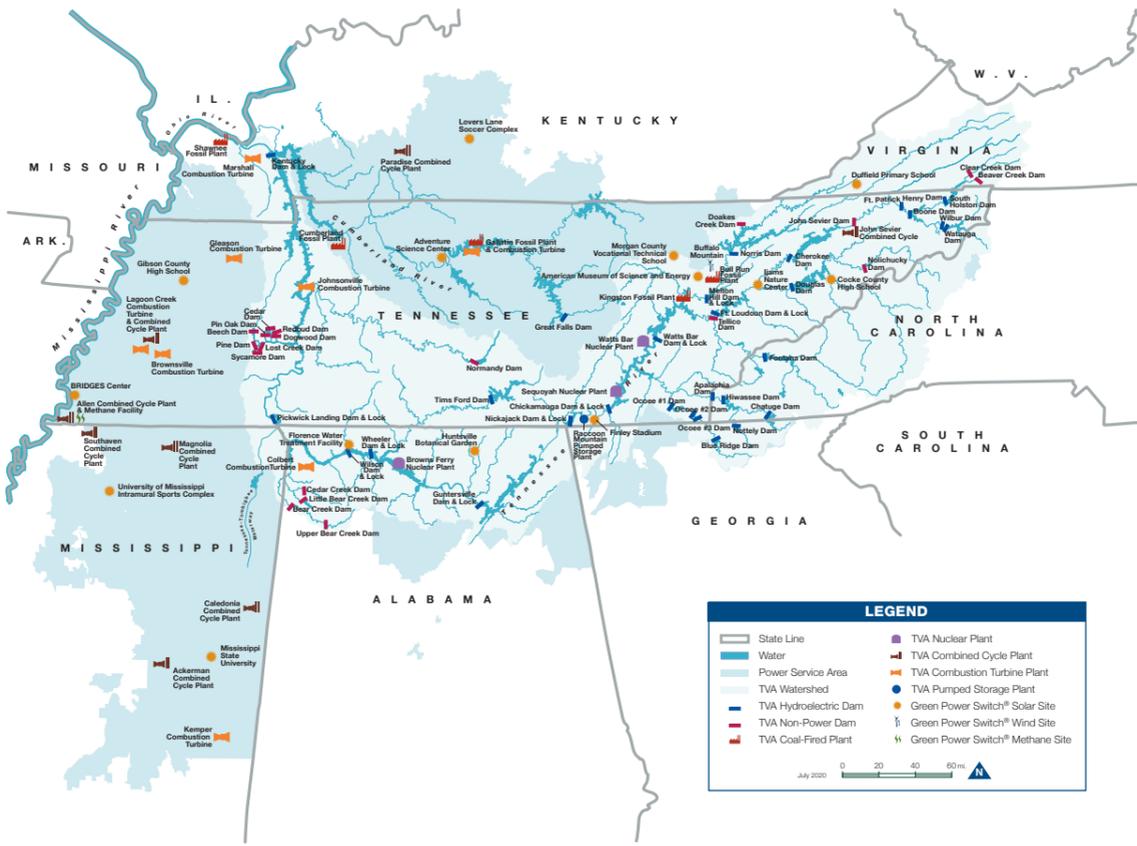




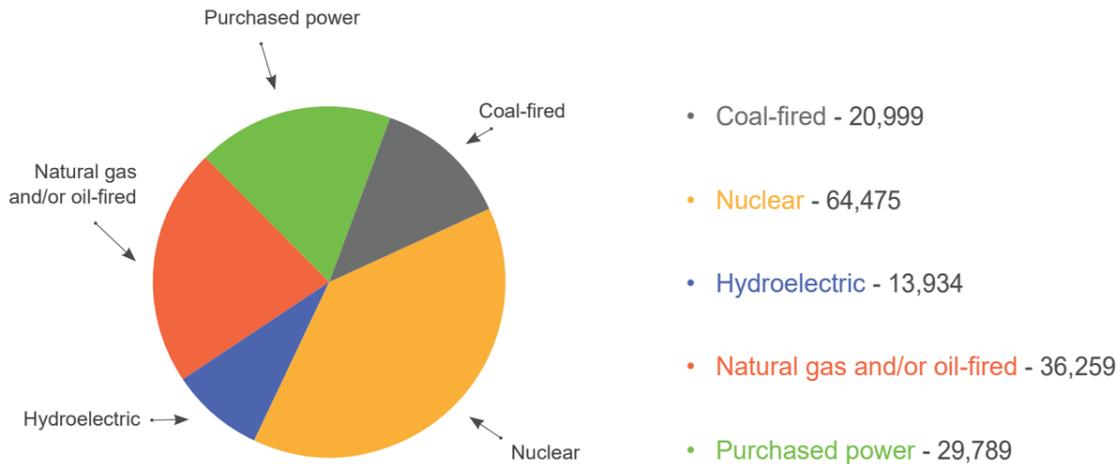
Office of the Inspector General
TENNESSEE VALLEY AUTHORITY
Semiannual Report
April 1, 2022 - September 30, 2022

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**Total Power Supply by Generating Source
Twelve Months Ended September 30, 2022¹
(in millions of kilowatt hours)**



¹ For additional detail, see TVA's 10-K for the period ended September 30, 2022.

MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present our report for the period April 1, 2022, to September 30, 2022. During this period, I was honored to be sworn in as the Inspector General for the Tennessee Valley Authority (TVA) on June 6, 2022, following nomination by President Joseph R. Biden, Jr., and confirmation by the United States Senate. Although most of the work noted in this report was nearing completion when I arrived, it illustrates the fine work performed by the staff of the TVA Office of the Inspector General (OIG). My goal is to maintain this high standard of quality moving forward.

TVA is critical to the people of the Tennessee Valley—a lesson I have learned after spending most of my life here, including 38 years working both for TVA and the TVA OIG before my retirement in 2017. Since returning to the OIG, I have made it a priority to acquaint myself with my many colleagues who were here in 2017 as well as the new team members who have arrived since. The many new faces exemplify the constant challenge of a changing federal workforce, but we clearly have a dynamic future of diverse voices joining our capable, experienced auditors, special agents, and administrative staff, some of whom have been with us since the office was established in 1985.



The information in this report shows firsthand the dedication and professionalism of the TVA OIG team and our understanding of the importance of providing independent oversight of TVA. We will continue to focus on making TVA better by identifying potential risks to TVA's ability to achieve its mission of providing reliable power at the lowest feasible rates, environmental stewardship, and economic development to the Tennessee Valley.

In this semiannual period, our audit, evaluation, and investigative activities identified more than \$145 million in questioned costs; funds put to better use; recoveries; civil and criminal forfeitures; and opportunities for TVA to improve its programs and operations. Below are highlights of our work this period.

- Four preaward examinations identified more than \$139 million of potential savings opportunities for TVA to negotiate.
- Three contract compliance audits identified \$3 million in potential overbillings.
- Two audits identified opportunities to improve controls over outside employment and the back-to-business credit program.
- Information Technology (IT) Audits' Federal Information Security Modernization Act (FISMA) audit found TVA's information security program was not operating in an effective manner based on our analysis of the core FISMA metrics for fiscal year (FY) 2022.

- An audit of TVA's endpoint protection program found the program to be generally effective; however, we also identified areas to improve.
- An evaluation of TVA's respiratory protection program at nonnuclear facilities found some (1) requirements were not being met for training, fit tests, facepiece seal protection, and respirator storage; and (2) employees were delinquent on medical evaluation requirements.
- An evaluation of TVA's methods for evaluating new technologies determined TVA has not established consistent methods for evaluating new technologies. We also determined TVA has taken limited steps to address previously identified programmatic weaknesses related to procedures and records management.
- Based on the results of an evaluation of TVA's capacity to meet energy demand, we recommended TVA management (1) improve or create new processes to define how capacity should be calculated, used, and reported, internally and externally; (2) correct reporting errors identified and implement controls to prevent future recurrence; and (3) continue to evaluate the risk posed by TVA's current system position and take actions as necessary to address.
- Four organizational effectiveness evaluations in the Gas, Nuclear, Fossil, and Communications organizations identified strengths as well as risks that could, if not addressed, impact each individual business unit's ability to execute its mission.

- Our investigative results include four Informations filed, three convictions, over \$1.5 million in recoveries to TVA or other entities, and civil and criminal forfeitures ordered exceeding \$1.1 million.

I am particularly pleased to point out the Noteworthy Events section of the report. There you will see that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized three of our teams with Awards of Excellence. The TVA OIG has a distinguished track record of accomplishment and recognition by CIGIE, and I will also endeavor to promote similar accomplishments moving forward.

I noted earlier that the TVA OIG has a changing workforce. TVA itself is also changing. Nine Presidentially-appointed/ Senate confirmed Directors guide the strategic direction of TVA. As I write, six potential new Directors have been nominated by President Biden and are at various stages of the Senate confirmation process. It is distinctly possible that by the time this report is published, the composition of the Board will be very different. The OIG will, of course, continue to work closely with the TVA Directors to make the Valley a better place for all.

Finally, I want to say thank you to the current Directors and management team, including President and Chief Executive Officer Jeff Lyash and his team. They have provided me with a very warm welcome, and I understand the OIG team has had an excellent working relationship with TVA management in the period prior to my arrival, dating back over many reporting periods. I commend this level of professionalism and cooperation, which cannot be overstated as a critical element of our common goals as the Valley moves beyond the unprecedented operational challenges of the pandemic era.

Ben R. Wagner
Inspector General

NOTEWORTHY EVENTS

The CIGIE was established to address integrity, economy, and effectiveness issues that transcend individual government agencies and aid in the establishment of a professional, well-trained, and highly skilled workforce across the 74 federal Offices of Inspectors General.

To recognize the impactful work of federal Inspectors General, CIGIE conducts an annual awards process where individual OIGs submit nominations for outstanding work performed. TVA OIG received three CIGIE Awards of Excellence during a ceremony conducted at the Ronald Reagan Building in Washington, D.C., on October 4, 2022. TVA OIG Investigations was recognized for a case led by Senior Special Agent Jeff Ware. Two Evaluations teams were recognized for evaluations led by Lauren Pionke, Lucas Cotter, and Justin Franklin.

“I am very proud of the impactful work performed by our office. We are committed to providing independent, objective, and fact-based oversight of TVA. These three projects recognized by CIGIE are demonstrations of our constant focus to detect and prevent fraud, waste,

and abuse; and promote economy, effectiveness, and efficiency for TVA. This is our mission of service to the 10 million people of the Tennessee Valley,” stated Ben Wagner, Inspector General.

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TVA largely relies on contractors for the construction and maintenance of its generation plants. Corrosion Monitoring Services (CMS) is a company that specializes in the inspection and repair of tubular air pre-heaters (APH) and heat exchangers. TVA had a five-year, \$32 million contract with CMS to provide inspections, testing, materials, and repair and replacement services at TVA's Paradise Fossil Plant (PAF) in Central City, Kentucky, which had generated electricity for approximately 900,000 residences prior to ceasing operations in February 2020.



In recognition of significant achievement in exposing a multi-million dollar sabotage and fraud scheme.

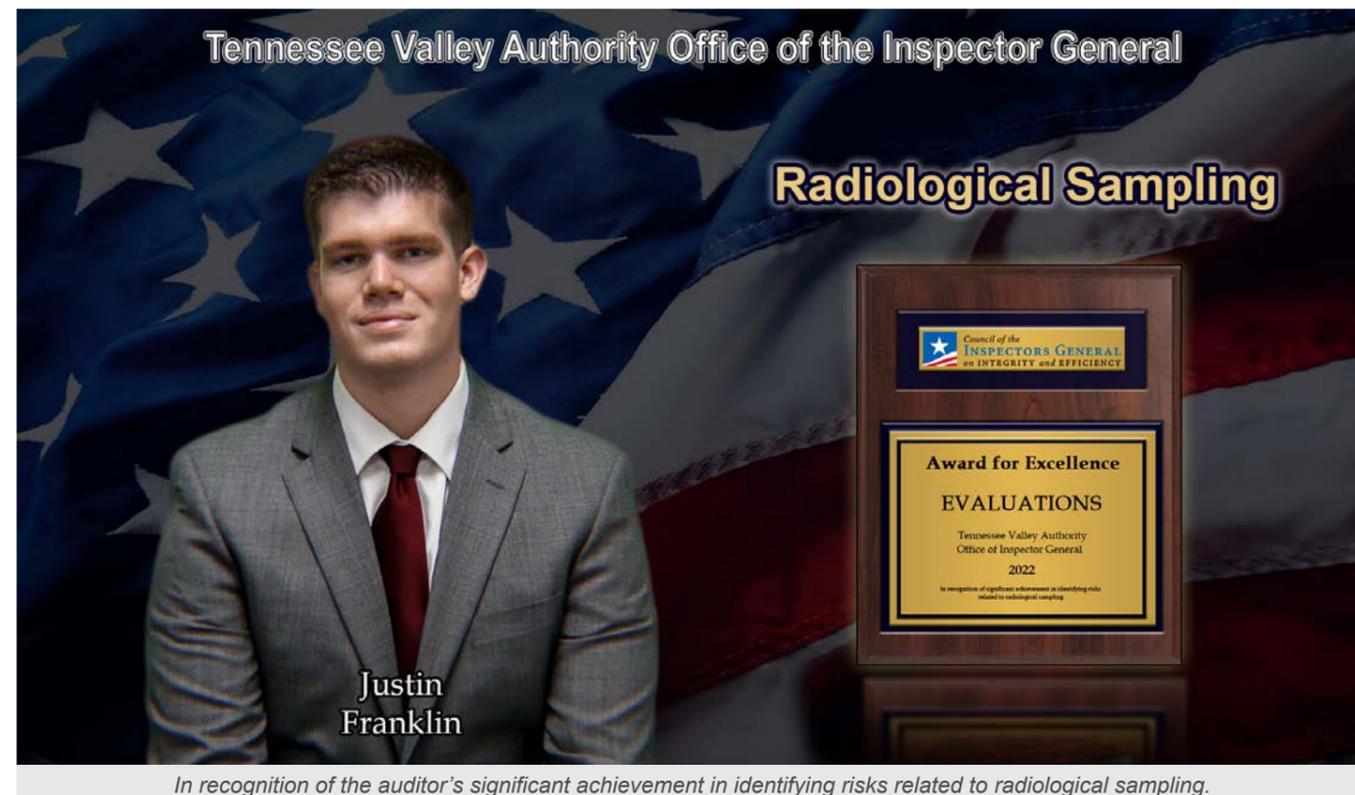
In response to a tip, PAF engineers inspected the APH tubes and found approximately 600 metal tubes with holes that appeared to have been mechanically created. Our investigation revealed that the owner and other employees of CMS intentionally damaged tubes by using a firefighter's axe to puncture holes in the tubes while conducting visual inspections in order to receive a \$6 million contract to repair/replace the existing tubes.

This investigation resulted in a seven-count felony indictment for Conspiracy to Destroy Energy Facilities, Wire Fraud, Obstruction of Justice, and Witness Tampering, and a guilty plea to a three-felony count superseding Information. TVA received nearly \$250,000 in restitution and CMS' owner was sentenced to six months of home incarceration and 12 months of supervised probation.

The second award was an evaluation performed by Justin Franklin that reviewed the Chemistry/Environmental (Chemistry) business unit at TVA's Sequoyah Nuclear Plant (SQN). SQN Chemistry is tasked with ensuring radioactive materials are properly monitored and tested at the nuclear site primarily through the use of continuous radiation monitors. These monitors are used to monitor

radiation levels in nuclear liquid and gaseous waste prior to their release to the environment. In the event these radiation monitors become nonfunctional, SQN Chemistry is tasked with performing compensatory, or manual, sampling of nuclear liquid and gaseous waste to verify radiation levels in the waste before its release to the environment, thus mitigating a radioactive hazard.

In the course of our review, we learned that radiological sampling had been missed in some cases, and that some sample documentation was inaccurate. Missed samples occurred when radiological monitoring equipment became inoperable, which should have triggered SQN Chemistry to manually sample certain areas to sufficiently monitor the radioactivity of what was being released. This did not happen, which resulted in seven days of liquid releases that were not monitored for radioactivity. SQN Chemistry personnel realized the mistake and management put mitigations in place to prevent recurrence. However, a few months after the first incident, two additional potentially radioactive gas samples were documented as being missed, resulting in two instances within one year where sampling was not conducted as required.



In recognition of the auditor's significant achievement in identifying risks related to radiological sampling.



Nuclear safety is important not only to those working at nuclear plants but to the public. TVA recognized the significance of our findings and took actions to address these concerns and mitigate future risks.

Our third award was for an evaluation performed by Lauren Pionke and Lucas Cotter that found potentially contaminated liquids were released from radiologically controlled areas at TVA's three nuclear sites. This occurred because all applicable analyses were not performed on some liquids prior to release. TVA Nuclear was not taking

appropriate steps to verify potentially contaminated liquids were clear from radioactive material before being released from radiologically controlled areas, putting the environment and personnel at risk of potential exposure. In addition, we identified a lack of guidance and formal processes for tritium analysis that resulted in inconsistent analysis and handling of liquids across the fleet. TVA recognized the significance of our findings by taking immediate action to address the lack of criteria and guidance regarding what liquids would require tritium analysis.

EXECUTIVE OVERVIEW

To meet current demands and prepare for tomorrow, TVA must both continually focus on effective and efficient operations of its current landscape and begin making needed changes. For example, leveraging innovation and technological advances must pave the way to meet TVA's mandated carbon reductions and improved cybersecurity. TVA is trying to solve old problems in new ways. Our office looks for ways to evolve too. Leveraging data analytics, new tools, and an on-going continuous improvement focus pave our way to tomorrow as we help make TVA better for the 10 million people of the Tennessee Valley.

AUDITS

Our audit organization includes three departments that focus on contract audits, financial and operational audits, and IT audits. During this reporting period, these teams completed 13 audits and examinations that identified more than \$142 million in questioned costs and funds to be put to better use.

Contract Audits

To support TVA management in negotiating procurement actions, we completed four preaward examinations of cost proposals submitted by companies proposing to provide (1) coal combustion residual program management services and (2) transmission construction services to TVA. Our examinations identified \$139.4 million of potential savings opportunities for TVA to negotiate. We also completed three compliance audits of contracts with expenditures totaling \$169.3 million related to (1) hydro modernization, unit rehabilitation, and functional support services; (2) nuclear managed task construction and modification services; and (3) dental benefit administration services. These audits identified potential overbillings of \$3.0 million. The Contract Audits section begins on page 19 of this report.

Financial and Operational Audits

With a focus on financial reporting, compliance with applicable laws and regulations, and TVA operations, we completed audits of outside employment related to U.S. Small Business Administration (SBA) loans and TVA's back-to-business credit program. In addition to our audit work, we performed procedures to assist TVA's external auditor. The Financial and Operational Audits section begins on page 20 of this report.

IT Audits

IT Audits completed audits of TVA's (1) endpoint protection, (2) non-power dam control system cybersecurity, (3) IT equipment inventory, and (4) information security program as required by the FISMA of 2014. The IT Audits section begins on page 23 of this report.



Browns Ferry Nuclear Plant

EVALUATIONS

Our Evaluations organization includes two groups, one of which focuses on organizational effectiveness reviews. During this reporting period, our teams completed six evaluations and four organizational effectiveness reviews, which identified a number of opportunities for improvement.

Evaluations

The Evaluations group completed six evaluations during this semiannual period. These included evaluations of nuclear maintenance employee time reporting, groundwater at nuclear plants, nuclear radiation dosage, respiratory protection program, capacity to meet energy demand, and TVA's evaluation of new technologies. The Evaluations section begins on page 26 of this report.

Organizational Effectiveness

This group completed evaluations of four TVA organizations to identify factors that could impact their organizational effectiveness. The organizational effectiveness reviews included evaluations of Browns Ferry Nuclear Plant Radiation Protection, Bull Run Fossil Plant, Communications and Public Relations, and Allen Integrated Site. The Organizational Effectiveness section begins on page 29 of this report.

INVESTIGATIONS

This reporting period, we opened 79 cases and closed 79 cases from this and prior reporting periods. Our investigative results include four Informations filed, three convictions, recoveries to TVA or other entities, and civil and criminal forfeitures. The Investigations section begins on page 32 of this report.

STATISTICAL HIGHLIGHTS

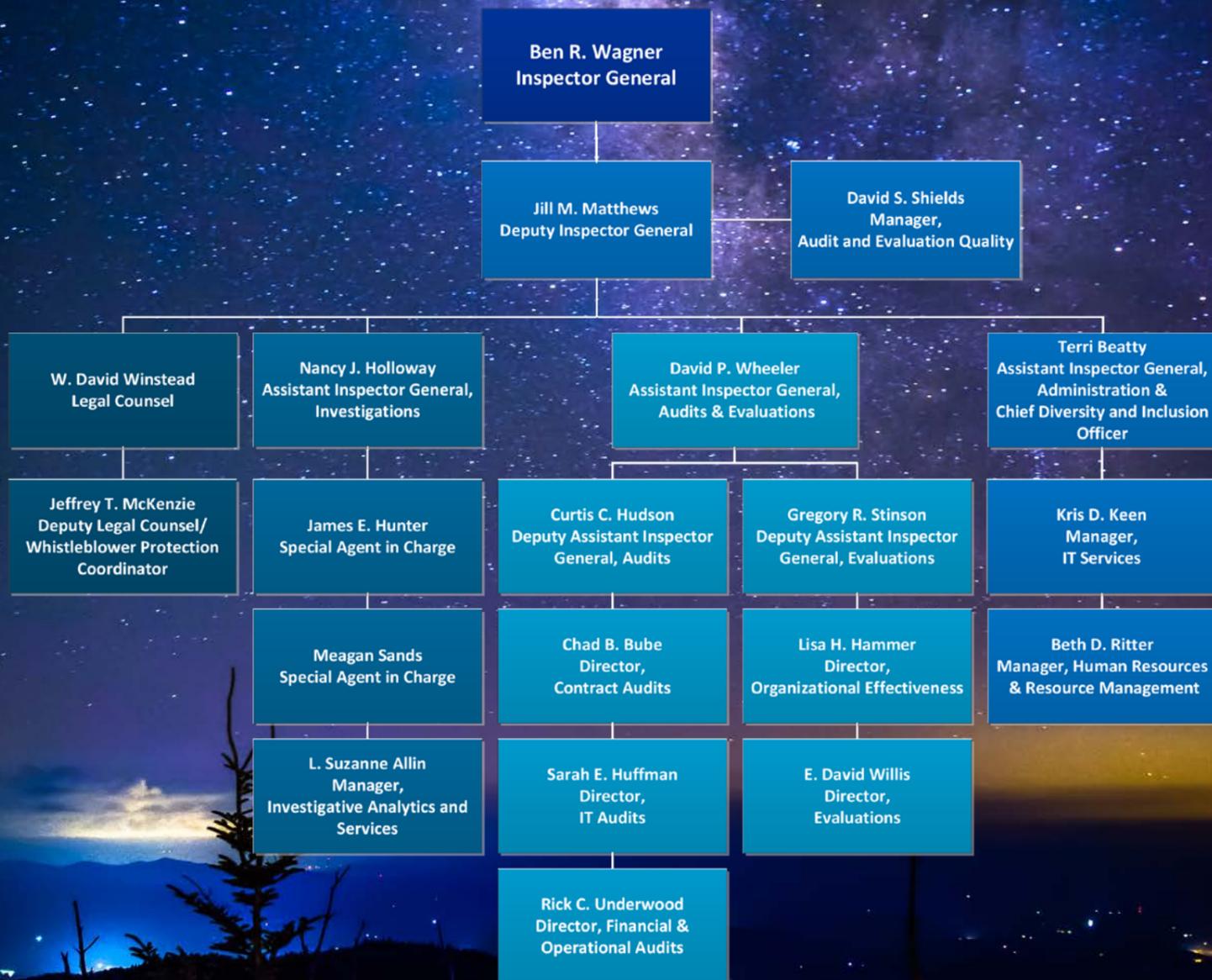
April 1, 2022 - September 30, 2022

Audit Reports Issued	13
Evaluations Completed	10
Questioned Costs	\$3,012,488
Questioned Costs Agreed to by TVA	\$3,012,488
Questioned Costs Recovered by TVA	\$316,514
Funds to be Put to Better Use	\$139,418,000
Savings Realized by TVA	\$8,201,000
Investigations Opened	79
Investigations Closed	79
Recoveries/Fees	\$1,597,883 ¹
Criminal Forfeiture Ordered	\$1,000,000
Civil Forfeiture Ordered	\$134,116
Criminal Actions	7
Administrative Actions (Number of Subjects)	6

¹ Of this amount, \$1,248,300 was restitution ordered to a general-public entity as a result of a criminal TVA OIG investigation.

ORGANIZATION

Since 1985, the OIG has worked to help TVA become better. Through our audits, evaluations, and investigations, we provide TVA management, the TVA Board, and Congress with an independent look at the economy, efficiency, and effectiveness of TVA programs and help prevent and detect fraud, waste, and abuse. Over the years, the OIG has helped TVA save or recover millions of dollars and recommended numerous program improvements. We credit our success to the efforts of our hardworking and talented staff and the professional responsiveness of TVA management to our recommendations.



TVA OIG OFFICE LOCATIONS

The OIG has a work philosophy of being in the right place at the right time to do the best work possible. We support that philosophy by encouraging our OIG employees to work where they can be most effective whether that is in one of our physical offices, in the field, or in one of our virtual offices that enable our employees to telework from home or while traveling.

The OIG has strategically located its offices near all major TVA offices throughout the Tennessee Valley. We are headquartered in TVA's Knoxville Office Complex overlooking the downtown area. The OIG has field offices in Chattanooga, Tennessee, where members of the Evaluations and Financial and Operational Audits departments and several special agents are located. Special agents are also located in Nashville, Tennessee, and Huntsville, Alabama. Additionally, we have office locations at Watts Bar Nuclear Plant in Spring City, Tennessee, and Sequoyah Nuclear Plant in Soddy Daisy, Tennessee. Staff work in these locations as needed. As of September 30, 2022, the OIG had a total staff of 100 employees.

ADMINISTRATION

The Administration team works closely with the Inspector General (IG), Deputy IG, and Assistant IGs to address the day-to-day operations of the OIG and to develop policies and procedures designed to drive and enhance productivity, quality, and compliance, and achieve office goals. Responsibilities include personnel

administration, internal assessments, budget and financial management, purchasing and contract services, facilities coordination, training-event planning, communications facilitation, and IT support.

AUDITS AND EVALUATIONS

The Audits and Evaluations teams perform a wide variety of engagements designed to promote positive change and provide assurance to TVA stakeholders. Based upon the results of these engagements, the Audits and Evaluations organizations make recommendations to enhance the effectiveness and efficiency of TVA programs and operations.

The organizations use an impact- and risk-based approach to develop an annual work plan. In developing the plan, the OIG considers TVA's strategic plans, major management challenges, TVA's enterprise risk management process, and other input from TVA management. This planning model also evaluates each potential engagement from the standpoint of materiality (i.e., costs or value of assets), potential impact, sensitivity (including public and congressional interest), and the likelihood it will result in recommendations for cost savings, recovery of dollars, or process improvements. The result of the OIG Audits and Evaluations planning process is a focus on the issues of highest impact and risk to TVA.

These issues vary depending on the objectives of the project. The graphic on page 16 shows some representative examples of issues our audit and evaluation projects are commonly designed to identify.

TYPES OF AUDIT & EVALUATION ISSUES



The Audits team conducts performance audits of TVA programs and operations, providing an inclusive picture of TVA's overall fiscal and operational health. The organization is made up of three departments—Contract Audits, Financial and Operational Audits, and IT Audits. The Audits organization performs its work in accordance with *Government Auditing Standards*.

- Contract Audits has lead responsibility for contract compliance audits and preaward examinations. In addition, this department performs audits of TVA contracting processes and provides claims assistance as well as litigation support.
- Financial and Operational Audits is responsible for performing audit work mandated by legislation, agreed-upon procedures, as well as risk-based audits associated with TVA financial and operational activities. The work stems largely from mandated activities, review of TVA's business-risk environment, consideration of emerging issues, and requests. This department also provides oversight of the TVA external auditor's compliance with professional standards.

- IT Audits has lead responsibility for audits relating to the security of TVA's IT infrastructure, application controls, and general controls associated with TVA systems. This department also performs operational audits of the effectiveness of IT-related functions.

The Evaluations team assesses both operational and cultural aspects of programs and departments throughout TVA to ensure objectives and operational functions are achieved effectively and efficiently. This organization is made up of two departments—Evaluations and Organizational Effectiveness. This organization performs its work in accordance with *Quality Standards for Inspection and Evaluation* as prescribed by CIGIE.

- Evaluations performs both comprehensive reviews and more limited-scope policy and program reviews to monitor compliance and assess the efficiency and effectiveness of operations.
- Organizational Effectiveness performs risk-based reviews to assess factors that could impact an organization's ability to achieve its mission and goals.

INVESTIGATIONS

The Investigations team focuses on proactive and reactive efforts to uncover fraud, waste, and abuse in TVA programs and operations. This organization performs its investigations in accordance with the *Quality Standards for Investigations* as prescribed by CIGIE, applicable U.S. Attorney General Guidelines, and other guiding documents. OIG special agents maintain liaisons with federal and state prosecutors and notify the U.S. Department of Justice whenever the OIG has reason to believe there has been a violation of federal criminal law. Special agents partner with other investigative agencies and organizations on special projects and assignments, including interagency law enforcement task forces on terrorism, the environment, health care, and public corruption. The graphic shows the major categories of investigations.

LEGAL

The OIG Legal Counsel team monitors existing and proposed legislation and regulations that relate to the mandate, operations, and programs of the OIG and TVA. Additionally, this team provides legal advice as needed for administrative, audit, evaluation, and investigative projects. OIG attorneys serve as ethics officials, providing OIG employees guidance on government ethics and standards of conduct. The TVA Whistleblower Protection Coordinator is also a part of this team and provides information regarding the statutory protections against retaliation for all TVA employees.

MAJOR CATEGORIES OF INVESTIGATIONS



SUMMARY OF REPRESENTATIVE AUDITS

During this semiannual reporting period, the TVA OIG audit organization completed 13 audits and examinations. This work identified more than \$142 million in questioned costs for TVA to recover and funds to be put to better use. We also identified several opportunities for TVA to improve the effectiveness and efficiency of its programs and operations.

CONTRACT AUDITS

Preaward Contract Examinations

To support TVA management in negotiating procurement actions, we completed four preaward examinations of cost proposals submitted by companies proposing to provide (1) coal combustion residual program management services and (2) transmission construction services to TVA. Our examinations identified \$139.4 million of potential savings opportunities for TVA to negotiate. The savings opportunities were primarily related to overstated labor rates, indirect cost recovery rates, subcontractor costs, equipment costs, and profit rates.

Contract Compliance Reviews

During this semiannual period, we completed three compliance audits of contracts with expenditures totaling \$169.3 million. These audits identified potential overbillings of \$3,012,488. Highlights of our completed compliance audits follow.

- We audited \$119.6 million in costs billed by a contractor for providing hydro modernization, unit rehabilitation, and functional support services in support of TVA's hydro facilities. We determined the contractor billed TVA (1) at least \$2,435,353 for labor classifications that did not have a corresponding labor rate in the contract and (2) \$12,606 in excessive labor rates due to ineligible rate adjustments.

- We audited \$34.1 million in costs billed by a contractor for managed task construction and modification work at TVA's nuclear facilities. We determined the contractor overbilled TVA \$549,911, including (1) \$359,753 in unapproved subcontractor costs, (2) \$30,802 in excessive and ineligible fee applied to subcontractor costs, (3) \$107,080 in ineligible temporary living allowance and travel costs, (4) \$29,840 in unsupported and ineligible labor costs, (5) \$14,209 in ineligible material costs, and (6) \$8,227 in credits not received by TVA. We also noted several opportunities to improve contract administration by TVA. Specifically, (1) TVA approved and implemented a contract rate attachment that contained incorrect craft labor rates, (2) TVA paid invoices under an incorrect contract, and (3) the contract contained inconsistent compensation terms for nonmanual labor.
- We audited \$15.6 million in costs billed by a contractor for dental benefit administrative services to TVA. We determined the costs billed by the contractor generally complied with the contract, except for \$14,618 in overbilled costs due to a duplicate billing.

FINANCIAL AND OPERATIONAL AUDITS

During this semiannual period, Financial and Operational Audits completed audits of outside employment related to SBA loans and TVA's back-to-business credit program. In addition to our audit work, we performed procedures to assist TVA's external auditor.

Outside Employment Related to Small Business Administration Loans

TVA is required to follow Title 5, Code of Federal Regulations (CFR), Chapter 7901 (5 CFR § 7901), *Supplemental Standards of Ethical Conduct for Employees of the Tennessee Valley Authority*. This regulation requires TVA employees to obtain written approval from the supervising TVA vice president, or designee, before engaging in outside employment, with or without compensation. TVA policy details the process for TVA employees to follow in obtaining the required approval of outside employment by submitting TVA Form 15570. Our office, through a partnership with the Pandemic Response Accountability Committee, obtained data from the SBA related to their Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program loans. We used this data to identify any TVA employees represented in that data, indicating the employee potentially had an outside business or employment.

We scheduled this audit after identifying potential matches between the SBA data and TVA employees. Our audit objective was to determine if TVA's policies and procedures are effective in assuring outside employment of TVA employees is properly approved. Our audit scope was limited to TVA employees identified as having potential outside employment or business ownership through review of EIDL and Paycheck Protection Program loan data received from the SBA.

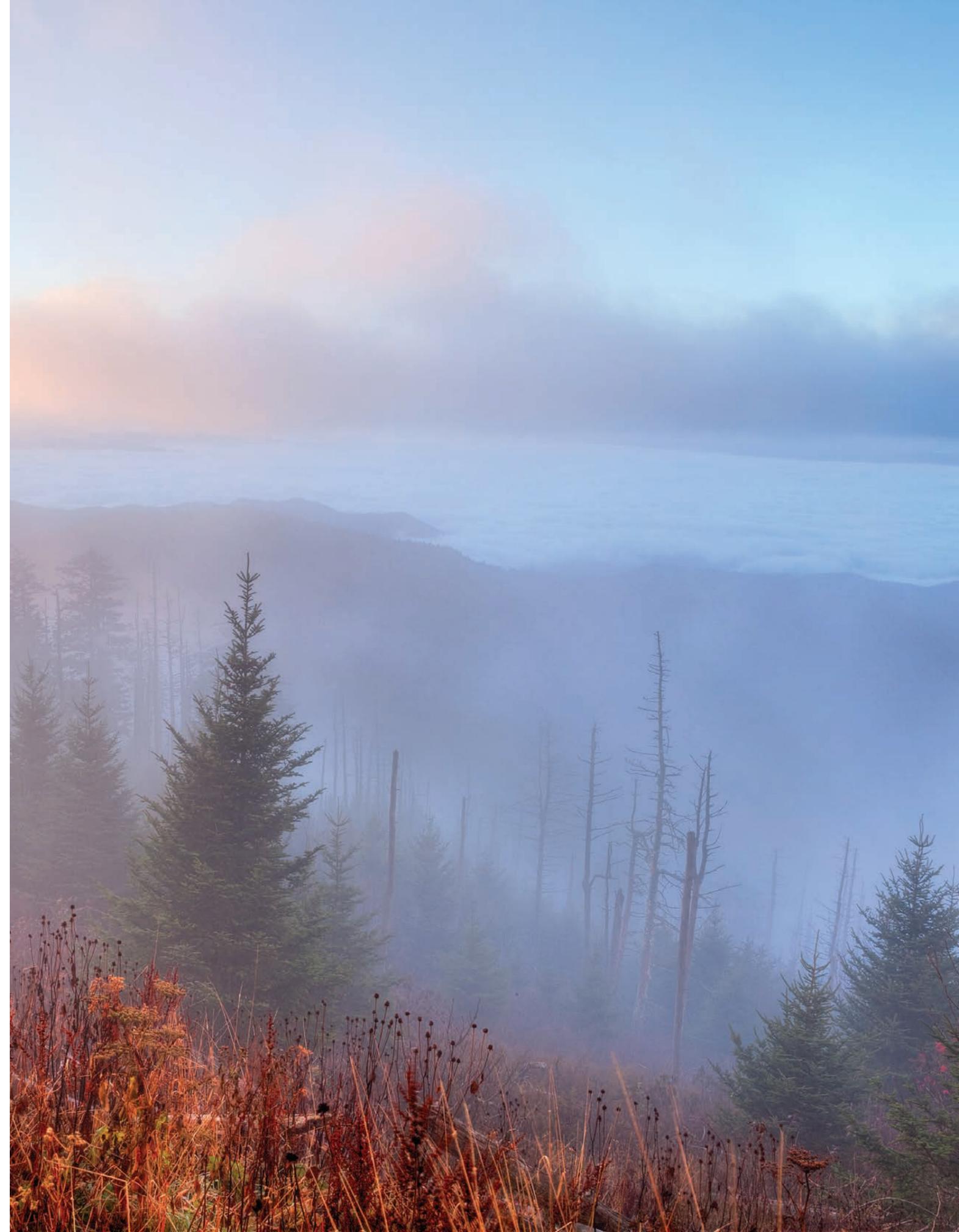
We found TVA employees were not consistently submitting their outside employment or business ownership on TVA Form 15570 prior to accepting outside employment or opening a business. In addition, we found TVA's (1) review for potential conflicts of interest and (2) application of 5 CFR § 7901 requirements could be improved. We also found (1) the TVA Forms 15570 on file were not updated as required and (2) roles and responsibilities in the outside employment approval process could be clarified.

TVA management agreed with our recommendations to improve compliance with requirements of 5 CFR §7901 and TVA Standard Programs and Processes (SPP) 11.806, *Outside Employment*, by (1) reinforcing and clarifying CFR requirements and (2) enhancing oversight of the receipt and processing of TVA Form 15570.

Back-to-Business Credit Program

As a response to the COVID-19 pandemic, TVA created the Back-to-Business Credit Program. The objective of the Program was to provide a measure of relief to large customers who shut down or were operating at reduced levels due to the COVID-19 pandemic. Relief was provided as an on-peak demand credit, when eligible, either on the (1) directly served customer's invoice or (2) local power company's (LPC) invoice, which would then be passed to the customer's bill. According to the Program Term Sheet, the intent of structuring the Program as an on-peak demand credit was to remove a disincentive for the customer to resume operations mid-month and support a rapid return to normal operations. TVA issued a total of \$13.1 million in Program credits.

Our audit objective was to determine if adequate controls were in place to ensure Back-to-Business credits were provided to businesses in compliance with Program guidelines. We found controls were adequate to ensure the Program credits were accurately calculated





Wheeler Dam

in accordance with Program guidance. However, we found some credits were not passed from the LPC to the customer. We also determined the Program did not have controls needed to more appropriately achieve the stated objective. Specifically, the Program did not include controls needed to (1) verify the reduced on-peak demand was due to a reduced level of operations as a result of COVID-19 and (2) specify how/when customers were considered back to prepandemic operating conditions. TVA management provided actions TVA plans to take to ensure (1) all Program credits given to LPCs were passed through to the end customers and (2) future credit programs have more robust guidance.

IT AUDITS

During this semiannual period, IT Audits completed audits of TVA's (1) endpoint protection, (2) non-power dam control system cybersecurity, (3) IT equipment inventory, and (4) information security program as required by the FISMA of 2014.

Endpoint Protection

Endpoints are an important source of connecting end users to networks and systems, a major source of vulnerabilities, and a frequent target of attackers looking to penetrate a network. We conducted an audit to determine the effectiveness of endpoint protection on TVA desktops and laptops. We found several areas of TVA's endpoint protection program to be generally effective, including the deployment of endpoint protection software, monitoring, and alerting. However, we found (1) TVA did not require endpoint protection for all network connections and (2) gaps in TVA policy, procedures, and internal control. TVA management agreed with our recommendations to (1) implement endpoint protection for all network connections for desktops and laptops and (2) implement/update relevant policy, procedures, and internal control documentation for endpoint protection.

Non-Power Dam Control System Cybersecurity

TVA's mission includes being a steward of the region's natural resources, which includes managing the Tennessee River system to provide multiple benefits, including flood control, recreation, and power production. To assist in the management of the river system, TVA operates a control system to manage the water flow from various dams that do not provide hydroelectric power. We performed an audit of TVA's non-power dam control system to determine if cybersecurity controls were operating effectively. We found (1) no clear ownership of the non-power dam control system, (2) vulnerable versions of operating systems and control system software, (3) inappropriate logical and physical access, and (4) internal IT controls were not operating effectively or had not been designed and implemented. Prior to completion of our audit, TVA clarified the ownership of the control system and took actions to address the inappropriate logical and physical access. TVA management agreed with our recommendations to update the non-power dam control system to address the identified vulnerabilities and internal control weaknesses.

IT Equipment Inventory

An IT asset management program is comprised of business practices that merge the physical, financial, and contractual functions required for the purchase and use of IT inventory to enable cost-efficient and timely delivery of IT services. Controls that support an effective IT asset management program include identification, deployment, tracking, and reconciliation. IT equipment inventory is part of the IT asset management program. We conducted an audit to determine if TVA had controls and processes in place to maintain an accurate and complete inventory of IT equipment. Although we found access controls to IT inventory data were effective, we found TVA's controls



Sequoyah Nuclear Plant

and processes in place to maintain an accurate and complete inventory of IT equipment were ineffective. TVA management agreed with our recommendations to ensure (1) IT inventory records are accurate, (2) IT inventory reconciliation processes are developed and implemented, (3) deployment and tracking policy requirements are documented, and (4) policies and procedures are reviewed and updated timely.

Federal Information Security Modernization Act

The FISMA of 2014 requires each agency's IG to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of its respective agency. As required by the Office of Management and Budget (OMB), FISMA shifted to a continuous assessment process in FY 2022. As a result, OMB and CIGIE transitioned the IG metrics process to a multi-year cycle beginning in FY 2022. Specifically, a subset of the FY 2021 IG FISMA metrics were selected as the 20 core IG metrics to be evaluated annually and the additional IG metrics will be evaluated on a two-year cycle. For FY 2022, IGs were required to test the 20 core IG metrics only. These 20 core IG metrics were chosen based on alignment with Executive Order 14028, *Improving the Nation's Cybersecurity*, as well as recent OMB guidance to agencies in furtherance of the modernization of federal cybersecurity.

The FISMA methodology considers metrics at a level 4 (managed and measurable) or higher to be at an effective level of security. Based on our analysis of the core IG metrics and associated maturity models, we found 12 of the 20 core IG metrics were at a level 1 (ad-hoc), level 2 (defined), or level 3 (consistently implemented); therefore, TVA's information security program was not operating in an effective manner. TVA management agreed with our recommendations to improve the maturity of ineffective core IG metrics related to (1) information system inventory, (2) hardware asset management, (3) software asset management, (4) configuration management, and (5) contingency plan testing.

SUMMARY OF REPRESENTATIVE EVALUATIONS

During this reporting period, our teams completed six evaluations and four organizational effectiveness reviews, which identified a number of opportunities for improvement.

EVALUATIONS

Evaluations performs both comprehensive reviews and more limited-scope policy and program reviews to monitor compliance and assess the efficiency and effectiveness of operations. During this semiannual reporting period, the Evaluations department completed six evaluations, including reviews of (1) nuclear maintenance employee time reporting, (2) groundwater at nuclear plants, (3) nuclear radiation dosage, (4) respiratory protection program, (5) capacity to meet energy demand, and (6) TVA's evaluation of new technologies.

TVA Nuclear Maintenance Employee Time Reporting

TVA SPP 13.028, *Recording Time*, provides instructions for accurately recording and reporting time. It covers roles and responsibilities, general time-reporting information, the time-reporting process, and the time-reporting system (eWorkplace). Nuclear Power Group SPP 03.21, *Nuclear Fatigue Management Program*, implements requirements for managing fatigue and controlling work hours in accordance with Title 10, Code of Federal Regulations, Part 26, (10 CFR §§ 26.201-211), Subpart I, *Managing Fatigue*.² The Personnel Qualifications and Scheduling (PQ&S) program tracks employees' hours to avoid a violation of the NFR. Due to issues identified in a previous review related to TVA Nuclear employees' time reporting, we performed an evaluation to determine if TVA Nuclear's maintenance employees' time reported was accurate.

We were unable to determine if all nuclear maintenance employees' time was accurately reported because we could not account for time that employees were not badged into the protected areas of the plants.³ However, we

identified several instances where time was not accurately reported in the PQ&S program and eWorkplace. The inaccurate reporting resulted in a violation of the NFR, unnecessary paid time off for an employee, and overstated leave balances. TVA management agreed with our recommendation to address the accuracy of time reported.

Groundwater at TVA Nuclear Plants

TVA operates three nuclear plants capable of generating 7,800 megawatts of electricity. Groundwater contamination can result from routine nuclear plant activities such as wet storage of spent fuel, leaks from liquid waste pipelines and tanks, and leaks of contaminated cooling water. TVA Nuclear Power Group SPP-05.15, *Fleet Groundwater Protection Program*, establishes a long-term groundwater-monitoring program with the purpose of minimizing the potential for inadvertent releases to the environment from plant activities. Due to risks associated with potential groundwater contamination, we performed an evaluation to determine if TVA Nuclear has taken actions to address issues related to groundwater at nuclear plants, identified during FYs 2017 through 2021, in internal assessments, external assessments, consultant reports, and condition reports.

We determined TVA Nuclear has taken actions, or no further actions were needed, to address the majority of issues and/or recommendations made. However, two recommendations from 2015 had not been addressed and likely affected TVA's corporate insurance premiums. TVA management agreed with our recommendation and stated immediate corrective actions have been taken and other actions are in progress to fully address the two recommendations from 2015.

² The regulation is commonly referred to as the nuclear fatigue rule (NFR).

³ We could not validate employees' time outside the protected area (the area encompassed by physical barriers and to which access is controlled), because (1) gates outside of the protected area did not always require badging; (2) training records only indicated the date training was completed, not performed; and (3) several employees teleworked.

TVA Nuclear Radiation Dosage

Title 10, Code of Federal Regulations, Part 20 (10 CFR §§ 20.001-20.2402), *Standards for Protection Against Radiation*, establishes dose limits for radiation workers. According to 10 CFR § 20.1101(b), licensees shall, to the extent practical, use procedures and engineering controls based upon sound radiation protection principles to achieve occupational doses and doses to members of the public that are as low as (is) reasonably achievable (ALARA). Due to the risk of worker exposure to radiation at TVA nuclear generation facilities, we conducted an evaluation of nuclear radiation dosage to determine (1) the effectiveness of the radiation protection program in limiting employee dosage and (2) if notifications were made when required.

We determined TVA's radiation protection program was effective in limiting employee dosage levels during calendar years 2019 and 2020. Additionally, we determined the Nuclear Regulatory Commission and TVA personnel were notified, as required, when personnel dosage met regulatory milestones. However, we identified an opportunity for improvement related to performing dosimetry investigations, which are conducted to investigate differences between dosimeter readings. TVA management stated they will take steps to verify dosimetry investigations and dosimetry investigation reports are completed as required.

Respiratory Protection Program

The Occupational Safety and Health Administration requires employers to establish and implement a written respiratory protection program (RPP) with worksite-specific procedures and elements for respirator use. TVA incorporated the Occupational Safety and Health Administration's

requirement for an RPP into TVA Technical Safety Procedure 18.916, *Respiratory Protection*, to establish requirements for protecting employees and to meet regulatory compliance for an RPP. TVA incorporated specific procedures into its RPP related to medical evaluations, training, fit testing, facepiece seal protection (which prevents hazardous airborne material from entering an employee's airway), and respirator storage, among others.

Due to the risk of employee exposure to toxic vapors, gases, dust, or oxygen deficiency, we performed an evaluation to determine if selected respiratory protection procedures were being performed at nonnuclear facilities. We determined some respiratory protection procedures were not being performed as required. Specifically, we determined some (1) requirements were not being met for training, fit tests, facepiece seal protection, and respirator storage; and (2) employees were delinquent on medical evaluation requirements. TVA management provided actions planned to address the respiratory protection procedure issues identified.

TVA's Capacity to Meet Energy Demand

We conducted an evaluation to determine if TVA was accurately calculating and reporting its capacity to meet energy demand. We made recommendations for TVA management to: (1) improve or create new processes to define how capacity should be calculated, used, and reported, internally and externally; (2) correct reporting errors identified and implement controls to prevent future recurrence; and (3) continue to evaluate the risk posed by TVA's current system position and take actions as necessary to address. TVA management agreed to implement our recommendations.

Evaluation of New Technologies

According to TVA's Chief Executive Officer, advancements in technology are required for TVA to achieve its net-zero carbon goal by 2050. TVA plans to add a mixture of solar and storage resources in the current decade, while emerging technologies will play a role in the 2030s and beyond. Due to risks associated with adopting unproven or immature technologies, we performed an evaluation to assess TVA's methods for evaluating new technologies. Our review focused on the evaluation of new resource technologies because of their high costs and operational importance. For the purpose of our evaluation, we considered new resources as those that were new or novel to electric utilities or to TVA.

We determined TVA has not established consistent methods for evaluating new technologies. Specifically, we found TVA has not (1) adopted a formal method for evaluating technology readiness or (2) managed technology readiness throughout projects. We also determined TVA has taken limited steps to address previously identified programmatic weaknesses related to SPPs and records management. TVA management provided planned actions to improve new technology evaluation consistency and address programmatic weaknesses.

ORGANIZATIONAL EFFECTIVENESS

During this semiannual reporting period, the Organizational Effectiveness group completed evaluations of four TVA organizations to identify factors that could impact their organizational effectiveness. The organizational effectiveness evaluations included Browns Ferry Nuclear Plant Radiation Protection, Bull Run Fossil Plant, Communications and Public Relations, and Allen Integrated Site.

Browns Ferry Nuclear Radiation Protection

As part of TVA Nuclear, Browns Ferry Nuclear Plant (BFN) Radiation Protection (RP) is responsible for ensuring activities are conducted in ways that protect the radiological health of workers and the public by keeping radiation doses ALARA, as required by the Nuclear Regulatory Commission. According to the Nuclear Industry Standard Process RP-011, *Radiation Protection Fundamentals*, RP professionals achieve protection of plant personnel and the public by implementing a robust program that includes a strong foundation of fundamentals and a culture that strives for continuous improvement.

During our evaluation, we identified factors that negatively impacted BFN RP's effectiveness and its ability to meet its responsibilities and support TVA Nuclear's vision and core principles. Specifically, while employees were generally positive about relationships with their co-workers, concerns were expressed regarding the actions of some members of RP management, leading to perceptions that BFN RP personnel cannot stop work and that plant operations are placed before radiation safety. Concerns were also expressed regarding interactions between RP groups and with some plant and corporate personnel, as well as with resources. Further, we identified a risk related to the oversight and monitoring of the nuclear safety culture within BFN RP that could impact BFN as a whole. TVA management provided actions planned and taken to address (1) interactions within and outside of BFN RP, (2) perceptions of being unable to stop work and that plant operations are placed before radiation safety, (3) ethical culture and noninclusive actions by some management, (4) resource concerns, and (5) the nuclear safety culture oversight programs.



Pickwick Dam

Bull Run Fossil Plant

Bull Run Fossil Plant (BRF) began operations in 1967, and as of September 30, 2021, had a net summer capability of 765 megawatts. BRF is one of five⁴ remaining fossil plants within the TVA coal fleet and is scheduled for closure by December 2023. Plant closures pose unique organizational effectiveness risks, such as operational challenges due to aging assets and the instability of the workforce due to an announced closure.

We previously completed an organizational effectiveness evaluation at BRF in March 2016 and identified concerns related to (1) poor asset conditions, (2) long-standing safety hazards, and (3) negative impacts of corporate decisions on trust and morale such as increased contractor usage and plant closures. In our current evaluation, we identified positive interactions between coworkers, including contractors, and with various levels of plant management. In addition, TVA's communication of BRF's retirement plans, the support provided through Power Operations' long-term workforce strategy, and having an on-site Human Resources (HR) representative were seen as positives. However, BRF employees expressed concerns related to the ability to operate BRF until retirement due to longstanding deteriorated conditions, inadequate staffing, and increased safety risk. We also found opportunities exist to improve site-specific plant knowledge and fire brigade staffing. TVA management agreed with our recommendations to (1) continue implementation of the long-term workforce strategy at future retiring sites, including contingency plans to address workforce risks; (2) work with HR to assess the need for on-site HR support for future plant closures; (3) evaluate the operational and safety risks, and mitigate the risks as necessary; (4) address training concerns at both BRF and future closing plants; and (5) ensure newly-hired operations personnel are provided training necessary to be qualified BRF fire brigade members.

Communications and Public Relations

Communications and Public Relations (C&PR) is responsible for the development and implementation of effective and innovative internal and external communication strategies that support and advance TVA's mission, strategic imperatives, and values. The organization serves as the principle protector of the TVA brand by providing governance and oversight of TVA's brand marketing. Other duties include public relations, stakeholder outreach, social media strategies, and digital initiatives. C&PR has experienced various changes in the organizational reporting structure over the past several years and is currently in a state of transformation⁵ as part of Human Resources and Communications.

During our evaluation, we identified risks, some of which had been identified in three C&PR internal reviews conducted since 2018, that stemmed from alignment issues, which could negatively affect sustainable execution within C&PR. Specifically, these risks included (1) perceived lack of organizational direction, (2) perceived lack of empowerment in C&PR leadership, (3) concerns with the development of the organizational structure, (4) staffing and prioritization concerns, (5) role clarity concerns, (6) concerns with relationships within and outside of C&PR, and (7) organizational placement concerns.

TVA management provided actions taken and planned actions for the future state of the organization. These actions included communication of the strategy and the future state of the organization to the C&PR team. Management also stated they have reviewed and updated future state position descriptions for role clarity and accountability. Planned actions included identification and utilization of cross-functional teams for collaboration and building engagement in all team communications and interactions.

Allen Integrated Site

Allen Integrated Site includes a combined cycle (CC) site and a combustion turbine (CT) site. Allen CC has a total plant capacity of 1,106 megawatts, while Allen CT has a total generating capacity of 456 megawatts.

During our evaluation, plant personnel indicated positive relationships with team members and business units outside Allen; however, concerns regarding interactions with two managers were expressed. In addition, we identified operational factors needing improvement related

to (1) perceptions of ineffective work management, (2) fire alarm system repairs, and (3) site security and access concerns. At the time of the evaluation, management was in the process of addressing some of these concerns by implementing a Gas Operations' initiative to address work management, overseeing fire alarm system repairs, and submitting documentation to upgrade site security. TVA management agreed with our recommendations to address (1) management interactions, (2) perceptions of ineffective work management, (3) fire alarm system repairs, and (4) site security and access concerns.



⁴ Since 2012, TVA has retired six fossil plants, including John Sevier, Widows Creek, Colbert, Allen, Johnsonville, and Paradise. As of September 30, 2021, the five operating fossil plants include Bull Run, Cumberland, Gallatin, Kingston, and Shawnee.

⁵ According to TVA documentation, a transformation is "a major change that alters the organization from the top to the bottom making deep-rooted changes that affect organizational culture, vision, mission, and the overall operating model inclusive of people, processes, and technology."

SUMMARY OF REPRESENTATIVE INVESTIGATIONS

This reporting period, we opened 79 cases and closed 79 cases from this and prior reporting periods. Our investigative results include four Informations filed, three convictions, recoveries to TVA or other entities, and civil and criminal forfeitures.

Hearing Instrument Specialist Charged, Convicted, and Sentenced

On May 4, 2022, Joshua D. Creasy, an Athens, Alabama-area businessman/hearing instrument specialist, who operated One Love Hearing Concepts (One Love), a practice with multiple storefront locations, pled guilty to a federal 15-count Information (filed April 22, 2022), acknowledging he schemed to defraud insurers into paying for medically unnecessary hearing aids.

Among the activities to which Mr. Creasy pled guilty was providing free products to induce beneficiaries to visit his clinics, allowing One Love to bill their insurance for hearing aids. He also billed insurance for hearing aids that beneficiaries never received. In some cases, insurance was billed for hearing aids for individuals who never visited a One Love location, or for individuals who came into his business locations but said they did not want or need hearing aids.

Mr. Creasy was sentenced on July 29, 2022, to serve 18 months of imprisonment on each of the 15 counts to which he pled guilty (to be served concurrently), followed by three years of probation. Mr. Creasy was additionally ordered to pay \$251,550 restitution to TVA and \$1,248,300 restitution to Toyota Motor Engineering and Manufacturing. He was ordered to pay a \$1,500 special assessment as well. Finally, on August 1, 2022, he consented to entry of an order of forfeiture totaling \$1,000,000. This investigation was a joint effort with the Federal Bureau of Investigation.

Civil Forfeiture and Restitution to TVA

Using a compromised e-mail account from a TVA vendor, an individual not connected to TVA or the TVA vendor convinced a TVA employee to change the vendor's bank account information for payments and redirect \$134,115.93 to the individual's personal bank account. Investigation revealed the identity of the individual. The case was referred to the U.S. Attorney's Office, which declined prosecution in favor of other remedies available to TVA.

TVA OIG and the U.S. Department of Justice (DOJ) seized \$34,727.93 remaining in an account belonging to the individual as part of a civil forfeiture. In July 2022, TVA was awarded its petition for remission of up to \$134,115.93, although only \$34,727.93 was able to be recovered, and TVA is currently working with DOJ to obtain the remaining balance.

Former Non-Profit Executive Pleads Guilty

On July 6, 2022, a federal superseding Information was filed charging Diana Threadgill, former Executive Director of the Mississippi River Corridor-Tennessee (MRCT), with one misdemeanor count of Theft of Public Money from TVA. Ms. Threadgill pled guilty to the charge on July 18, 2022.

As described in the Information and subsequent plea agreement, MRCT was a 501(c)(3) non-profit organization primarily funded through donations and grants provided by the Federal Highway Administration, the U.S. Department of Transportation, and TVA under the Strategic Partnership Program. The Strategic Partnership Program was intended to provide education, equipment, and supplies

to environmental education programs with a focus on natural resources and conservation. Ms. Threadgill, as Executive Director of MRCT, was responsible for monitoring compliance and finances related to federal grant funds received by MRCT; she wrote its checks and controlled its funds. She was responsible, as well, for providing TVA an accounting of how TVA grant funds were spent.

On March 1, 2017, the Board of Directors of MRCT voted to dissolve the organization and close the office. The dissolution of MRCT left Ms. Threadgill without authority to act in any capacity on behalf of MRCT; however, she concealed the dissolution of MRCT and continued to solicit funds on behalf of MRCT. When Ms. Threadgill approached TVA with a preliminary funding request on behalf of MRCT six days later, she did not disclose to TVA that MRCT no longer existed and that she had no authority to act on behalf of MRCT.

On May 10, 2017, TVA notified Ms. Threadgill her funding request had been approved and a check for \$4,827.20 had been mailed to MRCT. On May 24, 2017, Ms. Threadgill endorsed and deposited the TVA check into the MRCT checking account, which she controlled, thereby converting the money.

This case was investigated by TVA OIG, the U.S. Department of Transportation OIG, and the Tennessee Comptroller's Office. Sentencing is scheduled for November 18, 2022.

Pandemic Relief Fund Investigation Results in Conviction

A TVA OIG investigation, through the Pandemic Response Accountability Committee (PRAC) Task Force, resulted in a federal criminal Information filed against Sepeshia Shontia Baker on July 26, 2022. Ms. Baker was charged with one count of making false statements on a Paycheck Protection Program (PPP) Borrower Application, which resulted in her securing a PPP loan administered by the U.S. Small Business Administration.

On August 5, 2022, Ms. Baker pled guilty to the charge. The plea agreement stipulates Ms. Baker made false statements to fraudulently receive funds under the PPP, a form of financial assistance provided as part of the Coronavirus Aid, Relief, and Economic Security Act passed in March 2020 for purposes of providing emergency financial assistance to millions of Americans who were suffering the economic hardships caused by the COVID-19 pandemic.

Ms. Baker applied for five PPP loans in total. Her false statements included providing false documentation in support of her loan applications. Ms. Baker received PPP loans totaling \$33,088, and attempted to receive an additional \$60,086 in PPP loans.

This case was investigated by TVA OIG as assigned by the PRAC Fraud Task Force. The PRAC was established to serve the American public by promoting transparency and facilitating coordinated oversight of the federal government's COVID-19 pandemic response. The PRAC's 21-member Inspectors General identify major risks that cross program and agency boundaries to detect fraud, waste, abuse, and mismanagement in the more than \$5 trillion in COVID-19 spending. The PRAC Fraud Task Force brings together agents from 14 Inspectors General to investigate fraud involving a variety of programs, including the PPP.

Utility General Manager Charged

On September 2, 2022, an Information was filed in federal court charging Bruce L. Purdy, North Alabama Electric Cooperative (NAEC) General Manager, with one count of Theft or Bribery Concerning Programs Receiving Federal Funds. The Information alleges that Mr. Purdy accepted a thing of value from a person, intending to be influenced and rewarded in connection with a transaction and series of transactions of NAEC involving \$5,000 or more. Updates will be provided as events unfold.



LEGISLATION AND REGULATIONS

In this section of our semiannual report, it is our intent to address only current and pending legislation which relates to the economy or efficiency of TVA operations when we have recommendations or comments to make to Congress regarding the legislation. At times, we may direct recommendations to general positions and issues, particularly when there are multiple bills dealing with the issue. At other times, we anticipate making recommendations relating to particular statutes and bills and their particular wording.

During this reporting period, we concurred with legislative comments submitted by CIGIE to Congressional Committees regarding several topics of interest to the Inspector General community at large.



Fontana Dam

INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

REPORTING	REQUIREMENT	PAGE OR APPENDIX
Section 4(a)(2)	Review of legislation and regulations	36 - 37
Section 5(a)(1)	Significant problems, abuses, and deficiencies	18 - 34
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	18 - 34
Section 5(a)(3)	Recommendations described in previous semiannual reports on which corrective action has not been completed	Appendix 4
Section 5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	Appendix 5
Section 5(a)(5) and 6(b)(2)	Summary of instances where information was refused	None
Section 5(a)(6)	Listing of audit and evaluation reports	Appendix 2
Section 5(a)(7)	Summary of particularly significant reports	18 -34
Section 5(a)(8)	Status of management decisions for audit and evaluation reports containing questioned costs	Appendix 3
Section 5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	Appendix 3
Section 5(a)(10)	Summary of audit and evaluation reports issued prior to the beginning of the reporting period for which (a) no management decision had been made; (b) no management comment was received within 60 days of issuing the draft report; and (c) there were any unimplemented recommendations, including the aggregate potential cost savings of those recommendations, at the end of the reporting period ¹	None
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the Inspector General disagreed	None
Section 5(a)(13)	Information under Federal Financial Management Improvement Act of 1996	Not Applicable
Section 5(a)(14)	Results of any peer review conducted by another Office of the Inspector General during the reporting period, and if none, a statement of the date of the last peer review	Appendix 10
Section 5(a)(15)	List of outstanding recommendations from any peer review conducted by another Office of the Inspector General, including a statement describing the status of the implementation and why implementation is not complete	None

¹ We had no open audit or evaluation reports that met all of these requirements. However, Appendix 4 includes a list of all audits issued in previous semiannual periods on which corrective action has not been completed.

INDEX OF REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT
(CONTINUED)

REPORTING	REQUIREMENT	PAGE OR APPENDIX
Section 5(a)(16)	List of any peer reviews conducted of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review that remain outstanding or have not been fully implemented	None
Section 5(a)(17)	Statistical table showing the total number during the reporting period of (a) investigative reports issued, (b) persons referred to the Department of Justice for criminal prosecution, (c) persons referred to state and local prosecuting authorities for criminal prosecution, and (d) indictments and criminal informations resulting from any prior referral to prosecuting authorities	Appendix 5
Section 5(a)(18)	Metrics used to develop the data in the statistical table pursuant to Section 5(a)(17)	Appendix 5
Section 5(a)(19)	Investigations in which allegations of misconduct involving a senior government employee ² were substantiated	Appendix 6
Section 5(a)(20)	Instances of whistleblower retaliation, information about the official found to have engaged in retaliation, and consequences imposed, if any, to hold the official accountable	None
Section 5(a)(21)	Attempts to interfere with the independence of the Office of the Inspector General	None
Section 5(a)(22)(A)	Audit or evaluation that was closed and not disclosed to the public	None
Section 5(a)(22)(B)	Investigation involving a senior government employee that was closed and not disclosed to the public	Appendix 7

² Pursuant to Section 5(b)(7)(A) of the IG Act, as amended, senior government employee is defined as an officer or employee whose rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule.

OIG AUDIT REPORTS • ISSUED DURING THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2022

Report Number and Date	Title	Questioned Costs	Unsupported Costs	Funds Put To Better Use
CONTRACT AUDITS				
2021-17243 04/11/2022	Proposal for Coal Combustion Residual Program Management	\$0	\$0	\$1,600,000
2021-15786 04/22/2022	Voith Hydro, Inc. - Contract No. 9000	2,447,959	0	0
2021-17308 05/04/2022	Proposal for Transmission Construction Services	0	0	118,000
2020-15770 06/03/2022	Williams Plant Services, LLC - Contract No. 10728	549,911	22,081	0
2022-17357 07/25/2022	Delta Dental of Tennessee - Contract No. 12179	14,618	0	0
2022-17367 08/12/2022	Proposal for Coal Combustion Residual Program Management	0	0	20,100,000
2022-17368 09/08/2022	Proposal for Coal Combustion Residual Program Management	0	0	117,600,000
FINANCIAL AND OPERATIONAL AUDITS				
2021-17277 05/04/2022	Outside Employment Related to Small Business Administration Loans	\$0	\$0	\$0
2022-17346 09/14/2022	Back-to-Business Credit Program	0	0	0
INFORMATION TECHNOLOGY AUDITS				
2022-17340 06/01/2022	Non-Power Dam Control System Cybersecurity	\$0	\$0	\$0
2022-17343 07/06/2022	IT Equipment Inventory	0	0	0
2022-17338 07/27/2022	Endpoint Protection	0	0	0
2022-17370 09/19/2022	2022 Federal Information Security Modernization Act	0	0	0
TOTAL AUDITS (13)		\$3,012,488	\$22,081	\$139,418,000

OIG EVALUATION REPORTS • ISSUED DURING THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(CONTINUED)

Report Number and Date	Title	Questioned Costs	Unsupported Costs	Funds Put To Better Use
EVALUATIONS				
2021-17297 06/10/2022	TVA Nuclear Radiation Dosage	\$0	\$0	\$0
2021-17256 06/15/2022	TVA Nuclear Maintenance Employee Time Reporting	0	0	0
2021-17270 07/13/2022	Groundwater at TVA Nuclear Plants	0	0	0
2021-17315 08/26/2022	TVA's Capacity to Meet Energy Demand	0	0	0
2021-17298 09/01/2022	Respiratory Protection Program	0	0	0
2021-17261 09/29/2022	Evaluation of New Technologies	0	0	0
ORGANIZATIONAL EFFECTIVENESS				
2022-17335 04/14/2022	Organizational Effectiveness - Allen Integrated Site	\$0	\$0	\$0
2021-17252 05/25/2022	Organizational Effectiveness - Browns Ferry Radiation Protection	0	0	0
2021-17275 07/15/2022	Organizational Effectiveness - Communication & Public Relations	0	0	0
2022-17354 09/02/2022	Organizational Effectiveness - Bull Run Fossil Plant	0	0	0
TOTAL EVALUATIONS (10)		\$0	\$0	\$0

Note: A summary of or link to the full report may be found on the OIG's Web site at <https://oig.tva.gov>.

TABLE I • TOTAL QUESTIONED AND UNSUPPORTED COSTS • AUDITS

Audit Reports	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the period	0	\$0	\$0
B. Which were issued during the reporting period	3	\$3,012,488	\$22,081
Subtotal (A+B)	3	\$3,012,488	\$22,081
C. For which a management decision was made during the reporting period	3	\$3,012,488	\$22,081
1. Dollar value of disallowed costs	3	\$3,012,488	\$22,081
2. Dollar value of costs not disallowed	0	\$0	\$0
D. For which no management decision has been made by the end of the reporting period	0	\$0	\$0

TABLE I • TOTAL QUESTIONED AND UNSUPPORTED COSTS • EVALUATIONS

Evaluation Reports	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the period	0	\$0	\$0
B. Which were issued during the reporting period	0	\$0	\$0
Subtotal (A+B)	0	\$0	\$0
C. For which a management decision was made during the reporting period	0	\$0	\$0
1. Dollar value of disallowed costs	0	\$0	\$0
2. Dollar value of costs not disallowed	0	\$0	\$0
D. For which no management decision has been made by the end of the reporting period	0	\$0	\$0

TABLE II • FUNDS TO BE PUT TO BETTER USE • AUDITS

Audit Reports	Number of Reports	Funds To Be Put To Better Use
A. For which no management decision has been made by the commencement of the period	3	\$6,483,000
B. Which were issued during the reporting period	4	\$139,418,000
Subtotal (A+B)	7	\$145,901,000
C. For which a management decision was made during the reporting period	6	\$125,801,000
1. Dollar value of recommendations agreed to by management	6	\$125,801,000
2. Dollar value of recommendations not agreed to by management	0	\$0
D. For which no management decision has been made by the end of the reporting period	1	\$20,100,000

TABLE II • FUNDS TO BE PUT TO BETTER USE • EVALUATIONS

Evaluation Reports	Number of Reports	Funds To Be Put To Better Use
A. For which no management decision has been made by the commencement of the period	0	\$0
B. Which were issued during the reporting period	0	\$0
Subtotal (A+B)	0	\$0
C. For which a management decision was made during the reporting period	0	\$0
1. Dollar value of recommendations agreed to by management	0	\$0
2. Dollar value of recommendations not agreed to by management	0	\$0
D. For which no management decision has been made by the end of the reporting period	0	\$0

RECOMMENDATIONS INCLUDED IN A PREVIOUS SEMIANNUAL REPORT AND AWAITING IMPLEMENTATION

At the end of the semiannual period, final corrective action was not complete on 23 recommendations associated with 6 audit and 3 evaluation reports issued in a prior period. Presented below for each audit and evaluation are the report number, date, and title, along with a brief description of action management agreed to take to resolve the open recommendation, including the date management expects to complete final action.

Audit Report Number and Date	Report Title and Actions Agreed to by Management to Resolve Recommendations
2020-15721 10/21/2020	IT Contractor Access TVA agreed to develop processes to implement screening requirements for logical access and ensure contractors have required security clearances. TVA expects to complete final action by November 1, 2022.
2021-15778 09/24/2021	Windows® Desktop and Laptop Patching TVA agreed to update/create processes and generate reports to identify and address Windows® devices that are not managed by TVA's automated patching system. TVA expects to complete final action by October 31, 2022.
2021-16906 10/18/2021	Airgas USA, LLC - Contract Nos. 5436 and 5456 TVA management agreed to deny Airgas' \$891,340 claim for missing gas cylinders. TVA expects to complete final action by October 18, 2022.
2021-17249 12/01/2021	Vega Corporation of Tennessee - Contract No. 14626 TVA agreed to (1) work with Vega to (a) attempt to recover \$4,070 in ineligible fees applied to per diem costs and (b) understand and resolve \$187,786 in additional labor costs paid to Vega and (2) clarify contract language (a) to correct inconsistencies surrounding markups applied to subcontractor costs and (b) regarding the requirements for advanced approval of subcontractor costs. TVA expects to complete final action by December 1, 2022.
2021-15788 02/03/2022	World Wide Technology, LLC - Contract No. 10786 TVA agreed to (1) enter into negotiations to recover (a) excessive rates overbilled due to contractual discounts that were not applied correctly and (b) overbilled service costs and (2) request the contractor ensure Cisco list prices are noted and available on quotations and/or invoices. TVA expects to complete final action by February 3, 2023.
2021-15787 02/23/2023	Jacobs Technology, Inc. - Contract No. 11163 TVA agreed to (1) work with the contractor on future contracts to clarify inconsistencies surrounding markups that may be recovered on total direct costs; (2) negotiate to recover \$322,596 in overbilled temporary living allowance and travel costs; and (3) understand and resolve (a) \$108,279 in additional payroll taxes paid and (b) \$73,188 in overbilled labor costs. TVA expects to complete final action by February 23, 2023.

RECOMMENDATIONS INCLUDED IN A PREVIOUS SEMIANNUAL REPORT AND AWAITING IMPLEMENTATION (CONTINUED)

Evaluation Report Number and Date	Report Title and Actions Agreed to by Management to Resolve Recommendations
Transmission and Power Supply Arc Flash Protection	
2020-15768 08/02/2021	TVA agreed to (1) ensure periodic reviews of arc flash hazards occur according to the cadence outlined in TVA's Arc Flash Protection procedure; (2) implement a plan to evaluate and make arc flash hazard warning labels legible; and (3) require verification of arc flash calculations for hazard analyses and record the calculations in TVA's Enterprise Content Management system. TVA expects to complete final action by August 2, 2023.
External Organizations Board Practice	
2021-17259 10/07/2021	TVA agreed to implement (1) a policy for coordination of TVA memberships in external organizations, (2) a training program for employees involved in external organizations, and (3) an agreement to include specific language prohibiting the use of TVA funds for lobbying or litigation. TVA expects to complete final action by December 7, 2022.
Acquisition and Disposal of Real Property	
2021-15789 03/24/2022	TVA agreed to (1) review, update, and publish the real property TVA Standard Programs and Processes (SPP) and user guides; (2) address survey process concerns by (a) expanding the research capability options to Survey employees in order to meet the needs required for boundary location, (b) aligning responsibility for supporting physical boundary reconnaissance more closely with field functions, and (c) revising applicable procedure to align standard template property descriptions in the state of Tennessee with the other states within the Valley; and (3) reinforce compliance with the real property SPPs and user guides across TVA, the importance of TVA's real property portfolio, being transparent, and including relevant real property data in TVA Board or leadership approval packages. TVA expects to complete final action by March 24, 2023.

INVESTIGATIVE REFERRALS AND PROSECUTIVE RESULTS

Referrals	
Reports Issued to TVA Management	10
Subjects Referred to U.S. Attorneys	10
Subjects Referred to State/Local Authorities	0
Results	
Subjects Indicted/Informations Filed	4
Subjects Convicted	3
Pretrial Diversions	0
Federal Referrals Declined	7
State/Local Referrals Declined	0

Metrics: Reports issued to TVA management are comprised of formal written reports and, when appropriate, e-mailed summaries conveying the findings of a completed investigation.

The number of indictments does not include sealed indictments or superseding indictments of the same individual already reported in this or a prior semiannual report.

These numbers may include task force activities and joint investigations with other agencies.



SUBSTANTIATED INVESTIGATIONS INVOLVING SENIOR AGENCY OFFICIALS

Case No.	Allegation and Disposition
21-0281	<p>Allegation: Numerous questioned practices were found in the use of a manager’s TVA-issued (1) Corporate Card, (2) Purchasing Card, and (3) expense reports. His misclassified and irregular expense vouchers totaled \$10,525.05, and all the vouchers appeared to be approved by the same approving official/senior manager.</p> <p>Disposition: Substantiated. A review of the manager’s TVA Corporate Card and TVA Purchasing Card charges did not identify any instance of fraudulent purchases; however, voluminous violations of TVA policy were found over a 21-month timeframe, which included 40 receipts without the required itemization and 18 transactions with no receipts or documentation. The approving official/senior manager acknowledged approving the manager’s expenses without reviewing documentation that was provided for the invoiced expenses. A Report of Administrative Inquiry (RAI) was issued with our findings.</p> <p>As a result, the manager’s TVA-issued credit cards were suspended for 90 days; all future expense reports submitted by the manager will be audited after supervisor approval until further notice; and the manager will take specified corrective action pertaining to past expense reports. The manager and senior manager were required to repeat Corporate Card and P-card training sessions, and coaching was provided to both individuals. Finally, the requirements for TVA credit card usage were re-communicated and reinforced with all departmental personnel who make credit card purchases on behalf of TVA.</p>
22-0124	<p>Allegations: A manager approached a TVA vendor company president soliciting an equipment donation for a school sports team the manager coached. As a result, the vendor company president donated \$500 to the team.</p> <p>Disposition: Substantiated, in part. Investigation confirmed the company’s president made a \$500 donation to the team. Although the company’s president initiated the conversation about how he could help the team, the TVA manager introduced the idea of a donation, and the company’s president responded he would make a financial donation. The manager provided the vendor company president’s contact information to the team’s board to send, then later – when a donation had not yet been made – re-sent a donation form to the individual. The vendor company sponsored a halftime event at one of the team’s games, and the TVA manager distributed items with the vendor company’s logo to certain players’ parents. Evidence did not substantiate the manager directly solicited the donation; however, his activities and personal connection to the sports team presented the appearance of impropriety.</p> <p>During the course of the investigation, concerns arose over the TVA manager’s relationship to the vendor company in general. The manager had a personal relationship with one of the company’s key personnel, and the TVA manager played a decisive role in that company receiving a TVA contract.</p> <p>An RAI was issued with our findings, and the manager has resigned from TVA. This case was referred to the U.S. Attorney’s Office for prosecution, which was declined in favor of administrative remedies available to TVA.</p>

Metrics: This appendix describes closed, substantiated investigations involving subjects specified by the IG Empowerment Act (salaried at 120 percent of GS-15 Level One). TVA does not operate on the GS scale, so all persons in this salary range, though included here, are not necessarily executive-level employees. Corollary to this, not all persons with substantial managerial duties are included here, based on their salaries.

PREVIOUSLY UNDISCLOSED INVESTIGATIONS INVOLVING SENIOR AGENCY OFFICIALS

Case No.	Allegation and Disposition
18-0129	<p>Allegation: A director and some of his subordinates engaged in inappropriate relationships with TVA vendors. They showed the vendors favoritism in exchange for receiving bribes, kickbacks, and other things of value.</p> <p>Disposition: Unsubstantiated.</p>
22-0016	<p>Allegation: A TVA executive may have provided insider information to a company bidding on a TVA contract.</p> <p>Disposition: Unsubstantiated.</p>
22-0020	<p>Allegation: A manager approves overtime not worked by a subordinate and is engaged in an inappropriate relationship with another subordinate.</p> <p>Disposition: Unsubstantiated. Investigation did reveal, however, that a subordinate had access to, and used, the manager’s logins and passwords to approve her time and purchases items for TVA without prior approval. The OIG issued a Report of Administrative Inquiry with its findings, and management responded by counseling the manager and the subordinate and by enacting process improvements to clarify future expectations.</p>
22-0102	<p>Allegation: Work instructions provided by two nuclear managers posed the risk of a radiological hazard.</p> <p>Disposition: Unsubstantiated.</p>
22-0111	<p>Allegation: A manager sent sexually oriented texts to a 15-year-old girl.</p> <p>Disposition: Unsubstantiated.</p>
22-0132	<p>Allegation: A TVA executive made a lucrative deal, on behalf of TVA, with his former employer while still receiving bonuses and other post-employment benefits from that company.</p> <p>Disposition: Unsubstantiated.</p>
22-0177	<p>Allegation: A manager manipulated the duty station for a job posting to enable one or more employees to avoid paying state income taxes. (TVA covers a seven state region; state income taxes are required in some, but not all, of those states.)</p> <p>Disposition: Unsubstantiated.</p>
22-0183	<p>Allegation: After an employee questioned scheduling decisions, his manager spoke to him abusively and threatened to lower his performance evaluation and bonus.</p> <p>Disposition: Unsubstantiated.</p>
22-0202	<p>Allegation: A TVA senior manager persists in funding a grossly expensive, unnecessary project.</p> <p>Disposition: Unsubstantiated.</p>
22-0208	<p>Allegation: A TVA executive’s involvement in a commercial technologies group creates a conflict of interest.</p> <p>Disposition: Unsubstantiated.</p>

Metrics: This appendix describes any closed investigations, not disclosed to the public, involving subjects specified by the IG Empowerment Act (salaried at 120 percent of GS-15 Level One). TVA does not operate on the GS scale, so all persons in this salary range, though included here, are not necessarily executive-level employees. Corollary to this, not all persons with substantial managerial duties are included here, based on their salaries.

APPENDIX 8

HIGHLIGHTS - STATISTICS

	SEPT 30, 2022	MAR 31, 2022	SEPT 30, 2021	MAR 31, 2021	SEPT 30, 2020
AUDITS					
AUDIT STATISTICS					
Carried Forward	18 ¹	20	20	15	18
Started	11	12	14	14	17
Canceled	(2)	(0) ²	(2)	(0) ³	(0)
Completed	(13)	(13)	(12)	(8)	(20)
In Progress at End of Reporting Period	16	18	20	20	15
AUDIT RESULTS (Thousands)					
Questioned Costs	\$3,012	\$1,630	\$13,458	\$23	\$10,876
Disallowed by TVA	\$3,012	\$1,630	\$8,425	\$23	\$5,024
Recovered by TVA	\$316	\$102	\$395	\$607 ⁴	\$74
Funds to Be Put to Better Use	\$139,418	\$6,483	\$9,700	\$3,455	\$21,932
Agreed to by TVA	\$125,801	\$0	\$9,700	\$17,135 ⁵	\$8,252
Realized by TVA	\$8,201	\$0	\$2,240	\$5,779	\$2,931
OTHER AUDIT-RELATED PROJECTS					
Completed	5	5	8	6	7
Cost Savings Identified/Realized	\$0	\$292	\$0	\$0	\$0
EVALUATIONS					
Completed	10	7	13	7	14
Cost Savings Identified/Realized (Thousands)	\$0	\$0	\$0	\$0	\$0
SPECIAL PROJECTS					
Completed	0	0	0	1	0
INVESTIGATIONS⁶					
INVESTIGATION CASELOAD					
Opened	79	79	74	75	63
Closed	79	79	83	90	92
In Progress at End of Reporting Period	73	73	73 ⁷	87	106
INVESTIGATIVE RESULTS (Thousands)					
Recoveries	\$1,596.4 ⁸	\$447.4	\$7,357.7 ⁹	\$2,056.1	\$4.2
Projected Savings	\$0	\$63.1	\$0	\$1,144.1	\$0
Fines/Penalties/Fees	\$1.5	\$175.4	\$0.6	\$0.3	\$0
Waste/Other Monetary Loss	\$0	\$506.2	\$2,887.0	\$429.4	\$0
Forfeiture(s) Ordered - Criminal	\$1,000	\$0	\$1,750.0	\$0	\$0
Forfeiture(s) Ordered - Civil	\$134.1	\$0	\$0	\$0	\$0
MANAGEMENT ACTIONS					
Disciplinary Actions Taken (Number of Subjects)	6	4	4	9	3
Counseling/Management Techniques Employed (Number of Cases)	9	12	11	13	12
Debarments	1	0	0	0	0
PROSECUTIVE ACTIVITIES (Number of Subjects)					
Referred to U.S. Attorneys	10	6	11	4	8
Referred to State/Local Authorities	0	0	5	0	2
Indicted/Informations Filed	4	2	7	1	3
Convicted	3	2	1	1	1
Pretrial Diversions	0	1	0	1	0

¹ Does not include two projects that were postponed at the beginning of the period.

² One project was postponed during the period.

³ Ibid.

⁴ Includes amounts agreed to in a prior period.

⁵ Ibid.

⁶ These numbers may include task force activities and joint investigations with other agencies.

⁷ Adjusted from previous period.

⁸ Of this amount, \$1,248,300 was restitution ordered to a general public entity as a result of a criminal TVA OIG investigation.

⁹ Includes \$6,775,896 court-ordered restitution to other federal and state entities resulting from a multi-agency investigation.

APPENDIX 9

GOVERNMENT CONTRACTOR AUDIT FINDINGS

The National Defense Authorization Act for Fiscal Year 2008, P.L. 110-181, requires each Inspector General appointed under the Inspector General Act of 1978 to submit an appendix on final, completed contract audit reports issued to the contracting activity that contain significant audit findings—unsupported, questioned, or disallowed costs in an amount in excess of \$10 million, or other significant findings—as part of the Semiannual Report to Congress. During this reporting period, the Office of the Inspector General issued no contract review reports under this requirement.



APPENDIX 10

PEER REVIEWS OF THE TVA OIG

Audits Peer Review

Inspector General audit organizations are required to undergo an external peer review of their system of quality control at least once every three years, based on requirements in the *Government Auditing Standards*. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Tennessee Valley Authority (TVA) Office of the Inspector General (OIG) underwent its most recent peer review of its audit organization for the period ended September 30, 2019. This review was performed by the Pension Benefit Guaranty Corporation OIG. The Pension Benefit Guaranty Corporation OIG issued its report, dated March 10, 2020, in which it concluded the system of quality control for the audit organization of TVA OIG in effect for the year ended September 30, 2019, has been suitably designed and complied with to provide TVA OIG with reasonable assurance of performing and reporting in conformity with applicable professional auditing standards in all material respects. Accordingly, the TVA OIG received a rating of pass. There are no outstanding recommendations from this review. The peer review report is posted on our Web site at https://oig.tva.gov/peer_reports.html.

The U.S. Securities and Exchange Commission OIG is currently performing a peer review of our audit organization for the period ended September 30, 2022. We plan to include the results of the ongoing peer review in our next semiannual report.

Evaluations Peer Review

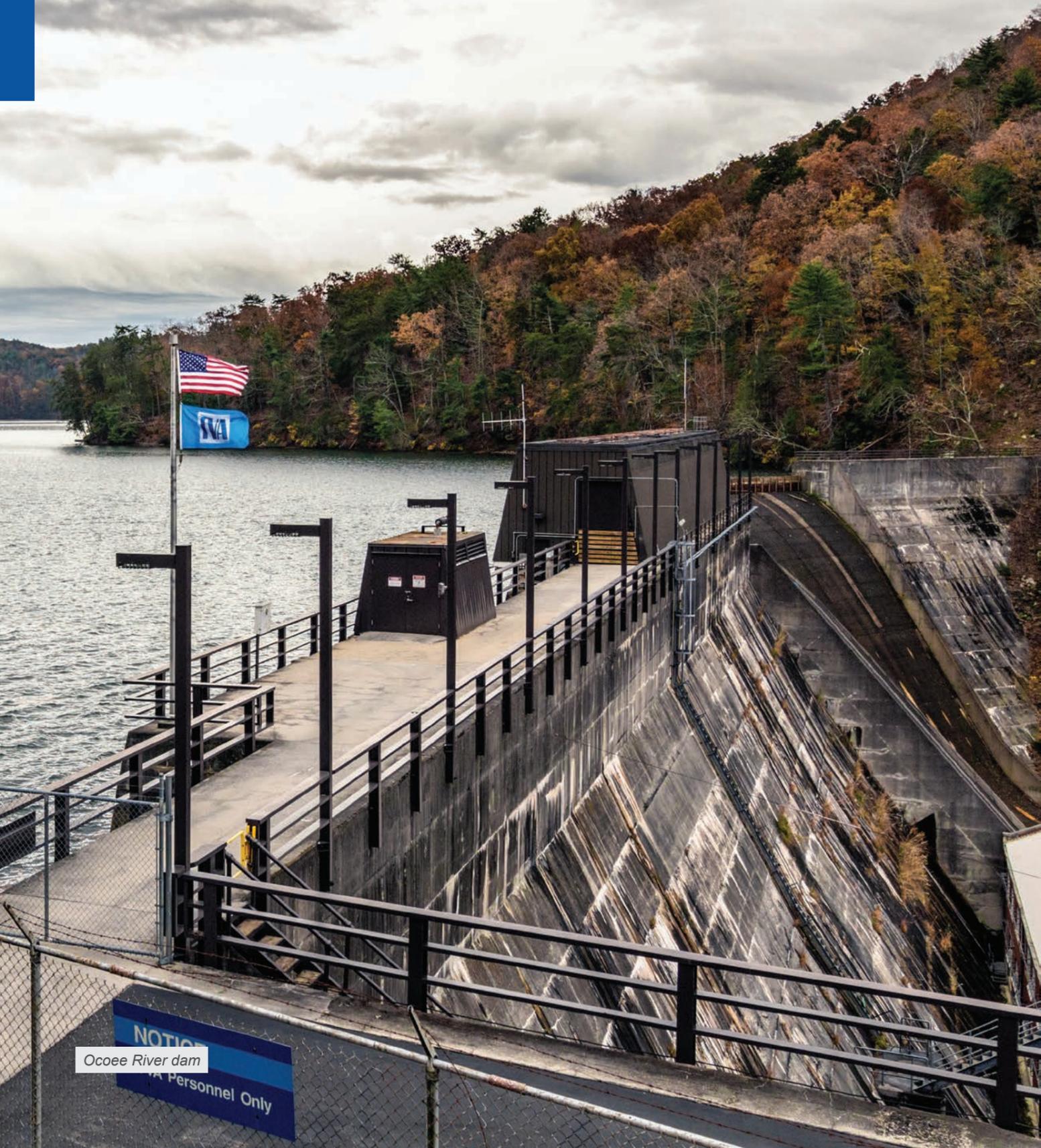
Inspector General organizations that conduct evaluations in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (Blue Book) are required to undergo an external peer review every three years. The TVA OIG recently underwent its first peer review of its evaluation organization. The peer review covered the period ended December 31, 2019, and was led by the Department of Labor OIG. The Department of Labor OIG issued its report, dated May 28, 2020, in which it determined the (1) TVA OIG's internal policies and procedures generally met the seven Blue Book standards addressed in the peer review and (2) TVA OIG reports reviewed met the covered Blue Book standards and complied with TVA OIG's internal policies and procedures. The peer review report is posted on our Web site at https://oig.tva.gov/peer_reports.html.

Investigations Peer Review

Investigative Operations undergoes a Quality Assessment Review at least once every three years. The Corporation for National & Community Service (CNCS) OIG completed a Quality Assessment Review of TVA OIG Investigative Operations on May 31, 2019. CNCS OIG found ". . . the system of internal safeguards and management procedures for the investigative function of TVA-OIG in effect for the period ending December 31, 2018, was in compliance with the quality standards established by CIGIE and the applicable Attorney General Guidelines. . . ." This confirmation is posted on our Web site at https://oig.tva.gov/reports/2019_Investigations_Peer_Review.pdf.



GLOSSARY



Ocoee River dam

Disallowed Cost

A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the agency.

Final Action

The completion of all management actions, as described in a management decision, with respect to audit findings and recommendations. When management concludes no action is necessary, final action occurs when a management decision is made.

Funds To Be Put To Better Use

Funds which the OIG has disclosed in an audit report that could be used more efficiently by reducing outlays, deobligating program or operational funds, avoiding unnecessary expenditures, or taking other efficiency measures.

Information

A formal accusation of a crime made by a prosecuting officer as distinguished from an indictment presented by a grand jury.

Management Decision

Evaluation by management of the audit findings and recommendations and the issuance of a final decision by management concerning its response to such findings and recommendations.

Questioned Cost

A cost the Inspector General questions because (1) of an alleged violation of a law, regulation, contract, grant, cooperative agreement, or other document governing the expenditure of funds; (2) such cost is not supported by adequate documentation; or (3) the expenditure of funds for the intended purposes was unnecessary or unreasonable.

Unsupported Cost

A cost that is questioned because of the lack of adequate documentation at the time of the audit.

ABBREVIATIONS & ACRONYMS

THE FOLLOWING ARE ACRONYMS AND ABBREVIATIONS WIDELY USED IN THIS REPORT.

ALARA.....	As Low As (Is) Reasonably Achievable
APH.....	Air Pre-heaters
BFN.....	Browns Ferry Nuclear Plant
Blue Book.....	Quality Standards for Inspection and Evaluation
BRF.....	Bull Run Fossil Plant
C&PR.....	Communications and Public Relations
CC.....	Combined Cycle
CFR.....	Code of Federal Regulations
Chemistry.....	Chemistry/Environment
CMS.....	Corrosion Monitoring Services
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency
COVID-19.....	Coronavirus
CT.....	Combustion Turbine
DOJ.....	U.S. Department of Justice
EIDL.....	Economic Injury Disaster Loans
eWorkplace.....	Time-Reporting System
FISMA.....	Federal Information Security Modernization Act
FY.....	Fiscal Year
HR.....	Human Resources
IG.....	Inspector General
IT.....	Information Technology
LPC.....	Local Power Company
MRCT.....	Mississippi River Corridor-Tennessee
NAEC.....	North Alabama Electric Cooperative
NFR.....	Nuclear Fatigue Rule
OIG.....	Office of the Inspector General
One Love.....	One Love Hearing Concept
OMB.....	Office of Management and Budget
PAF.....	Paradise Fossil Plant
PPP.....	Paycheck Protection Program
PQ&S.....	Personnel Qualifications and Scheduling
PRAC.....	Pandemic Response Accountability Committee
RAI.....	Report of Administrative Inquiry
RP.....	Radiation Protection
RPP.....	Respiratory Protection Program
SBA.....	U.S. Small Business Administration
SPP.....	Standard Programs and Processes
SQN.....	Sequoyah Nuclear Plant
TVA.....	Tennessee Valley Authority



Office of the Inspector General

400 West Summit Hill Drive
Knoxville, Tennessee 37902

The OIG is an independent organization charged with conducting audits, evaluations, and investigations relating to TVA programs and operations, while keeping the TVA Board and Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations.

The OIG focuses on (1) making TVA's programs and operations more effective and efficient; (2) preventing, identifying, and eliminating waste, fraud, and abuse and violations of laws, rules, or regulations; and (3) promoting integrity in financial reporting.

If you would like to report to the OIG any concerns about fraud, waste, or abuse involving TVA programs or violations of TVA's Code of Conduct, you should contact the OIG EmPowerline, TVA OIG's hotline. The EmPowerline can be reached 24 hours a day, seven days a week, either by a toll-free phone call (1-855-882-8585) or over the Web (www.oigempowerline.com). A third-party contractor will take your call or online concern and immediately forward it to OIG personnel. You may report your concerns anonymously or you may request confidentiality.



EmPowerline®

A hotline for reporting anonymous and confidential concerns

**www.oigempowerline.com
Toll-Free 855-882-8585**



We investigate fraud, waste, and abuse in TVA programs and operations. Examples include:

- Contract Fraud
- Environmental Crimes
- Healthcare/Prescription Drug Fraud
- Employee Misconduct
- Conflict of Interest
- Workers' Compensation Fraud

Whistleblower Protection

Educates TVA employees about prohibitions on retaliation for protected disclosures, as well as the rights and remedies of employees who have been subjected to workplace retaliation for making protected disclosures. E-mails may be directed to: whistleblowercoordinator@tvaig.gov.



INDEPENDENCE

**EFFECTIVE
COMMUNICATION**

**CONTINUOUS
IMPROVEMENT**

**TVA OIG
VALUES**

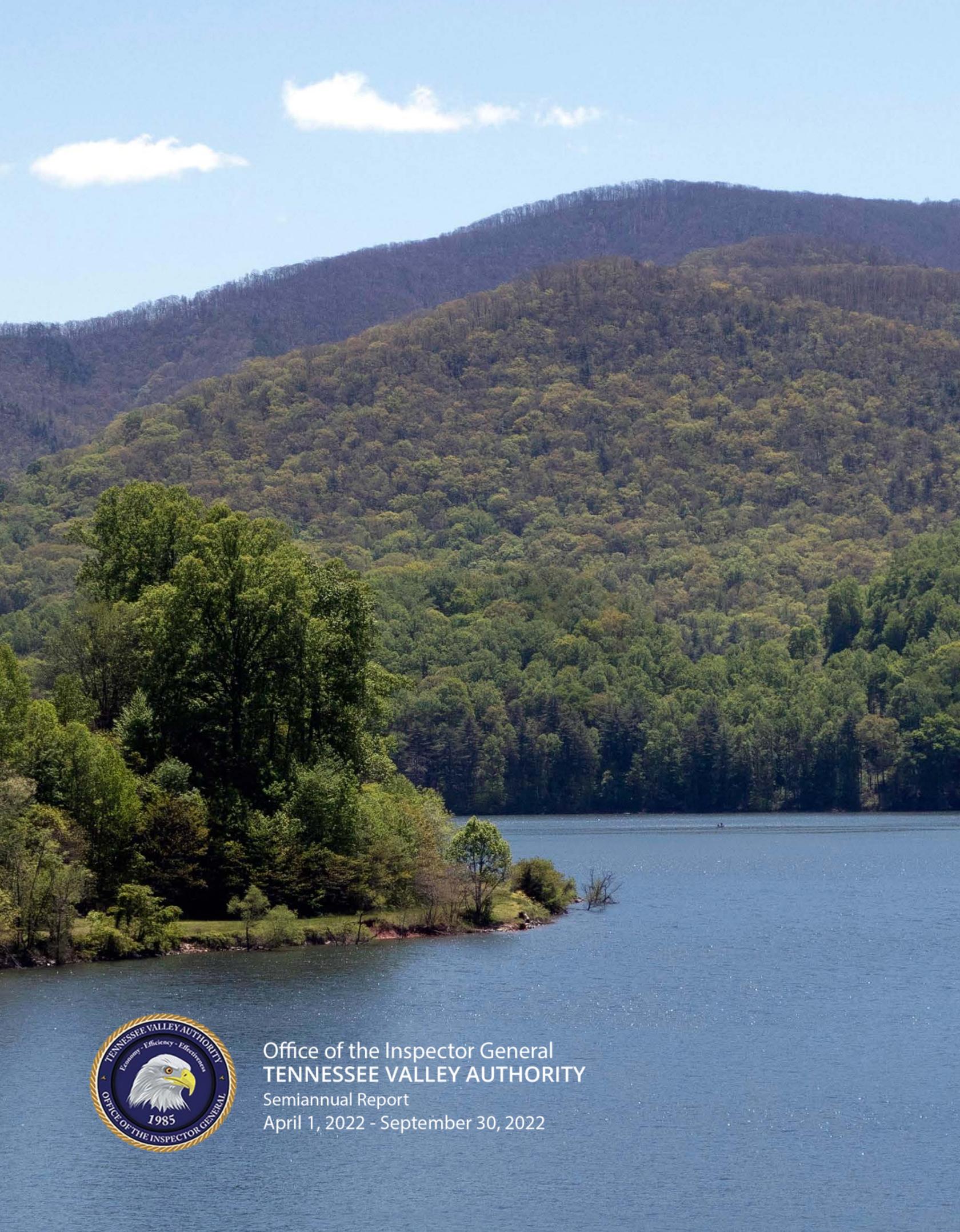
INTEGRITY

**TRUSTING
RELATIONSHIPS**

ACCOUNTABILITY

**We are a high performing work team that achieves
OIG strategic objectives through operational excellence
and modeling our values and behaviors every day.**





Office of the Inspector General
TENNESSEE VALLEY AUTHORITY
Semiannual Report
April 1, 2022 - September 30, 2022