)(6) (b)(7)(C) is assigned as the (b)(6) (b)(7)(C) at the Savannah River Site.

#### Investigative Findings

(b)(6) (b)(7)(C) worked for the SRNS (b)(6) (b)(7)(C) office and was employed at SRS for approximately 29 years before retiring. (b)(6) (b)(7)(C) office was located in SRS H-Area, building number 704-2H. SRS Security Officials report that (b)(6) (b)(7)(C) had a 'Q' clearance before retiring. (b)(6) (b)(7)(C) immediate manager at SRS was (b)(6) (b)(7)(C) now works for Plant Vogtle.

On 2/17/15, the OIG learned from SRNS Security Officials the SRS network has a program that alerts cyber security officials when there are large data transfers occurring within the network. It was this network program alert that notified DOE cyber officials that on 2/10/15, (b)(6) (b)(7)(C) had transferred a large volume of files to a thumb drive. SRNS cyber officials imaged (b)(6) (b)(7)(C) computer and learned that he copied approximately 7,180 files from his SRNS desktop computer to a San Disk thumb drive on 2/10/15 at 1:58 PM and concluded the transfer at approximately 2:29 PM. The SRNS cyber security group performed a review of 20 of the 7,180 files and found that some of the 20 files sampled were identified as Unclassified Controlled Nuclear Information (UCNI) and Official Use Only (OUO) files. The Department defines UCNI certain unclassified information about nuclear facilities and nuclear weapons that must be controlled because its unauthorized release could have a significant adverse effect on the national security or public health and safety.

On 2/17/2015, the Case Agent requested that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Cyber Security Operations, SRNS determine whether the thumb drive used by (b)(6) (b)(7)(C) to copy the files to was shown to have been used on other SRS user computers. (b)(6) (b)(7)(C) query for this information revealed that since November 2014, the thumb drive was identified as being inserted into the computers of multiple employees associated with (b)(6) (b)(7)(C) section. Additionally, the query shows that after (b)(6) (b)(7)(C) copied the files on 2/10/15, the thumb drive was inserted into the computer of (b)(6) (b)(7)(C) who works within (b)(6) (b)(7)(C) division on 2/11/15 at 7:54 AM.

On 2/18/15, (b)(6) (b)(7)(C) who is the (b)(6) (b)(7)(C) for the (b)(6) (b)(7)(C) provided the Case Agent with the thumb drive that (b)(6) (b)(7)(C) copied the files to on 2/10/15. (b)(6) (b)(7)(C) explained that because (b)(6) (b)(7)(C) was retiring, she provided (b)(6) (b)(7)(C) with the San Disk thumb drive on 2/9/15 and asked that he copy over all files relating to the work he had performed for the fire protection group. (b)(6) (b)(7)(C)

said that after (b)(6) (b)(7)(C) copied the requested files to the thumb drive she provide that he hand delivered the thumb drive to her during a staff meeting held on the afternoon of 2/10/15. (b)(6) (b)(7)(C) said that requesting copies of files from employees who are leaving their job or retiring, such as (b)(6) (b)(7)(C) was a common practice and allowed her to copy the files to a more permanent storage location, such as a compact disk or DVD. (b)(6) (b)(7)(C) said that she had not removed any of the files provided to her by (b)(6) (b)(7)(C) and that she had accessed the thumb drive earlier in the week while looking for a particular file that (b)(6) (b)(7)(C) could have provided if he was not retired. She explained that some of the files contained on the thumb drive could be marked as UCNI due to being associated with fire hazard analyses performed on sensitive buildings at SRS and added that most of the files will likely be identified/marked as National Fire Protection Association (NFPA). (b)(6) (b)(7)(C) added that she did not request or receive any other thumb drives or information from (b)(6) (b)(7)(C) and she is not aware of anyone else within her section requesting additional information from (b)(6) (b)(7)(C) pertaining to the work her performed for the fire protection engineering group.

On 2/18/15, the Case Agent took the file to the SRNS cyber group and asked that (b)(6) (b)(7)(C) Cyber Security Operations, SRNS, determine whether the total number of files that were identified in the image taken of (b)(6) (b)(7)(C) computer as being copied to the San Disk thumb drive were consistent with the total number of files currently residing on that thumb drive. (b)(6) (b)(7)(C) confirmed that the file totals were consistent. During this meeting, (b)(6) (b)(7)(C) advised the Case Agent that there was another thumb drive that was identified as being plugged into (b)(6) (b)(7)(C) computer. (b)(6) (b)(7)(C) added that there is no record back to January 2015 that this thumb drive has been plugged into other SRS user computers. The Case Agent requested that (b)(6) (b)(7)(C) review (b)(6) (b)(7)(C) imaged drive to provide additional information regarding this thumb drive

On 2/18/15, (b)(6) (b)(7)(C) reported to the Case Agent that the additional thumb drive was a San Disk Cruzer drive, S/N 20052243011E0E902D15 and that a query of activity relating to this thumb drive shows that it was connected to (b)(6) (b)(7)(C) computer on at least nine (9) separate occasions over the past six months. (b)(6) (b)(7)(C) review of the information copied to this drive revealed that on 2/3/15, (b)(6) (b)(7)(C) copied approximately 1476 files to this San Disk thumb drive. As of 2/18/15, (b)(6) (b)(7)(C) had reviewed 215 of the approximate 1476 files and found that one file that was copied was marked UCNI. (b)(6) (b)(7)(C) further advised that there were an additional three (3) thumb drives plugged into (b)(6) (b)(7)(C) computer and in the past six months, only one of those three thumb drives, a Corsair Voyager, was shown as being plugged into (b)(6) (b)(7)(C) computer on 1/27/15. (b)(6) (b)(7)(C) explained that some of the 1476 files copied to the San Disk were not located on (b)(6) (b)(7)(C) computer image and added that this could be caused by (b)(6) (b)(7)(C) copying these files from mapped network locations directly to the thumb drive and verses copying the files from (b)(6) (b)(7)(C) computer or local drives to the thumb drive. (b)(6) (b)(7)(C) is continuing to search (b)(6) (b)(7)(C) computer image.

On 2/19/15, the Case Agent continued the coordination efforts in this matter with (b)(6) (b)(7)(C) of the Department's Office of Safeguards, Security, and Emergency Services at SRS. (b)(6) (b)(7)(C) agreed to provide the necessary resources to assist with determining whether any of the other files copied by (b)(6) (b)(7)(C) on 2/3 to the San

Planned Activity

Disposition

**Finding Summary:**

**Additional Allegations**

**Process Dates**

**Financial**

[if documents!=null]



Summary

06FEB2017

Document Number 23

**15-0073-I** (b)(6) (b)(7)(C) **Conflict of Interest; SWPA**

**Compliant Summary:** On March 27, 2015, (b)(6) (b)(7)(C) Office of General Counsel, Department of Energy (Department), contacted the Office of Inspector General (OIG) and alleged that (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Southwestern Power Administration (SWPA), violated post-employment restrictions. Specifically, on March 6, 2015 and March 23, 2015 (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) received and accepted an employment offer from Central Electric Power Coop, while the (b)(6) (b)(7)(C) of SWPA.

**Current Status:** Closed  
**Date Received:** 27MAR2015  
**Date Initiated:** 27MAR2015  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**  
**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:** DOE Management  
**Complainant Location:** Headquarters-Forrestal  
**Allegation Location:** Southwestern Power Administration  
**Priority:** Level 1 (Priority)  
**Retaliation:** No  
**Offense Location:** Oklahoma  
**FOIA Interest:** No  
**INV Assigned Office:** Hotline  
**HQ Program Office:** Southwestern Power Administration  
**Recovery Act:** No

**Initial Allegation**

**Allegation:** Allegations  
**Location:** Southwestern Power Administration  
**Summary:** On March 27, 2015, (b)(6) (b)(7)(C) Office of General Counsel, Department of Energy (Department), contacted the Office of Inspector General (OIG) and alleged that (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) Southwestern Power Administration, violated post-employment restrictions.

**Finding Summary:** According to (b)(6) (b)(7)(C) on March 6, 2015 and March 23, 2015 (b)(6) (b)(7)(C) received and accepted an employment offer from Central Electric Power Coop, while the (b)(6) (b)(7)(C) of SWPA. (b)(6) (b)(7)(C) will begin his new position in July 2015. Although Central Electric is not a SWPA customer, the position would provide (b)(6) (b)(7)(C) the Associated Electric Board. The Associated Electric Board is a SWPA customer.

It is unknown when (b)(6) (b)(7)(C) began discussions with Central Electric, when he began seeking employment with Central Electric, and if he (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) during the his employment negotiations with Central Electric.

After becoming aware of the employment offer, the office of General Counsel requested that (b)(6) (b)(7)(C) recuse himself from all Central Electric matters. On March 26, 2015, (b)(6) (b)(7)(C) a recusal from all matters related to Central Electric. (See attached recusal). (b)(6) (b)(7)(C) coordinated with (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) SWPA, who stated that (b)(6) (b)(7)(C) had not disclosed to SWPA counsel that he was seeking employment and (b)(6) (b)(7)(C) had no recusals on file.

(b)(6) (b)(7)(C) provided (b)(6) (b)(7)(C) with an email sent to all SWPA employees advising of the pre and post-employment restrictions. The email has an internet link to the SWPA training. (See attached email & attachments) (b)(6) (b)(7)(C) advised that her office intended to provide (b)(6) (b)(7)(C) with his post-employment guidance and request he file an additional recusal from Associated Electric.

On 30-MAR-2015, case agent spoke with (b)(6) (b)(7)(C). According to (b)(6) (b)(7)(C) Central Electric was a former customer of SWPA. Today, the Associated Electric Board (AEB) is the direct customer to SWPA and AEB sells power to Central Electric. (b)(6) (b)(7)(C) stated that (b)(6) (b)(7)(C) last approval of power rates was in November 2014. He also stated that the rates are first approved by the SWPA administrator, then have to be approved by the Federal Energy Regulatory Commission and then approved and signed off by a Deputy Secretary within the Department of Energy. (b)(6) (b)(7)(C) stated he received the document "Restrictions Relating to Future Employment" from the Department's General Counsel Office in Washington, D.C.

On 31-MAR-2015, case agent spoke with (b)(6) (b)(7)(C). Case agent asked (b)(6) (b)(7)(C) about the document "Restrictions Relating to Future Employment", specifically the General Restrictions section of the document. According to (b)(6) (b)(7)(C) this section is a paraphrase of Title 18, United States Code, Section 208. (b)(6) (b)(7)(C) provided the case agent with another recusal document from (b)(6) (b)(7)(C). This recusal referenced the Stop Trading On Congressional Knowledge (STOCK) Act of 2012, Section 17. Case agent asked (b)(6) (b)(7)(C) what the penalty was for violating this section of the Act. (b)(6) (b)(7)(C) stated the only

penalty would be disciplinary action.

On 01-APR-2015, (b)(6) (b)(7)(C) advised Headquarters that there was no evidence of any violation of law or regulation, criminal, civil, or administrative, and that (b)(6) (b)(7)(C) would not be interviewed unless Headquarters required it. Headquarters did not require (b)(6) (b)(7)(C) to be interviewed and Headquarters advised they would inform the Department's General Counsel Office of the OIG's findings and decision.

On 01-APR-2015, (b)(6) (b)(7)(C) advised case agent to keep case open until 30-APR-2015 pending any notification from Headquarters regarding further investigative work.

As of 05/05/15, there was no further contact from HQ regarding further investigative work. Case closed.

### 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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**15-0087-I**

**June 29, 2015**

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

June 29, 2015

**MEMORANDUM FOR THE ADMINISTRATOR, ENERGY INFORMATION  
ADMINISTRATION**

**FROM:** (b)(6) (b)(7)(C)  
Office of Investigations

**SUBJECT:** Investigation of Allegations of Abuse of Power and Misuse of Position by  
an Energy Information Administration Director (OIG Case No. 15-0087-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) regarding allegations of abuse of power and misuse of position by (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) Energy Information Administration (EIA). Specifically, it was alleged that (b)(6) (b)(7)(C) engaged in an inappropriate romantic relationship with a subordinate female contractor employee, (b)(6) (b)(7)(C) at the Department's Headquarters Forrestal Building. Further, it was alleged that in April 2015, (b)(6) (b)(7)(C) was terminated by her employer, in what she believed was retaliation by (b)(6) (b)(7)(C)

In summary, the investigation determined that between October and November 2014, (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) maintained a personal relationship. However, we received conflicting testimony from them regarding the extent to which the relationship was romantic or physical. Available documentation such as emails suggests the relationship was consistent with (b)(6) (b)(7)(C) characterization.

(b)(6) (b)(7)(C) also reported that she believed she would be terminated if she did not acquiesce to (b)(6) (b)(7)(C) advances. She was later terminated from her position as a contractor for EIA. We did not investigate the circumstances surrounding (b)(6) (b)(7)(C) termination as she stated she was pursuing other remedies.

This investigation was coordinated with the U.S. Department of Justice, Sexual Abuse and Domestic Violence Section, which declined in favor of administrative action in this matter.

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

OIG Case No. 15-0087-I

2

## INVESTIGATIVE REPORT TO MANAGEMENT

### **I. ALLEGATION**

On April 24, 2015, the U.S. Department of Energy (Department), Office of Inspector General (OIG) was notified by (b)(6) (b)(7)(C) a (b)(6) (b)(7)(C) contractor employee, Energy Information Administration's (EIA) (b)(6) (b)(7)(C) of an allegation of abuse of power. Specifically, (b)(6) (b)(7)(C) reported she engaged in a relationship with (b)(6) (b)(7)(C) between October and November 2014, and alleged that she did not consent to the physical aspect of the relationship that occurred in his office after normal duty hours. (b)(6) (b)(7)(C) stated that she believed if she objected, she might lose her job. In April 2015, (b)(6) (b)(7)(C) was terminated by her employer, in what she believes was retaliation by (b)(6) (b)(7)(C) due to his (b)(6) (b)(7)(C) discovery of their relationship. The OIG initiated an investigation to determine if there was any criminal or administrative wrongdoing.

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

The investigation focused on potential violations of Title 5 Code of Federal Regulations (C.F.R) § 2635.302, Gifts to Superiors; Title 5 C.F.R. § 2635.702, Use of public office for private gain; Title 29 C.F.R. § 1604.11, Sexual harassment; and the Secretary of Energy's Memorandum "Policy Statement on Equal Employment Opportunity, Harassment and Retaliation," dated December 31, 2013.

### **III. BACKGROUND**

(b)(6) (b)(7)(C) is the (b)(6) (b)(7)(C) assigned as the (b)(6) (b)(7)(C) at EIA, reporting to the Assistant Administrator for Energy Statistics. (b)(6) (b)(7)(C) was a (b)(6) (b)(7)(C) in the (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) formerly employed by (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) became a contractor employee on July 21, 2014. (b)(6) (b)(7)(C) stated that between October and November 2014, she engaged in a flirtatious relationship with (b)(6) (b)(7)(C) that began consensually. According to (b)(6) (b)(7)(C) she continued to a physical relationship with (b)(6) (b)(7)(C) out of fear for losing her job.

### **IV. INVESTIGATIVE FINDINGS**

During an interview with the OIG, (b)(6) (b)(7)(C) stated in October 2014, (b)(6) (b)(7)(C) expressed romantic interest in her. Subsequently, they met in (b)(6) (b)(7)(C) office after normal duty hours, during which time they engaged in physical contact which she described as groping and fondling. Although the touching and physical contact was unwanted, (b)(6) (b)(7)(C) said she did not voice her objection for fear of losing her job. (b)(6) (b)(7)(C) also stated that (b)(6) (b)(7)(C) would lock his office door behind her when she visited him. (b)(6) (b)(7)(C) stated that on Monday, November 24, 2014,

(b)(6) (b)(7)(C) picked her up near the L'Enfant Plaza food court in his vehicle before his 1:00 p.m. meeting and drove to Hains Point, where they parked and engaged in sexual activity.

(b)(6) (b)(7)(C) stated that on December 25, 2014, she received a telephone call from (b)(6) (b)(7)(C) which shocked her since she believed (b)(6) (b)(7)(C) was divorced. Subsequently, (b)(6) (b)(7)(C) left (b)(6) (b)(7)(C) two voicemails stating he apologized for "misleading her and was choosing his (b)(6) (b)(7)(C) over her. (b)(6) (b)(7)(C) stated that from January 2015 to April 2015, her duties were reduced and her work products were rejected. On April 17, 2015, (b)(6) (b)(7)(C) was laid off because EIA had dissolved her position.

(b)(6) (b)(7)(C) also stated that in October 2014 (b)(6) (b)(7)(C) asked her to bring him a gift back from her trip to New York City. (b)(6) (b)(7)(C) stated she did not purchase one while there, but purchased a craft beer in Germantown, Maryland, for approximately \$20, because she felt compelled to give it to him as a gift. (b)(6) (b)(7)(C) subsequently gave the craft beer to (b)(6) (b)(7)(C).

During an interview with the OIG, (b)(6) (b)(7)(C) denied he had a romantic or physical relationship with (b)(6) (b)(7)(C). (b)(6) (b)(7)(C) stated that (b)(6) (b)(7)(C) was fascinated with him, that she was in search of a male partner, and that she was disgruntled that he turned down her advances.

(b)(6) (b)(7)(C) was shown printouts of email communication between him and (b)(6) (b)(7)(C) from October and November 2014. During an email exchange (b)(6) (b)(7)(C) asked (b)(6) (b)(7)(C) if she had brought him anything back from New York City. (b)(6) (b)(7)(C) told agents he accepted (b)(6) (b)(7)(C) gift of craft beer, and it is located in his EIA office desk drawer. When shown another email exchange, (b)(6) (b)(7)(C) admitted he had received nude photographs of (b)(6) (b)(7)(C) on his Department issued cellular telephone. (b)(6) (b)(7)(C) stated he may have subsequently deleted the photos from the government phone. While reviewing email traffic, (b)(6) (b)(7)(C) also acknowledged having (b)(6) (b)(7)(C) in his office after normal duty hours.

Separately, during an interview with the OIG, a subcontractor employee with Eccella Corporation, working in EIA's (b)(6) (b)(7)(C) stated she had also engaged in a romantic and physical relationship with (b)(6) (b)(7)(C) from June or July 2014 to December 2014. (b)(6) (b)(7)(C) told her that he was divorced, but she stated she was not sure if she believed him. (b)(6) (b)(7)(C) also denied he had a relationship with the second subcontractor, although he acknowledged they were friends and often had drinks together.

## V. EXHIBITS

1. Memorandum of Interview with (b)(6) (b)(7)(C) dated May 13, 2015.
2. Memorandum of Interview with (b)(6) (b)(7)(C) dated June 26, 2015.
3. Copies of emails from (b)(6) (b)(7)(C) Department accounts.

## VI. COORDINATION

This investigation was coordinated with the U.S. Department of Justice, Sexual Abuse and Domestic Violence Section, which deferred to administrative action in this matter.



## VII. RECOMMENDATIONS

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

1. Determine if (b)(6) (b)(7)(C) conduct with subordinate contractor employees was inappropriate and take appropriate action, if warranted;
2. Determine if (b)(6) (b)(7) use of his Department email account for personal business was inappropriate; and,
3. Determine if additional training related to contractor relations is warranted.

## VIII. 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.

## IX. 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

06FEB2017

Document Number 25

## 15-0108-I J. Shackelford; Conflict of Interest; Lawrence Livermore National Laboratory

**Compliant Summary:** On 6/19/15, Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy, Office of Inspector General, contacted SA (b)(6) (b)(7)(C) U.S. Nuclear Regulatory Commission (NRC) / Defense Nuclear Facilities Safety Board (DNFSB), Office of the Inspector General, regarding a referral from (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) DOE (b)(6) (b)(7)(C) OIG.

SA (b)(6) (b)(7)(C) advised SA (b)(6) (b)(7)(C) the an allegation was provided by (b)(6) (b)(7)(C) DNFSB, to (b)(6) (b)(7)(C) DNFSB, on 9/25/14. In the allegation, (b)(6) (b)(7)(C) provided that an anonymous caller, phone number (505) 410 (b)(6) (b)(7)(C) contacted him to report an inappropriate sexual relationship between Jeffrey Shackelford, DN5 Technical Staff, DNFSB, and (b)(6) (b)(7)(C) National Nuclear Security Agency (NNSA) Livermore Field Office, Department of Energy (DOE). The complaint was forwarded to NRC OIG SA (b)(6) (b)(7)(C) and the NRC OIG opened case (b)(6) (b)(7)(C) to further investigate the allegation.

SA (b)(6) (b)(7)(C) explained that at the time of the alleged relationship, Shackelford was in a (b)(6) (b)(7)(C) oversight of safety-related operations to which (b)(6) (b)(7)(C) is assigned. The complainant stated the he had concerns that the relationship had compromised Shackelford's ability to perform independent safety oversight. The complainant provided two examples of Shackelford and (b)(6) (b)(7)(C) meeting together in a romantic context. In one alleged instance, Shackelford and (b)(6) (b)(7)(C) met at the Purple Orchid, a wine resort and spa. In the second alleged instance, Shackelford and (b)(6) (b)(7)(C) met at an Energy Facilities Contractors Group Safety Basis Workshop in in Albuquerque, NM from 2/23/14-2/27/14. At the workshop, the complainant alleged other attendees commented to Shackelford about his relationship to (b)(6) (b)(7)(C) to which Shackelford affirmed the comments in a bragging manner.

SA (b)(6) (b)(7)(C) has requested DOE OIG assistance in obtaining DOE email records for Shackelford and (b)(6) (b)(7)(C) SA (b)(6) (b)(7)(C) will coordinate with (b)(6) (b)(7)(C) to located email records for joint review by DOE OIG and NRC OIG. In addition, SA (b)(6) (b)(7)(C) has requested assistance in conducting an interview of (b)(6) (b)(7)(C)

subsequent to the review of DOE email records.

**Current Status:** Closed  
**Date Received:** 19JUN2015  
**Date Initiated:** 12AUG2015

**Primary Investigator:**  
**Other Investigators:**

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

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

**Type:** Administrative  
**Subject Type:** Other Government Agency Employee/Contractor  
**Special Flags:**  
**Category:** Administrative (non-criminal)  
Standards of Conduct [None]  
**Received by:** Telephone  
**Complaint Source:** Anonymous  
**Complainant Location:** [Unknown]  
**Allegation Location:** Lawrence Livermore National Laboratory  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** California  
**FOIA Interest:** No  
**INV Assigned Office:** Technology Crimes Section  
**HQ Program Office:** HQ, National Nuclear Security Admin (NNSA)  
**Recovery Act:** No

#### Initial Allegation

**Allegation:** Executive Brief  
**Location:** Lawrence Livermore National Laboratory  
**Summary:** Predication

On 6/19/15, Special Agent (SA) (b)(6) (b)(7)(C) Department of Energy, Office of Inspector General, contacted SA (b)(6) (b)(7)(C) U.S. Nuclear Regulatory Commission (NRC) / Defense Nuclear Facilities Safety Board (DNFSB), Office of the Inspector General, regarding a referral from (b)(6) (b)(7)(C) DOE OIG. SA (b)(6) (b)(7)(C) advised SA (b)(6) (b)(7)(C) that an allegation was provided by (b)(6) (b)(7)(C) DNFSB, to (b)(6) (b)(7)(C) DNFSB, on 9/25/14. In the allegation, (b)(6) (b)(7)(C) provided that an anonymous caller, phone number (505) 410 (b)(6) (b)(7)(C) contacted him to report an inappropriate sexual relationship between Jeffrey Shackelford, DN5 Technical Staff, DNFSB, and (b)(6) (b)(7)(C) National Nuclear Security Agency (NNSA) Livermore Field Office, Department of

Energy (DOE). The anonymous complainant stated the he had concerns that the personal relationship had compromised Shackelford's ability to perform independent safety oversight.

### Specifics/Background

In September 2014, a complaint was received by NRC OIG and assigned to NRC OIG SA (b)(6) (b)(7) (C). NRC OIG SA (b)(6) (b)(7) (C) opened NRC OIG case (b)(6) (b)(7) (C) to further investigate the complaint. Shackelford is currently a GS-15 at NRC OIG and (b)(6) (b)(7) (C) is the (b)(6) (b)(7) (C) at LLNL and is serving in a Senior Executive Service position.

### Investigative Activity

SA (b)(6) (b)(7) (C) has requested DOE OIG assistance in obtaining DOE email records for Shackelford and (b)(6) (b)(7) (C). SA (b)(6) (b)(7) (C) will coordinate with (b)(6) (b)(7) (C) to locate email records for joint review by DOE OIG and NRC OIG. In addition, SA (b)(6) (b)(7) (C) has requested assistance in conducting an interview of (b)(6) (b)(7) (C) subsequent to the review of DOE email records.

During the DOE OIG case predication to provided assistance to NRC OIG, SA (b)(6) (b)(7) (C) located a DOE OIG received by (b)(6) (b)(7) (C) and dated 11/5/14. The complaint, 15-0067-C, provided that (b)(6) (b)(7) (C) Livermore Field Office (LFO), reported (b)(6) (b)(7) (C) received a package in her LFO mail containing a note accusing her of having a personal relationship with a government employee at the Albuquerque complex. The package also was reported to contain personal information for (b)(6) (b)(7) (C) to include her financial disclosure statement and security clearance information.

The DOE OIG complaint 15-0067-C also documented that the (b)(6) (b)(7) (C) the Defense Nuclear Facilities Safety Board (DNFSB) (b)(6) (b)(7) (C) received an anonymous email that (b)(6) (b)(7) (C) was having a personal relationship with a DNSFB employee.

SA (b)(6) (b)(7) (C) attempted to follow up further with (b)(6) (b)(7) (C) called the Hotline and stated she had not decided if she wanted to pursue this matter further.

After no additional correspondence with (b)(6) (b)(7) (C) the DOE OIG complaint was ZZed by the Hotline.

Per NRC OIG's request for assistance, (b)(6) (b)(7) (C) has requested and received official DOE email accounts issued to Shackelford and (b)(6) (b)(7) (C) provided SA (b)(6) (b)(7) (C) the email records to process and provide to SA (b)(6) (b)(7) (C).

SA (b)(6) (b)(7) (C) reviewed the email records and located email correspondence between Shackelford and (b)(6) (b)(7) (C). SA (b)(6) (b)(7) (C) stated he would review the records

when he arrived at LLNL on 8/24/15. SA (b)(6) (b)(7) (C) is traveling to LLNL to conduct an interview of (b)(6) (b)(7) (C) to determine if there was a personal relationship between Shackelford and (b)(6) (b)(7) (C).

On 8/25/15, SA (b)(6) (b)(7) (C) provided SA (b)(6) (b)(7) (C) a DVD containing all correspondence between Shackelford and (b)(6) (b)(7) (C) on the DOE email system.

Continuing on 8/25/15, SA (b)(6) (b)(7) (C) and SA (b)(6) (b)(7) (C) interviewed (b)(6) (b)(7) (C) at the DOE OIG offices on LLNL. SA (b)(6) (b)(7) (C) provided to (b)(6) (b)(7) (C) the interview was voluntary and (b)(6) (b)(7) (C) stated she understood she was free to stop answering questions or to leave at any time. (b)(6) (b)(7) (C) stated she she had received a package in her Livermore Field Office mail in approximately June 2014. The incident had been previously reported to the DOE OIG. (b)(6) (b)(7) (C) brought the package to the interview and provided it to SA (b)(6) (b)(7) (C) for review. The package contained one handwritten note, (b)(6) (b)(7) (C) SF-86 forms, (b)(6) (b)(7) (C) OGE-450 form, letter from application for ES&H position, and (b)(6) (b)(7) (C) resume. The handwritten note was found to contain but not be limited to a discussion of a personal relationship between (b)(6) (b)(7) (C) and (b)(6) (b)(7) (C) and (b)(6) (b)(7) (C) and (b)(6) (b)(7) (C). In addition the note references an individual named (b)(6) (b)(7) (C) that has provided (b)(6) (b)(7) (C) with information about (b)(6) (b)(7) (C). The note also states the papers in the envelope were found in "his" office apparently referring to (b)(6) (b)(7) (C). The letter concludes with the statement, "leave me out of it and I am out of here." (b)(6) (b)(7) (C) stated she believe a LFO coworker, (b)(6) (b)(7) (C) sent the package. (b)(6) (b)(7) (C) explained (b)(6) (b)(7) (C) is interested in a personal relationship with (b)(6) (b)(7) (C) which she has not pursued. (b)(6) (b)(7) (C) added that (b)(6) (b)(7) (C) had "overstepped his bounds" and once groped her in his office. (b)(6) (b)(7) (C) stated she did not report the incident to LFO management.

(b)(6) (b)(7) (C) describe an additional incident involving (b)(6) (b)(7) (C). (b)(6) (b)(7) (C) explained she had attended a work dinner and a concert with multiple colleagues to include (b)(6) (b)(7) (C). The following day (b)(6) (b)(7) (C) observed items to be missing from her purse to include sunglasses, scarf, money, and credit cards. (b)(6) (b)(7) (C) explained she sent an email to the colleagues that attended dinner the night before asking if anyone had seen her scarf. (b)(6) (b)(7) (C) received an email from (b)(6) (b)(7) (C) stating that he had her missing items. (b)(6) (b)(7) (C) further explained that she later found a plastic bag hanging from her office door containing the items missing from her purse. (b)(6) (b)(7) (C) stated she did not report the incident.

SA (b)(6) (b)(7) (C) asked (b)(6) (b)(7) (C) additional questions related to her relationship with Shackelford. (b)(6) (b)(7) (C) stated she did not have an personal relationship with Shackelford.

At the conclusion of the interview (b)(6) (b)(7) (C) provided SA (b)(6) (b)(7) (C) the package she received in here LFO mailbox. (b)(6) (b)(7) (C) signed DOE OIG Evidence / Property documenting the transfer of the package to SA (b)(6) (b)(7) (C).

On 8/28/15, SA (b)(6) (b)(7) (C) sent (b)(6) (b)(7) (C) an email providing her options if she wanted

to report the incident she described to SA (b)(6) (b)(7) (C) on 8/25/15 involving (b)(6) (b)(7) (C) groping her. (b)(6) (b)(7) (C) responded via email and stated she would like to report the incident involving the removal of items from her purse by (b)(6) (b)(7) (C) to Livermore PD.

On 9/10/15, SA (b)(6) (b)(7) (C) notified SA (b)(6) (b)(7) (C) that the local police in VA had reported to him that Shackelford had died on 9/8/10 due to a gunshot wound to the chest. SA (b)(6) (b)(7) (C) stated the investigation of the incident by local police is ongoing.

#### Investigative Results:

The allegation of a personal relationship between Shackelford and (b)(6) (b)(7) (C) was unsubstantiated.

#### Disposition

NRC OIG SA (b)(6) (b)(7) (C) stated the NRC OIG will leave their case open pending the closure of the Virginia police investigation into Shackelford's death. SA (b)(6) (b)(7) (C) advised there are not additional investigative steps and that DOE OIG can close the case and dispose of all evidence. NRC OIG stated upon closing their investigation of the allegation there will be no further administrative or criminal actions.

The evidence drive containing the email records requested by NRC OIG have been wiped. The manila envelope of documents provided by (b)(6) (b)(7) (C) has been returned to (b)(6) (b)(7) (C). No additional evidence remains in the case.

**Finding Summary:** The allegation of an inappropriate personal relationship between Shackelford and (b)(6) (b)(7) (C) was unsubstantiated.

#### Additional Allegations

#### Process Dates

#### Financial

[if documents!=null]



Department of Energy  
Washington, DC 20585

February 11, 2016

Document Number 26

MEMORANDUM FOR (b)(6) (b)(7)(C) OFFICE OF  
INSPECTOR GENERAL, TECHNOLOGY CRIMES SECTION

FROM: (b)(6) (b)(7)(C)  
Special Agent

SUBJECT: Case Closing Summary (OIG File No. 15-0119-I)

This memorandum served to recommend closure of OIG File Number 15-0119-I.

The initial complaint alleged an employee of Los Alamos National Laboratory (LANL), Los Alamos, NM may have used a U.S. Department of Energy (DOE)/LANL computer system to access and store adult pornography to include images and videos of adults engaged in bestiality (sexual acts between humans and animals). It was further alleged the employee violated DOE/LANL policies by connecting a mobile telephone to his USG/LANL computer. A digital forensic examination of the employee's computer revealed significant adult pornography as well as bestiality associated with the employee's user profile. The examination also confirmed a mobile phone was connected via Universal Serial Bus (USB) to the computer in violation of DOE/LANL policies. During an interview with Office of Inspector General (OIG) Special Agents, the employee admitted downloading large quantities of pornography, but claimed no particular interest in bestiality. The employee adamantly denied he ever downloaded illegal child pornography and no indications of such contraband were found during the forensic examination. The employee further admitted connecting a mobile phone to his computer in order to access pornographic images stored on it. The U.S. Attorney's Office (USAO) reported federal statutes did not include a specific crime against bestiality and given the nature of this investigation did not believe it would meet the standards for obscenity statutes. Furthermore, the state of New Mexico did not have a statute prohibiting bestiality. Corporate investigators for Los Alamos National Security, LLC (LANS), the company responsible for operating LANL, also conducted an interview with their employee and subsequently allowed him to resign in lieu of termination. Since no criminal activities were identified and the employee was removed from employment at LANL, no further investigative steps were warranted.

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)@doc.gov should you have questions regarding this matter.

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

Document Number 27

# **Report of Investigation**

**16-0004-I**

**February 25, 2016**



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

February 25, 2016

The Honorable Channing D. Phillips  
United States Attorney  
District of Columbia  
555 4<sup>th</sup> Street  
Washington, DC 20530  
Attn: Assistant U.S. Attorney Stephanie Miller

RE: (b)(6) (b)(7)(C) [redacted] OIG Case No. 16-0004-I

Dear Mr. Phillips,

The enclosed Report of Investigation and its attachments are being provided to your office pursuant to your request for documents related to OIG Investigation 16-0004-I of (b)(6) (b)(7)(C) [redacted] for violation of DC Code § 22-3225.02 (Insurance Fraud).

~~These documents are the property of the OIG and are for OFFICIAL USE ONLY. The original and any copies of these documents 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 documents, contractors and individuals outside the Department of Energy. Public disclosure is determined by the Freedom of Information Act (Title 5, U.S.C., Section 552) and the Privacy Act (Title 5, U.S.C., Section 552a).~~

If you have any questions please feel free to contact Special Agent (b)(6) (b)(7)(C) [redacted] at (202) 586-(b)(6) (b)(7)(C) [redacted] or myself at (202) 586-(b)(6) (b)(7)(C) [redacted]. I look forward to working with you and your office in the future.

(b)(6) (b)(7)(C) [redacted]

Region 1 Investigations

OIG Case No. 16-0004-I

i

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## REPORT OF INVESTIGATION 16-0004-I

### **I. ALLEGATION**

On October 14, 2015, the U.S. Department of Energy (Department) Office of Inspector General (OIG) received a referral from the Department's Local Insider Threat Working Group alleging that Department employee (b)(6) (b)(7)(C) may have filed a fraudulent insurance claim. Specifically, the referral stated that routine authorized monitoring of emails discovered an email discussion between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) in which they discussed filing an insurance claim for a diamond ring valued at approximately \$7,800.

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

The investigation focused on possible violations of the DC Code § 22- 3225.02: Insurance Fraud.

### **III. INVESTIGATIVE FINDINGS**

#### BACKGROUND:

(b)(6) (b)(7)(C) is the (b)(6) (b)(7)(C) Office of Intelligence and Counterintelligence, U.S. Department of Energy. She is a (b)(6) (b)(7)(C) federal employee and possesses a DOE Q (Top Secret) security clearance with SCI access.

#### DOE RECORDS:

The OIG requested copies of (b)(6) (b)(7)(C) email from her government email account, (b)(6) (b)(7)(C) @in.doe.gov. The emails were obtained based on consensual use of the government computer system. In an email exchange between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) between September 28 and 30, 2015, they discuss filing an insurance claim for (b)(6) (b)(7)(C) ring. (b)(6) (b)(7)(C) subsequently stated on September 30, 2015, that she called her insurance company and filed the claim for a lost ring, but was told by the insurance company representative that she could withdraw the claim if she found the ring. She then stated that she felt "guilty now already."

In a separate email to (b)(6) (b)(7)(C) on October 1, 2015, (b)(6) (b)(7)(C) discussed the pros and cons of continuing with the insurance claim. Specifically citing under "Cons," "Lying / guilty conscience / fear of getting caught."

Additionally, the OIG requested and received telephone records for (b)(6) (b)(7)(C) desk phone at the Department headquarters building [Agent's Note: Department of Energy headquarters is located at 1000 Independence Ave SW, Washington, DC]. The records indicated that an outgoing call was made from (b)(6) (b)(7)(C) desk phone to the USAA toll-free number on

September 30, 2015, at 12:41 pm EST.

#### INFORMATION FROM USAA

The OIG contacted (b)(6) (b)(7)(C), USAA (b)(6) (b)(7)(C) and submitted a request for (b)(6) (b)(7)(C) claim record. The result of the request included a claim summary reflecting that (b)(6) (b)(7)(C) filed a claim for a lost ring, USAA claim number (b)(6) (b)(7)(C) via telephone on September 30, 2015 at 11:45 am CST. USAA also provided a payment voucher reflecting a settlement payment of \$4,627.35 to (b)(6) (b)(7)(C) on October 8, 2015.

#### SUBJECT INTERVIEWS & CONFESSION:

On January 7, 2016, the OIG interviewed (b)(6) (b)(7)(C) who stated that she filed an insurance claim with USAA for a ring she had lost sometime at the end of September or beginning of October. (b)(6) (b)(7)(C) stated that she filed the claim by telephone from her office at the Department of Energy headquarters building. (b)(6) (b)(7)(C) stated that she had initially intended to file a false insurance claim; however, when she looked for the ring, she discovered that it was missing. As a result, (b)(6) (b)(7)(C) stated that her insurance claim was a valid claim for a lost ring. When asked about her email conversation with (b)(6) (b)(7)(C) and specifically her comments about feeling "guilty," (b)(6) (b)(7)(C) stated that she had felt guilty about considering filing a false claim, but that her claim was, in fact valid. When asked, (b)(6) (b)(7)(C) stated that she did not know where the ring was at the time of the interview. (b)(6) (b)(7)(C) interview was sworn and recorded, and she was advised of her rights pursuant to the Garrity warning.

On January 8, 2015, (b)(6) (b)(7)(C) proactively contacted the OIG and advised that she had lied in her previous interview and had in fact filed a false insurance claim. As a result, the OIG conducted another interview of (b)(6) (b)(7)(C) which was also sworn and recorded. (b)(6) (b)(7)(C) was also re-advised of her rights pursuant to the Garrity warning. (b)(6) (b)(7)(C) stated that she had "lied" in her OIG interview the previous day [January 7, 2016], and had, in fact, filed a false insurance claim for a lost wedding ring. (b)(6) (b)(7)(C) stated that she was "caught off guard" when she was called to the OIG office the previous day, and her first instinct was to lie about the claim. (b)(6) (b)(7)(C) said that she has not "been able to live with myself" since then. She said that she did not want to lose her job or be prosecuted. When asked, (b)(6) (b)(7)(C) stated that she still had the ring and it was at her home. (b)(6) (b)(7)(C) also stated that she had the money and wanted to pay USAA back for the claim.

#### **IV. ESTIMATE OF VICTIM'S LOSS**

The loss to USAA is \$4,627.35.

## V. MITIGATING OR EXCUPLATORY INFORMATION

(b)(6) (b)(7)(C) returned \$4,327.35 to USAA.

## VI. WITNESSES WHO COULD TESTIFY

(b)(6) (b)(7)(C) Special Agent, DOE-OIG, telephone (202) 586 (b)(6) (b)(7)(C) can testify to statement made by (b)(6) (b)(7)(C) during interviews on January 7 and 8, 2015.

(b)(6) (b)(7)(C) USAA, telephone (540) 556 (b)(6) (b)(7)(C) can testify to the details of (b)(6) (b)(7)(C) claim with USAA.

## VII. ATTACHED PERTINENT EXHIBITS

1. Local Insider Threat Working Group referral to the OIG dated October 13, 2015
2. Email conversation between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) (September 28-30, 2015)
3. Email from (b)(6) (b)(7)(C) to (b)(6) (b)(7)(C) dated October 1, 2015
4. USAA claim summary
5. USAA payment voucher
6. Memorandum of Interview of (b)(6) (b)(7)(C) on January 7, 2016
7. Memorandum of Interview of (b)(6) (b)(7)(C) on January 8, 2016
8. DOE telephone records for (b)(6) (b)(7)(C) desk phone
9. DOE building access records for (b)(6) (b)(7)(C)

## VIII. BACKGROUND OF THE SUBJECT

(b)(6) (b)(7)(C)  
Date of Birth: (b)(6) (b)(7)(C)  
Social Security Number: (b)(6) (b)(7)(C)  
Address: (b)(6) (b)(7)(C) Knoxville, Dumfries, VA 22025  
Phone: (571) 292- (b)(6) (b)(7)(C)

## IX. POINT OF CONTACT

Special Agent (b)(6) (b)(7)(C) U.S. Department of Energy OIG (202) 586 (b)(6) (b)(7)(C)

## X. PRIVACY ACT AND FREEDOM OF INFORMATION ACT NOTICE

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

Document Number 28

# **Investigative Report to Management**

**16-0033-J**

**March 3, 2016**



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

March 3, 2016

**MEMORANDUM FOR THE DIRECTOR, OFFICE OF INTELLIGENCE AND  
COUNTERINTELLIGENCE**

**FROM:**

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

National Capital Field Office

**SUBJECT:**

Investigation of Employee Misconduct. (OIG Case No. 16-0033-I)

This memorandum serves to inform you of the results of an investigation by the U.S. Department of Energy (Department), Office of Inspector General (OIG). On 25 February 2016, (b)(6) (b)(7)(C) Office of Intelligence and Counterintelligence, was arrested pursuant to an arrest warrant issued by the District of Columbia's Superior Court for the offense of 22 DC Code 2701, Solicitation for Prostitution.

As stated in the attached arrest warrant, (b)(6) (b)(7)(C) "unlawfully invited, enticed, offered, persuaded, and agreed with (b)(6) (b)(7)(C) (LNU) to engage in prostitution with (b)(6) (b)(7)(C) and addressed (b)(6) (b)(7)(C) (LNU) for the purpose of inviting, enticing, offering, persuading, and agreeing to engage in prostitution." The OIG investigation determined that (b)(6) (b)(7)(C) communicated with and arranged for an escort through an escort service, while on duty at the Department Headquarters, within a Sensitive Compartmented Information Facility (SCIF), over his unclassified Department electronic mail account. During this exchange, (b)(6) (b)(7)(C) divulged his full name: Department electronic mail account; Department telephone number; his pseudonym (b)(6) (b)(7)(C) used for a website that collates customer reviews of various activities provided by escorts; as well as his assertion that he was not associated with any law enforcement organization. (b)(6) (b)(7)(C) via his Department electronic mail account, agreed to the fee prescribed for the encounter with the escort, and was provided for a time and location to proceed to, from which he received further instructions and a specific address within the state of Virginia. Investigation also revealed (b)(6) (b)(7)(C) admitted he had engaged in sexual activity in exchange for a fee with escorts, for which he left reviews to summarize those encounters, since 2007.

This investigation is currently ongoing.

This report includes one recommendation for corrective action. Based on these facts and other information that may be available to you, the OIG recommends that your office determine if administrative action up to termination is warranted against (b)(6) (b)(7)(C).

OIG Case No. 16-0033-I

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

Should you have any questions regarding this matter, please contact me at (202) 586-(b)(6)  
(b)(7) or  
Special Agent (b)(6) (b)(7)(C) at (202) 586-(b)(6) (b)(7)  
(C)

Attachments

Cc: Office of General Counsel

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA  
CRIMINAL DIVISION

COMPLAINT

DCN: (b)(6) (b)(7)(C)

Lockup No: (b)(6) (b)(7)(C)

Case No: (b)(6) (b)(7)(C)

District of Columbia ss:

Defendant's Name: (b)(6) (b)(7)(C)  
(First) (MI) (Last) (PDID) (CCNO)  
Also Known As: (b)(6) (b)(7)(C)  
(First) (Middle) (Last)  
Address: (b)(6) (b)(7)(C) Potomac MD

On or about January 8, 2016, within the District of Columbia, (b)(6) (b)(7)(C) also known as (b)(6) (b)(7)(C) unlawfully invited, enticed, offered, persuaded, and agreed with (b)(6) (b)(7)(C) (Last Name Unknown) to engage in prostitution with (b)(6) (b)(7)(C) and addressed (b)(6) (b)(7)(C) (Last Name Unknown) for the purpose of inviting, enticing, offering, persuading, and agreeing to engage in prostitution. (Solicitation for Prostitution, in violation of 22 D.C. Code, Sections 2701, 2701.01 (2001 ed.))

Co-Defendants:

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

Affiant's Name

Subscribed and sworn to before me this 23 day of February, 2016

(Judge) (Deputy Clerk)

WARRANT

To The United States Marshal or any other authorized federal officer or the Chief of Police of the District of Columbia:

WHEREAS the foregoing complaint and affidavit supporting the allegations thereof have been submitted, and there appearing probable cause and reasonable grounds for the issuance of an arrest warrant for (b)(6) (b)(7)(C)

YOU ARE THEREFORE COMMANDED TO BRING THE DEFENDANT BEFORE SAID COURT OR OTHER PERSON ENUMERATED IN 18 U.S.C. 3041 forthwith to answer said charge.

Issued

Judge - Superior Court of the District of Columbia

Title 16: ☐

Rule 105: ☐ Judge: \_\_\_\_\_

Sex: Male DOB: (b)(6) (b)(7)(C) CCN: PDID:  
Papering Officer: (b)(6) (b)(7)(C) Badge No.: (b)(6) (b)(7)(C)

OFFICER MUST EXECUTE RETURN

Officer's Name: Date / Time: February 23, 2016

AUSA Signature:

Fel. I AFTC Fel. II



**Superior Court of the District of Columbia**  
**CRIMINAL DIVISION**

**AFFIDAVIT IN SUPPORT OF AN ARREST WARRANT**

USW NO.:

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

<b>DEFENDANT'S NAME:</b> (b)(6) (b)(7)(C)		<b>NICKNAME:</b> None Known		<b>ALIASES:</b> (b)(6) (b)(7)(C)		<b>CCN:</b>		<b>PDID:</b>	
<b>SEX:</b> M	<b>RACE:</b> (b)(6) (b)(7)(C)	<b>DOB:</b>	<b>HGT:</b>	<b>WGT:</b>	<b>EYES:</b>	<b>HAIR:</b>	<b>COMPL:</b>	<b>SCARS, MARKS TATTOOS:</b> Unknown	
<b>DEFENDANT'S HOME ADDRESS:</b> (b)(6) (b)(7)(C) Potomac, MD. 20854							<b>TELEPHONE NUMBER:</b> 301-279 (b)(6) (b)(7)(C)		
<b>DEFENDANT'S BUSINESS ADDRESS:</b> 1000 Independence Avenue, SW. Washington, DC 20585							<b>TELEPHONE NUMBER:</b> 202-586 (b)(6) (b)(7)(C)		
<b>COMPLAINANT'S NAME:</b> Department of Energy Office of Inspector General							<b>TELEPHONE NUMBER:</b> (202) 586 (b)(6) (b)(7)(C)		
<b>LOCATION OF OFFENSE:</b> 1000 Independence Avenue, SW. Washington, DC 20585					<b>DATE OF OFFENSE:</b> 1/8/2016		<b>TIME OF OFFENSE:</b> Various		

**CAUTION AND MEDICAL CONDITIONS (CMC)** Select a valid CMC code below for wanted person when using the caution indicator.

- |   |   |   |   |
|---|---|---|---|
| <input type="checkbox"/> 00 = Armed and Dangerous | <input type="checkbox"/> 20 = Known to abuse drugs      | <input type="checkbox"/> 55 = Alcoholic | <input type="checkbox"/> 80 = Medication Required |
| <input type="checkbox"/> 05 = Violent Tendencies  | <input type="checkbox"/> 25 = Escape Risk               | <input type="checkbox"/> 60 = Allergies | <input type="checkbox"/> 85 = Hemophilia          |
| <input type="checkbox"/> 10 = Martial Arts Expert | <input type="checkbox"/> 30 = Sexually Violent Predator | <input type="checkbox"/> 65 = Epilepsy  | <input type="checkbox"/> 90 = Diabetic            |
| <input type="checkbox"/> 15 = Explosive Expertise | <input type="checkbox"/> 50 = Heart Condition           | <input type="checkbox"/> 70 = Suicidal  | <input type="checkbox"/> 01 = Other (Explain)     |

**GIVE BRIEF DESCRIPTION OF WHAT HAPPENED:**

On January 14, 2016, a representative of the Department of Energy's (DOE) Counterintelligence Field Office reported to the Office of Inspector General that a senior Office of Intelligence and Counterintelligence employee was detected through a random audit, as soliciting for prostitution over his DOE electronic mail account on January 8, 2016. The random audit captured (b)(6) (b)(7)(C) communicating with and arranging for an escort through an escort service while on duty at the DOE's headquarters, 1000 Independence Avenue, SW, Washington, DC 20585.

(b)(6) (b)(7)(C) communication revealed he communicated with The Erotic Network (TER), through an individual named (b)(6) (b)(7)(C) and requested to meet a prostitute named (b)(6) (b)(7)(C). During this exchange, (b)(6) (b)(7)(C) divulged his full name, DOE electronic mail, DOE telephone number, his TER handle: (b)(6) (b)(7)(C) and his assertion that he was not associated with law enforcement. (b)(6) (b)(7)(C) agreed to the fee for his encounter in this exchange, and was provided with a time and a general location to proceed to an address near Tyson's corner, VA, from which he would receive further instructions for the exact location to meet (b)(6) (b)(7)(C).

Investigation revealed (b)(6) (b)(7)(C) has been a VIP member of TER since 2007, where he has posted numerous reviews of his encounters with prostitutes during which he engaged in sexual intercourse for a fee. His reviews also revealed he had already had a sexual interaction with (b)(6) (b)(7)(C) in December 2015.

Your Affiant reviewed (b)(6) (b)(7)(C) electronic mail since January 8, 2016, which revealed he received further instructions to meet (b)(6) (b)(7)(C) Apt. (b)(6) (b)(7)(C) Tysons Corner, VA on that date.

Therefore, based upon the facts and circumstances, it is respectfully requested that an arrest warrant be issued for (b)(6) (b)(7)(C) date of birth (b)(6) (b)(7)(C).

**PLEASE ISSUE A WARRANT FOR:**

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

**CHARGED WITH:** Solicitation of Prostitution

*Kathryn J. Rakovec*

ASSISTANT UNITED STATES ATTORNEY

— NCIC APPROVED —

**SUBSCRIBED AND SWORN TO BEFORE ME THIS**

23<sup>rd</sup> DAY OF Feb. 2016

*R. W. Wether*

(JUDGE) (DEPUTY CLERK) SUPERIOR COURT  
OF THE DISTRICT OF COLUMBIA

Summary

06FEB2017

Document Number 29

**16-0050-I** (b)(6) (b)(7)(C) **Misuse of Position and Theft of Government Property; Fossil Energy**

**Compliant Summary:** On 10 February 2016, the Hotline received an anonymous complaint, alleging (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) for Fossil Energy (FE), misused his position for personal gain. It is alleged that (b)(6) (b)(7)(C) has committed theft of IT equipment (laptops, Ipads, monitors, and Iphones) from his workplace and giving it away as gifts to family and friends.

**Current Status:** Closed

**Date Received:** 10FEB2016

**Date Initiated:** 04MAR2016

**Primary Investigator:** (b)(6) (b)(7)(C)

**Other Investigators:**

**Type:** Criminal

**Subject Type:** DOE Manager (GS-15 equivalent or above)

**Special Flags:**

**Category:** Integrity/Ethics of Government Officials  
Program Theft or Bribery [None]

**Received by:** Letter

**Complaint Source:** Anonymous

**Complainant Location:** Headquarters-Germantown

**Allegation Location:** Headquarters-Germantown

**Priority:** Level 3 (Routine)

**Retaliation:** No

**Offense Location:** Maryland

**FOIA Interest:** No

**INV Assigned Office:** Washington DC

**HQ Program Office:** HQ, Ofc Of Fossil Energy

**Recovery Act:** No

**Initial Allegation**

**Allegation:** IEB

**Location:** Headquarters-Germantown

**Summary:** PREDICATION:

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On 10 February 2016, the Hotline received an anonymous complaint alleging (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) Office of Fossil Energy (FE), Germantown, MD. committed theft of various items of government property and misused his position for personal gain.

Specifically, the anonymous complaint alleged that (b)(6) (b)(7)(C) misused funds and committed theft of IT equipment (laptops, Apple iPads, Apple iPhones, and monitors) from his workplace to finance his (b)(6) (b)(7)(C). The complainant stated that (b)(6) (b)(7)(C) sells the items and also distributes them as gifts to family and friends. Additionally, the complainant alleged that (b)(6) (b)(7)(C) is removal of the items from the Department's facility is facilitated by the lack of bag inspection upon exit of the building. The complainant stated that for the smaller items, (b)(6) (b)(7)(C) carries them out in a backpack, while the larger items, such as monitors, he requests a property passes prior to taking the items out of the building.

Furthermore, the complainant stated that (b)(6) (b)(7)(C) abuses his position by ordering excessive amounts of equipment for the program office, and that he "picks and chooses," with the approval of managers within the organization, who he wants to issue the new items to. The complainant stated that if an employee is unpopular with (b)(6) (b)(7)(C) or the other managers, he forces them to take the old equipment that others have previously exchanged for newer items.

The complainant stated that (b)(6) (b)(7)(C) of FE's (b)(6) (b)(7)(C) for a number of years. (b)(6) (b)(7)(C) when the previous (b)(6) (b)(7)(C) converted the position, which the complainant alleged was due to (b)(6) (b)(7)(C) purchase of numerous devices, such as the latest iPads, iPhones, electronic bulletin boards, and other electronic items.

#### CASE ASSIGNMENT:

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4 March 2016 Assigned to SA (b)(6) (b)(7)(C) from Hotline complaint

#### BACKGROUND:

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An anonymous complaint alleged that (b)(6) (b)(7)(C) Office of Fossil Energy (FE), Germantown, MD removes IT equipment (laptops, Apple iPads, Apple iPhones, and monitors) from his workplace to finance his (b)(6) (b)(7)(C). The complainant stated that (b)(6) (b)(7)(C) sells the items and also distributes them as gifts to family and friends. Additionally, the complainant alleged that (b)(6) (b)(7)(C) is removal of the items from the Department's facility is facilitated by the lack of bag inspection upon exit of the building. The complainant stated that for the smaller items, (b)(6) (b)(7)(C) carries them out in a backpack, while the larger items, such as monitors, he requests a property passes prior to taking the items out of the building.

## INVESTIGATIVE ACTIVITY:

On March 4, 2016, SA (b)(6) (b)(7)(C) Department of Energy (DOE) Office of Inspector General (OIG) National Capital Field Office (NCFO), conducted a search of the World Wide Web using (b)(6) (b)(7)(C) DOE office telephone number, 301-903 (b)(6) (b)(7)(C) and his DOE email address, (b)(6) (b)(7)(C) @hq.doe.gov. As a result, three businesses were identified as linked to (b)(6) (b)(7)(C) Department desk phone. They were:

1. (b)(6) (b)(7)(C)

2.

3.

Additionally, one business was linked to (b)(6) (b)(7)(C) DOE email address:

1. (b)(6) (b)(7)(C)

In addition to the above-mentioned analyses, a Thompson Reuters CLEAR search revealed the current and previous residential services for (b)(6) (b)(7)(C) as well as various business affiliations.

See MOIA dated 4 March 2016 for details.

On March 11, 2016, SA (b)(6) (b)(7)(C) sent a Mail Cover request to the United States Postal Service for (b)(6) (b)(7)(C) current residence, which is affiliated with independent businesses.

A review of the mail cover returns revealed no indication of incoming mail that seemed to be associated with any of the above listed businesses. Additionally, no indication of mail traffic associated with the resale of electronic devices was observed.

On July 20, 2016, SA (b)(6) (b)(7)(C) returned the mail cover returns to USPIS via UPS, as required.

Between May 10, 2016 and June 27, 2016, Inspector (b)(6) (b)(7)(C) Postal Inspector, Department of Justice Fraud Team, Merrifield, VA. conducted surveillance of the (b)(6) (b)(7)(C) residential area and interviewed the USPS, Federal Express, and United Postal Service carriers who serviced the area. Neither reported any pickups or deliveries of packages to support a personal business operation from (b)(6) (b)(7)(C) residence. Additionally, Inspector (b)(6) (b)(7)(C) interviewed (b)(6) (b)(7)(C) Postal employees at the nearest Post Office, neither of which reported (b)(6) (b)(7)(C) as dropping off and sending packages to support his selling items via the USPS.

## INVESTIGATIVE RESULTS:

As of 20 July 2016, no investigative activity supports the allegation that (b)(6) (b)(7)(C) is reselling stolen electronic devices. Additionally, (b)(6) (b)(7)(C) does not have authority to direct the purchase through the General Purchase Card based on his position.

Recommend closure.

PLANNED ACTION:

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Request and obtain email communication from (b)(6) (b)(7)(C) Department account  
for a period of 6 months. Completed

Interview (b)(6) (b)(7)(C) Completed

Interview (b)(6) (b)(7)(C)  
Completed

Coordinate with DOJ. N/A

Interview (b)(6) (b)(7)(C) N/A

Arrest (b)(6) (b)(7)(C) N/A

Investigative Report to Management. N/A

DISPOSITION:

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Recommend closure

**Finding Summary:**

**Additional Allegations**

**Process Dates**

11MAR2016 **Techniques Actions:** Monitoring - Mail Cover

**Financial**

[if documents!=null]



Department of Energy  
Washington, DC 20585

April 12, 2016

Document Number 30

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

FROM: (b)(6) (b)(7)(C) Digitally signed by (b)(6) (b)(7)(C)  
Special Agent (b)(6) (b)(7)(C) Date: 2016.04.12 08:11:48 -06'00'

SUBJECT: Case Closing Summary (OIG File No. 16-0054-I)

This memorandum serves to recommend closure of OIG File Number 16-0054-I.

On March 3, 2016, (b)(6) (b)(7)(C) Department of Energy (DOE) Office of the Inspector General (OIG), Albuquerque, NM received notification from (b)(6) (b)(7)(C) Sandia National Laboratories (SNL), Albuquerque, NM regarding (b)(6) (b)(7)(C) SNL, Albuquerque, NM who, during the course of a routine polygraph examination and subsequent interview with corporate investigators, reportedly admitted he downloaded and viewed electronic books and images of possible child pornography using a SNL/DOE computing resources. (b)(6) (b)(7)(C) provided this information to SA (b)(6) (b)(7)(C) DOE, OIG, Technology Crimes Section (TCS), Albuquerque, NM for investigation in to violations of 18 U.S.C. § 2252, "Certain activities relating to material involving the sexual exploitation of minors".

SA (b)(6) (b)(7)(C) coordinated with SNL to obtain computing resources used by (b)(6) (b)(7)(C) to include a desktop computer, laptop computer, and a mobile tablet device (an Apple iPad mini). A digital forensic examination of devices did not reveal any illegal or inappropriate images or videos.

SA (b)(6) (b)(7)(C) also conducted an interview with (b)(6) (b)(7)(C). He did not disclose any indication he had ever viewed images or videos of child pornography. On one occasion, (b)(6) (b)(7)(C) began reading an online, fictional story that suggested very young children could attain magical power by becoming sexually active with adults. (b)(6) (b)(7)(C) recognized this was wrong and immediately stopped reading the story. During his polygraph examination, (b)(6) (b)(7)(C) reported accidentally accessing "child pornography" without realizing 18 USC 2256 defined "child pornography" as "...any visual depiction...of sexually explicit content...[that] involves the use of a minor..." Subsequently, when interviewed by corporate investigators (b)(6) (b)(7)(C) continued to mistakenly associate written words with the term "child pornography." He denied ever viewing images or videos of child pornography.

Based on a lack of evidence (b)(6) (b)(7)(C) accessed illegal images or video as well as (b)(6) (b)(7)(C) statements, I recommend closing this investigation and referring this investigation back to SNL for administrative action.

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~~

24FEB2017

Document Number 31

**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:**

**Type:**

**Subject Type:**

**Special Flags:**

**Category:**

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

Criminal

DOE Program/Facility

General and Other Crime

[None]

[None]

[Other]

**Received By:**

**Complaint Source:**

**Complainant Location:**

**Allegation Location:**

**Retaliation**

**HQ Program Office**

**Priority**

**Process Date Type Sar Nar**

**Offense Location**

**Hotline**

Proactive Initiative

Headquarters

Headquarters

No

HQ, Ofc Of Management

Level 3 (Routine)

District of Columbia

no



<b>Litigation Hold</b>	no
<b>Joint Investigation</b>	no
<b>INV Assigned Office</b>	Washington DC
<b>Use Name Outside of OIG</b>	N/A
<b>Joint Agency</b>	
<b>Contains Classified</b>	no
<b>(Information outside IPRISM)</b>	
<b>Recovery Act</b>	No
<b>FOIA Interest</b>	No
<b>Documents:</b>	#002 Memorandum of Investigative Activity (All Other) : moia card purchahse hq spreadsheet.pdf #001 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 P-Card  
(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 Program

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

06FEB2017

16-0114-I (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) Conspiracy to Defraud the Government; Paducah Gaseous Diffusion Plant; Paducah, KY

**Compliant Summary:** On July 13, 2016, (b)(6) (b)(7)(C) DOE (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Portsmouth/Paducah Project Office, and (b)(6) (b)(7)(C) (b)(6) (b)(7)(C) Swift & Staley, Paducah, KY, reported that subcontract employees (b)(6) (b)(7)(C) Wastren Advantage Corporation, and (b)(6) (b)(7)(C) Fluor Corporation, sent 30,000 instant messages over a period of 62 days on government computers while at work at the Paducah Gaseous Diffusion Plant/Fluor Paducah Deactivation Project. (b)(6) (b)(7)(C) alleged that (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) misused government equipment and surmised that both committed time card fraud. The majority of the messages were sexually explicit in nature.

**Current Status:** Closed  
**Date Received:** 13JUL2016  
**Date Initiated:** 14JUL2016

**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:** General and Other Crime  
Theft of Govt. Property, Money, Records Crime on Govt. Reservation/Facility  
**Received by:** Telephone  
**Complaint Source:** DOE Management  
**Complainant Location:** Paducah  
**Allegation Location:** Paducah  
**Priority:** Level 3 (Routine)  
**Retaliation:** No  
**Offense Location:** Kentucky  
**FOIA Interest:** No  
**INV Assigned Office:** Oak Ridge  
**HQ Program Office:** HQ, Ofc Of Environmental Management  
**Recovery Act:** No

## Initial Allegation

**Allegation:**

IEB

**Location:**

Portsmouth Gaseous Diffusion Plant

**Summary:**

On July 13, 2016, (b)(6) (b)(7)(C)

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

(b)(6) (b)(7)(C) Portsmouth/Paducah Project Office, and (b)(6) (b)(7)(C) Swift & Staley, Paducah, KY, reported that subcontract employees (b)(6) (b)(7)(C) Wastren Advantage Corporation, and (b)(6) (b)(7)(C)

(b)(6) (b)(7)(C) Fluor Corporation, sent 30,000 instant messages over a period of 62 days on government computers while at work at the Paducah Gaseous Diffusion Plant/Fluor Paducah Deactivation Project. (b)(6) (b)(7)(C) alleged that (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) misused government equipment and surmised that both committed time card fraud. The majority of the messages were sexually explicit in nature.

**Finding Summary:**

The FBI was notified on August 5, 2016.

7/20/2016 - 7/21/2016 - Special Agents (b)(6) (b)(7)(C) interviewed various personnel at the Paducah site regarding (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) and the above allegations.

Agents obtained a disk containing the entire instant message history between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) for the four prior months. A review of the messages confirmed large quantities of instant messages were exchanged between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) on a daily basis during work hours. Many of the messages were sexually explicit in nature, and they provided strong indications that sexual activity had occurred between the two on the work site.

(b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) were also interviewed. The subject interviews corroborated the allegations, and both subjects admitted to sending large quantities of messages, including sexually explicit messages. Both also admitted to engaging in sexual activity on the work site.

After being interviewed by OIG Agents, (b)(6) (b)(7)(C) was informed she would be terminated, or she could resign in lieu of termination. (b)(6) (b)(7)(C) chose to resign.

(b)(6) (b)(7)(C) claimed he submitted a resignation letter prior to being interviewed by OIG Agents. However, a Wastren Advantage (b)(6) (b)(7)(C) confirmed (b)(6) (b)(7)(C) was sent a termination letter on 7/13/2016.

TCS analysis of the computer assigned to (b)(6) (b)(7)(C) identified explicit messages between (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) but no illicit or pornographic images were located.

Administrative action has been taken against both (b)(6) (b)(7)(C) and (b)(6) (b)(7)(C) Close case.

## Additional Allegations

## Process Dates

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21JUL2016 **Admin Actions:** Resigned/Retired In Lieu of  
Termination/Disciplinary Action

## Financial

[if documents!=null]

Summary

06FEB2017

Document Number 33

**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

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

## Process Dates

## Financial

[if documents!=null]



Summary

06FEB2017

Document Number 34

## 99-0057-I UNION CARBIDE, IMPROPER WASTE DISPOSAL PADUCAH GDP

**Compliant Summary:** ON 08-JUN-99, AUSA WILLIAM CAMPBELL, WES. DIS OF KY, NOTIFIED OIG OF QUI TAM FILED ALLEGING DOE CONTRACTORS AT PADUCAH GAS. DIF. PLANT,HAVE IMPROPERLY DISPOSED OF HAZARDOUS/TOXIC WASTE SINCE BEFORE 1973 UNTIL PRESENT.

**Current Status:** Closed  
**Date Received:** 09JUN1999  
**Date Initiated:** 09JUN1999  
**Primary Investigator:** (b)(6) (b)(7)(C)  
**Other Investigators:**   
  
**Type:** Civil  
**Subject Type:** [Other]  
**Special Flags:**  
**Category:** Contract and Grant Fraud  
Qui Tam [None]  
**Received by:** [Other]  
**Complaint Source:** DOE Contractor/Subcontractor  
**Complainant Location:** Paducah  
**Allegation Location:** Paducah  
**Priority:** Level 1 (Priority)  
**Retaliation:** No  
**Offense Location:** Kentucky  
**FOIA Interest:** No  
**INV Assigned Office:** Oak Ridge  
**HQ Program Office:** HQ, Ofc Of Environmental Management  
**Recovery Act:** No

### Initial Allegation

**Allegation:** IEB:TCE  
**Location:** Portsmouth/Paducah Office  
**Summary:** PREDICATION:

ON 08-JUN-99, THE OIG WAS NOTIFIED BY AUSA WILLIAM CAMPBELL, WESTERN DISTRICT OF KENTUCKY, THAT ON 01-JUN-99, THREE

CONTRACTOR EMPLOYEES AT THE PADUCAH GASEOUS DIFFUSION PLANT (PADUCAH), AND THE NATURAL RESOURCES DEFENSE COUNSEL, WASHINGTON DC, FILED A QUI TAM ACTION WITH THE US DISTRICT COURT, WESTERN DISTRICT OF KENTUCKY, AGAINST FORMER DOE CONTRACTORS LOCKHEED MARTIN ENERGY SYSTEMS, MARTIN MARIETTA ENERGY SYSTEMS, ET. AL (CONTRACTORS) AT PADUCAH. THEY ALLEGED THE FORMER CONTRACTORS MISLED DOE BY (1) FALSELY CLAIMING PROPER OVERSIGHT OF PADUCAH; (2) ILLEGAL DUMPING OF CONTAMINATED WASTE IN DEPARTMENT OF ENERGY MATERIAL STORAGE AREAS; (3) EXPOSING WORKERS TO RADIOACTIVE HAZARDS AND FAILING TO NOTIFY THE WORKERS; AND (4) FAILING TO REMOVE CONTAMINATED MATERIAL PRIOR TO SHIPPING OFF SITE.

ON 24-OCT-08, CASE REASSIGNED TO SA [REDACTED]

ON 4-SEP-09, CASE RE-ASSIGNED TO SA [REDACTED]

**Finding Summary:** DOJ AND OIG INVESTIGATION CONSISTED OF HUNDREDS OF INTERVIEWS AND THOUSANDS OF PAGES OF RECORD REVIEWS. DOJ ELECTED TO FOCUS ON ALLEGATION #2, THE ILLEGAL DUMPING OF CONTAMINATED WASTE IN DEPARTMENT OF ENERGY MATERIAL STORAGE AREAS (DMSA). THE INVESTIGATION DETERMINED THAT CONTRACTORS KNOWINGLY DUMPED CONTAMINATED WASTE IN THE STORAGE AREAS AND DELIBERATELY HID THIS FROM DOE AND REGULATORS. IN ADDITION, CONTRACTORS SUBMITTED FALSE STATEMENTS/CLAIMS IN CONNECTION WITH THE ACTIVITY AND RECEIVED PAYMENTS, BONUSES AND AWARDS FOR WHICH THEY WERE NOT ENTITLED.

IN MARCH 2000, ANOTHER QUI TAM ACTION WAS FILED BY JOHN TILLSON, A FORMER CONTRACTOR EMPLOYEE AT PADUCAH, ALLEGING SEVERAL ENVIRONMENTAL VIOLATIONS. A SEPARATE CASE WAS OPENED (100OR004). PER JUSTICE INSTRUCTIONS, THIS MATTER IS BEING WORKED IN CONJUNCTION WITH 100OR004/00-0053-1 AND INTERVENTION WILL ADDRESS ISSUES IN BOTH OF THESE CASES.

AFTER INVESTIGATING, JUSTICE ELECTED TO FOCUS ON ONE OF MR. TILLSON'S ALLEGATIONS, THE ILLEGAL DISPOSAL OF TRICHLORETHYLENE, AN F LISTED WASTE, WHICH RESULTED IN THE CONTAMINATION OF GROUND WATER AT PADUCAH. PER DOJ INSTRUCTIONS, THIS ALLEGATION WAS COMBINED WITH AND WORKED SECONDARY TO 199OR009.

Assisting DOJ as needed. Depositions end at the end of April 2015. The deadline for filing motions was June 1, 2015. A new judge has been assigned, Stivers. According to DOJ, Judge Stivers wants to review motions from DOJ first and then the defense. This process could last until February 2016.

On February 26, 2016, Lockheed Martin and DOJ reached a settlement. Lockheed will pay \$4 million for civil false claims and \$1 million in RCRA violations. The whistleblowers/relators will receive \$920,000 and \$3.08 million will go to the Government. Lockheed will also pay the relators' attorney fees, costs, and expenses. CLOSE CASE.

## Additional Allegations

## Process Dates

15FEB2000 **Techniques Actions:** Subpoena - Inspector General

19JUN2000**Techniques Actions:** Subpoena - Inspector General

20JUN2000**Techniques Actions:** Subpoena - Inspector General

27JUN2000**Techniques Actions:** Subpoena - Inspector General

29OCT2002**Techniques Actions:** Subpoena - Grand Jury

30OCT2002**Techniques Actions:** Subpoena - Grand Jury

31OCT2002**Techniques Actions:** Subpoena - Grand Jury

11FEB2003**Techniques Actions:** Subpoena - Grand Jury

28AUG2003**Legal Actions:** Civil Complaint

16NOV2005**Techniques Actions:** Subpoena

26FEB2016**Legal Actions:** Civil Settlement

## Financial

**Financial Action:** Recovered Funds (Civil)  
**Date:** 26FEB2016  
**Amount:** \$3080000.0

**Financial Action:** Victims Compensation  
**Date:** 26FEB2016  
**Amount:** \$920000.0

<b>Financial Action:</b>	Fines/Penalties Imposed (Civil)
<b>Date:</b>	26FEB2016
<b>Amount:</b>	\$1000000.0

[if documents!=null]