



DEPARTMENT OF ENERGY



U.S. DEPARTMENT OF
ENERGY

OFFICE OF INSPECTOR GENERAL

*Semiannual Report
to Congress*

for Period Ending March 31, 2025

DOE-IG-0087

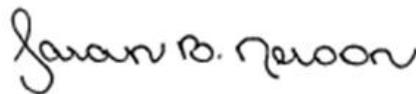
A MESSAGE FROM THE INSPECTOR GENERAL

Honorable Members of Congress:

I am pleased to submit the OIG's *Semiannual Report* for the period from October 1, 2024, through March 31, 2025. The attached report details our work over the past 6 months in fulfilling our mission to promote integrity, efficiency, and accountability within the Department of Energy. This reporting period has been marked by significant achievements through our audit, investigative, and oversight activities. Our office has issued 18 reports identifying areas for improved management and cost savings, investigated allegations of fraud and misconduct, and provided recommendations that have strengthened Departmental operations and safeguarded taxpayer resources.

During this period, the OIG recognized an almost 20 percent decrease in staffing resulting from retirements, separations, and terminations, and the OPM-initiated Deferred Resignation Program. In response, the OIG executed a realignment designed to maximize our remaining resources and maintain the highest standards of independent oversight. Through this realignment, the OIG consolidated its organizational structure into four offices—Audits, Investigations, Counsel, and Management. However, the attached report presents our semiannual results in our organizational structure prior to realignment.

Our commitment to transparency, accountability, and service to the public remains steadfast, and we will continue to keep Congress informed of both our progress and any emerging challenges. Additionally, I am grateful for the ongoing support of Congress, which is vital to the success of our oversight mission. We look forward to working collaboratively to address issues highlighted in the body of this report and help to ensure that the Department continues to operate with integrity and efficiency. Thank you for your attention to the work and needs of the Office of Inspector General.



Sarah Nelson
Assistant Inspector General
for Management
Performing the Duties of the Inspector General
Office of Inspector General

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OFFICE OF INVESTIGATIONS

The Office of Investigations is the only law enforcement element within the Department of Energy and addresses alleged violations of law that impact Department programs, operations, facilities, and personnel. The Office of Investigations does not publicly confirm or deny criminal investigations; however, certain judicial activities are public record and may be announced via a DOJ Press Release. When appropriate, Departmental management is made aware of investigations. The Office of Investigations is comprised of approximately 70 Special Agents, Forensic Auditors, Investigative Specialists, and support staff, located throughout the country.

STATISTICAL HIGHLIGHTS

INVESTIGATIONS RESULTING IN REPORTABLE OUTCOMES

All OIG investigations that result in a reportable outcome are disclosed to the public in our *Semiannual Report to Congress*. The following table includes reportable outcomes during the period from October 1, 2024, through March 31, 2025.

SUMMARY TITLE
<i>Sentencing and Restitution in Mail/Wire Fraud Investigation</i>
<i>Sentencing in Former Department Contract Employee Misconduct/Cares Act Investigation</i>
<i>Sentencing in a Child Sexual Abuse Material Investigation</i>
<i>Guilty Plea in a Child Sexual Abuse Material Investigation</i>
<i>Guilty Plea to Conversion/Unlawful Conveying by CEO of Department Small Business Technology Transfer Awardee</i>
<i>Civil Settlement in False Claims Investigation</i>
<i>Financial Recovery in Suspect/Counterfeit Materials Investigation at the Y12 National Security Complex</i>
<i>Financial Recovery in a Contract Fraud Investigation</i>
<i>Debarments in Former Department Contract Employee Misconduct/Cares Act Investigation</i>
<i>Debarment Issued by the Department</i>
<i>Antideficiency Violation Notices Sent to the White House and Congress From Ethics/Procurement Integrity Act Investigation</i>
<i>Guilty Plea and Deferred Prosecution in an Export Control Investigation</i>
<i>Reimbursement in a Timecard Fraud Investigation</i>

Department of Energy Office of Inspector General
October 1, 2024 – March 31, 2025

Cases Open as of October 1, 2024	235
Cases Opened	31
Cases Closed	36
Cases Open as of March 31, 2025	232
Multi-Agency Joint Cases Opened During Period	9
Qui Tam ¹ Investigations Opened During Period	8
Total Open Qui Tam Investigations as of September 30, 2023	23
Total Investigative Reports ² Issued During Period	37
Administrative Discipline and Other Management Actions	18
Suspensions/Debarments ³	15
Referrals for Suspension/Debarment ⁴	2
Total Persons ⁵ Referred to a Prosecuting Authority	17
DOJ Referrals	16
State/Local Referrals	1
Referrals Accepted for Prosecution ⁶	15
Total Indictments ⁷ /Criminal Informations	0
Indictments/Criminal Informations Resulting From Prior Period Referrals	0
Criminal Convictions	5
Pre-Trial Diversions	0
Civil Actions	1
Dollars Recovered ⁸ (Fines, Settlements, Recoveries)	\$1,254,176.98
Monetary Savings Resulting from Investigative Actions ⁹	\$10,101,613.89

¹ For more information on Qui Tams—lawsuits filed by private citizens alleging frauds against the Government—go to: <https://www.justice.gov/archives/jm/criminal-resource-manual-932-provisions-handling-qui-tam-suits-filed-under-false-claims-act>.

² Investigative Reports issued by the Office of Investigations include Reports of Investigation and Investigative Reports to Management.

³ This number includes proposed debarments issued under FAR. We report proposed debarments under FAR because those actions have the same effect as a debarment or a suspension in accordance with 48 CFR § 9.405. Insofar as we are reporting these numbers to show the effect of OIG referrals, proposed debarment under FAR presents a more complete picture. Please note, however, that proposed debarments under FAR are not final actions.

⁴ This number reflects referrals for this reporting period. Suspensions/debarments reported may have been referred in prior reporting periods.

⁵ Persons is defined as to include individuals and entities. For example, two co-owners and their business entity would be counted as three persons.

⁶ Some referrals accepted during the 6-month period were referred for prosecution during a previous reporting period.

⁷ Sealed indictments are included.

⁸ Some of the money collected was the result of investigations involving multiple agencies.

⁹ This includes funds from awards that were canceled or modified resulting from OIG investigations.

SUMMARY OF SELECT INVESTIGATIVE ACTIVITIES

Sentencing and Restitution in Mail/Wire Fraud Investigation

A former Department subcontractor was sentenced in the U.S. District Court for the Eastern District of New York to time served, supervised release for 2 years and 6 months of home confinement, restitution in the amount of \$42,528.98, and a fine of \$10,000. As previously reported in the March 31, 2024, *Semiannual Report to Congress*, the OIG investigation determined that the former subcontractor conspired with others to import products from China falsely marked as made in the U.S. The investigation revealed the subcontractor sold the U.S. Government turnstiles to be used at the Oak Ridge, TN, Federal Building, which Custom and Border Protection officials at the port of entry marked as originating from China. The contractor along with other associates were later indicted and the subcontractor pleaded guilty to a violation of the Trade Agreement Act.

Sentencing in Former Department Contract Employee Misconduct/Cares Act Investigation

A former Department contract employee was sentenced in the Southern District of Georgia to 3 years of probation and restitution in the amount of \$28,500. As previously reported in the March 31, 2024, and September 30, 2024, *Semiannual Report to Congress*, the OIG investigation determined the former contractor employee fraudulently applied for and received an SBA EIDL in the amount of \$3,500; EIDL advances in the amount of \$15,000; and an SBA Paycheck Protection Program loan for \$10,000. The online application was made from a Department-controlled IP address wherein the former Department contractor provided the SBA with documents containing false business information. The inappropriately obtained money was used to pay for personal expenses and travel. The former contract employee was indicted and pleaded guilty to violating one count of Providing False Documents to a Federal Agency.

Sentencing in a Child Sexual Abuse Material Investigation

A former Department Senior Executive Service employee was sentenced in the U.S. District Court of Maryland to 10 years of incarceration, 25 years of supervised release, and registration as a sex offender. As previously reported in the March 31, 2024, and September 30, 2024, *Semiannual Report to Congress*, the OIG investigation determined the former employee used their Government-issued cell phone to communicate illicitly with minors. The former employee was indicted, arrested, and pleaded guilty to two counts of Coercion and Enticement of a Minor. Also, the Department's Office of Acquisition Management issued a suspension for the former employee. This was a joint investigation with DHS Investigations, the Maryland State Police, the Hagerstown Police Department, and the Office of the State's Attorney for Anne Arundel County, Maryland. The DOJ Press Release can be found [here](#).

Guilty Plea in a Child Sexual Abuse Material Investigation

A former contractor employee at the Department's Kansas City National Security Campus pleaded guilty in the U.S. District Court for the Western District of Missouri for one count of child pornography. As previously reported in the September 30, 2024, *Semiannual Report to Congress*, the OIG investigation determined the former contractor employee entered a

secure area with a personal electronic device, which was seized and reviewed by Department security personnel at Kansas City National Security Campus. The OIG was notified by the Department, and pursuant to a Federal search warrant, discovered Child Sexual Abuse Material on the device. This is an ongoing investigation.

Guilty Plea to Conversion/Unlawful Conveying by CEO of Department Small Business Technology Transfer Awardee

A Department grant awardee pleaded guilty in the U.S. District Court for the Western District of New York to one count of 18 United States Code 641, unlawful conversion of Government money related to an NSF Small Business Innovation Research award. Specifically, the grant awardee pleaded guilty to using Government money in a manner unrelated to the NSF project. The OIG investigation determined that the grant awardee: (1) failed to pay its cooperating research institution the required 30% under a Department SBTT award; and (2) used NSF funds to pay salary to individuals who worked on the Department SBTT award, not the NSF Small Business Innovation Research award, despite receiving Department funds to do both. This was a joint investigation with the NSF OIG. The DOJ Press Release can be found [here](#).

Civil Settlement in False Claims Investigation

The DOJ in the U.S. District Court for the District of New Mexico and a former LANL contract employee entered into a \$67,500 Civil Settlement Agreement, of which \$38,549.83 is restitution for violations of the False Claims Act. As previously reported in the September 30, 2023, *Semiannual Report to Congress*, the OIG investigation determined the former contract employee made 23 false claims for time allegedly worked and expenses related to travel incurred. Specifically, the investigation found the former contract employee submitted false travel vouchers and time and attendance records for trips they never took from June 2016 through December 2017.

Financial Recovery in Suspect/Counterfeit Materials Investigation at the Y12 National Security Complex

The OIG was notified that a Department contractor at the Y12 National Security Complex in Oak Ridge, TN, returned \$971,347.50 to the Department as a result of an OIG investigation. The OIG investigation identified suspect/counterfeit materials associated with the construction of the new Uranium Processing Facility. The investigation resulted in the Department contractor identifying quality control issues with several vendors/subcontractors resulting in charge backs, ultimately resulting in funds returned to the Department.

Financial Recovery in a Contract Fraud Investigation

The OIG was notified that a Department prime contractor returned \$118,546.89 to the Department for unallowable costs related to contractor lobbying. The OIG investigation determined that two employees had met with congressional delegations to lobby during their official travel for a series of conferences sponsored by the Voluntary Protection Program.

Debarment in Former Department Contract Employee Misconduct/Cares Act Investigation

The Department's Office of Acquisition Management issued a debarment to a former Department contractor employee for a period of 3 years. As previously reported in the March 31, 2023, and March 31, 2024, *Semiannual Report to Congress*, the former contractor employee used their Department computer to falsely apply for and receive EIDL in the amount of \$24,000 to which they were not entitled. The former contractor employee pleaded guilty and was sentenced in the U.S. District Court for the District of South Carolina to 5 years of probation and restitution in the amount of \$24,000.

Debarment Issued by the Department

The Department's Office of Acquisition of Management issued a debarment to a former contractor employee at INL for a period of 3 years. The OIG investigation determined was in possession of Child Sexual Abuse Material. The former contractor employee pleaded guilty to two counts of possession of Child Sexual Abuse Material and was sentenced to 2 years in custody followed by an indeterminate period of custody of up to 8 years of incarceration. This investigation was prosecuted by the Bonneville County, ID, District Attorney's Office.

Debarment Issued by the Department

The Department's Office of Acquisition Management issued a notice of debarment to a University of Oklahoma Professor and spouse for a period of 3 years. As previously reported in the September 30, 2023, September 30, 2021, March 31, 2021 and September 30, 2020, *Semiannual Report to Congress*, the U.S. District Court for the Western District of Oklahoma sentenced an Oklahoma University professor to 27 months in prison and ordered to pay the Department \$2.1 million in restitution. The OIG investigation determined the professor and spouse made false statements to obtain Department SBTT grant awards and a grant from the NSF by failing to disclose support for their work from a university in the People's Republic of China. This was a joint investigation.

Debarment Issued by the Department

The Department's Office of Acquisition Management issued a notice of debarment to a former contractor and a former procurement officer for the Thomas Jefferson National Accelerator Facility for a period of 3 years. As previously reported in the September 30, 2023, and March 31, 2024, *Semiannual Report to Congress*, the former contractor was sentenced in the US District Court for the Eastern District of New York to 24 months of Federal probation, the first 6 months of which were home confinement; ordered to pay \$911,385 in forfeiture and \$1,805,147 in restitution to the Department. The former procurement officer was also sentenced in the U.S. District Court for the Eastern District of New York to 24 months of Federal probation and ordered to pay \$18,000 in forfeiture. The OIG investigation determined that the former procurement officer received a bribe in exchange for efforts to steer a Department contract to a former contractor. The investigation also revealed that suspect counterfeit items were sold to the Department by the former contractor, which caused a fire at the Thomas Jefferson National Accelerator Facility, leading to \$1.8 million in repairs and other costs.

Debarment Issued by the Department

The Department's Office of Acquisition Management issued a notice of suspension and proposed debarment for a former university professor listed as a Principal Investigator on a \$75 million Department consortium awardee. The OIG investigation determined that the former professor partnered with several companies in China to receive monies in a way that would evade taxes and failed to disclose foreign relationships to the Department. Also, a Department subcontractor employee for LBNL intentionally omitted required disclosure information of their external activities and contracts to include all personal businesses and other international and U.S. companies. LBNL calculated the amount paid to the subcontractor for salary, related benefits, and indirect costs, and was reimbursed \$88,850.32 for the subcontracts.

Antideficiency Violation Notices Sent to the White House and Congress From Ethics/Procurement Integrity Act Investigation

The OIG learned the previously issued Antideficiency Act violation notices were sent to the President, Vice President, Speaker of the House, the Government Accountability Office, and the OMB. As previously reported in the September 2024 *Semiannual Report to Congress*, the OIG Office of Counsel reviewed concerns regarding NNSA's general use of unpaid consultants, including the interaction with Continuing Service Agreements. The OIG Office of Counsel determined NNSA used unpaid consultants but appeared not to document the necessary compensation waivers. A written waiver is legally necessary to ensure the unpaid consultant cannot come back later to claim compensation for their work. The Department's Chief Financial Officer agreed there was an Antideficiency Act violation and would issue a formal report soon. Further, the Department and NNSA will also be required to notify both Congress and the White House that the violation occurred.

Guilty Plea and Deferred Prosecution in an Export Control Investigation

On February 26, 2025, former Government subcontractor executives who sold parts to the Department and DoD contractors pleaded guilty in the U.S. District Court for the Western District of Kentucky to one count of conspiring to violate the Arms Export Control Act. On February 28, 2025, another former Government subcontractor accounting manager signed a Deferred Prosecution Agreement. A fourth defendant, a Chinese National and owner of the Government subcontractor, fled to China to avoid arrest and remains at large. The OIG investigation determined from January 2012 through December 2018 that the Government subcontractor exported approximately 70 drawings containing export-controlled technical data to a Chinese magnet manufacturer without an export license, in violation of the International Traffic in Arms Regulations. The Government subcontractor then imported rare-earth magnetism sintered and magnetized by the Chinese magnet manufacturer and sold them to prime contractors who included them in components sold to the Department, DoD, and other Government agencies. This is an ongoing joint investigation with the Defense Criminal Investigative Service, DHS Investigations, and the FBI.

Reimbursement in a Timecard Fraud Investigation

On March 20, 2025, the OIG was notified that the management and operating contractor at LLNL reimbursed the Department \$9,337.21 as the result of an OIG investigation into timecard fraud. As previously reported in the March 31, 2023, *Semiannual Report to*

Congress, a former LLNL employee was issued a Notice of Investigatory Leave Letter and was subsequently terminated after the issuance of a Notice of Dismissal Letter. The OIG investigation determined the former employee was paid for 216 hours that were unworked.

INVESTIGATIONS INVOLVING UNAUTHORIZED PUBLIC DISCLOSURE OF CLASSIFIED INFORMATION

Pursuant to the requirement of Section 6718 of the National Defense Authorization Act, during the reporting period from October 1, 2024, through March 31, 2025, the Office of Investigations included the following reports:

The number of investigations opened regarding an unauthorized public disclosure of classified information	None
The number of investigations completed regarding an unauthorized public disclosure of classified information	None
Of the number of such completed investigations identified under Subparagraph (B), the number referred to the Attorney General for criminal investigation	N/A

INVESTIGATIONS INVOLVING SENIOR GOVERNMENT EMPLOYEES

During the reporting period from October 1, 2024, through March 31, 2025, the following investigations that involved a senior government employee at the GS-15 level or above were conducted by the Office of Investigations.

FACTS AND CIRCUMSTANCES	STATUS AND DISPOSITION	REFERRED TO THE DOJ	DOJ DECLINATION
Alleged recipient of an EIDL utilizing fraudulent information	Closed; Substantiated	Yes	No
Alleged recipient of an EIDL and Paycheck Protection Program loans utilizing fraudulent information	Closed; Unsubstantiated	Yes	Yes

OFFICE OF AUDITS

The Office of Audits is comprised of the General Audits Division and the Incurred Cost Audits Division. The General Audits Division conducts audits on Departmental programs and operations. The General Audit Division develops and publishes an annual work plan using a risk-based approach and modifies this plan as additional information (e.g., Hotline complaints, changes to the Department’s risk profile) is received throughout the year. The General Audits Division is comprised of approximately 70 auditors throughout the country.

The Incurred Cost Audits Division conducts audits of the costs incurred at the Department’s management and operating contractors. This division was established in FY 2022 upon the dissolution of the Cooperative Audit Strategy. The Incurred Cost Audits Division is comprised of approximately 30 auditors throughout the country.

STATISTICAL HIGHLIGHTS

PUBLISHED REPORTS

The following list identifies all reports issued by the Office of Audits from October 1, 2024, through March 31, 2025.

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	UNRESOLVED COSTS
Oct. 24, 2024	<i>Improved Oversight and Enforcement Would Help the Department of Energy Implement the Weatherization Assistance Program Under the Infrastructure Investment and Jobs Act (DOE-OIG-25-01)</i>	3	\$0	\$0	\$0	\$0
Dec. 30, 2024	<i>Savannah River Nuclear Solutions, LLC's Use of Corporate Reachback at the Savannah River Site (DOE-OIG-25-10)</i>	5	\$0	\$9,663,493	\$7,895,908	\$0
Mar. 7, 2025	<i>Mission Support and Test Services LLC Statement of Costs Incurred and Claimed Submissions for Fiscal Year Ended September 30, 2018 and Incurred Cost Submissions for Fiscal Years Ended September 30, 2019 and September 30, 2020 (DOE-OIG-25-17)</i> Because this report contains Controlled Unclassified Information, it was not released to the public.	5	\$0	\$0	\$0	\$0
Mar. 14, 2025	<i>SLAC National Accelerator Laboratory's Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2021 (DOE-DCAA-25-4281)</i> Because this report contains Controlled Unclassified Information, it was not released to the public.	2	\$0	\$6,014,780	\$0	\$0

In addition to published audit reports, the Office of Audits conducts reviews of major contractors’ Certified Indirect Cost Proposal Submissions to ensure adequacy for upcoming incurred cost audits, as well as Real Time Labor Reviews (floor checks) to ensure compliance with labor charging policies, procedures, and internal controls to be used in upcoming incurred cost audits.

REVIEW TYPE	TITLE	DATE
Adequacy	<i>The Fiscal Year 2023 Final Indirect Cost Proposal for Brookhaven Science Associates, LLC</i>	Feb. 25, 2025
Adequacy	<i>Final Indirect Cost Proposal for Savannah River Nuclear Solutions, LLC for Fiscal Year 2023</i>	Feb. 28, 2025
Adequacy	<i>UT-Battelle, LLC’s Final Indirect Cost Proposal for Fiscal Year 2023</i>	Mar. 18, 2025
Adequacy	<i>Final Indirect Cost Proposal for Triad National Security, LLC/Los Alamos National Laboratory for Fiscal Year 2023</i>	Mar. 19, 2025
Floor Check	<i>Review of National Technology and Engineering Solutions of Sandia, LLC’s Fiscal Year 2024 Labor Practices Under Department of Energy Management and Operating Contract No. DE-NA0003525</i>	Mar. 25, 2025
Floor Check	<i>Review of the Savannah River Nuclear Solutions, LLC, Fiscal Year 2024 Labor Practices Under Department of Energy Management and Operating Contract No. DE-AC09-08SR22470</i>	Mar. 27, 2025
Floor Check	<i>Final Indirect Cost Proposal for Iowa State University of Science and Technology, Management and Operating Contractor for Ames National Laboratory for Fiscal Year 2023</i>	Mar. 27, 2025
Adequacy	<i>Final Indirect Cost Proposal for National Technology and Engineering Solutions of Sandia, LLC, for Fiscal Year 2023</i>	Mar. 27, 2025

BETTER USE OF FUNDS

	TOTAL NUMBER	BETTER USE OF FUNDS
Reports issued before the reporting period that included recommendations for better use of funds for which decisions on dollars had not been made as of September 30, 2024	1	\$2,520,895
Reports issued during the reporting period that include recommendations for better use of funds (regardless of whether a decision on dollars has been made)	0	\$0
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	0	\$2,520,895
(i) Agreed to by management		\$2,520,895
(ii) Not agreed to by management		\$0
Reports that include recommendations for better use of funds for which decisions on dollars have not been made at the end of the reporting period	1	\$0
Better Use of Funds: Funds that could be used more efficiently by implementing recommended actions. Management Decision: Management’s evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management concerning its response.		

QUESTIONED AND UNSUPPORTED COSTS

	QUESTIONED COSTS ¹⁰				
	TOTAL NUMBER	ALLEGED VIOLATION	UNSUPPORTED COSTS	UNREASONABLE/ UNNECESSARY	TOTAL COSTS
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of September 30, 2024	9	\$1,398,933	\$30,037,473	\$176,325,474	207,761,880
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	2	\$0	\$7,895,908	\$15,678,273	\$23,574,181
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	6	\$124,967	\$1,088,183	\$16,375,632	\$17,588,782
(i) Value of disallowed costs		\$26,068	\$1,088,183	\$40,440	\$1,154,691
(ii) Value of costs not disallowed		\$98,899	\$0	\$16,335,192	\$16,434,091
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	8	\$1,273,966	\$36,845,198	\$175,628,115	\$213,747,279

¹⁰ Questioned costs were broken out into the updated Monetary Impact Report categories of alleged violation, unsupported, and unreasonable/unnecessary for questioned costs that are associated with open recommendations.

UNRESOLVED COSTS

Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of September 30, 2024	\$513,800,831
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	\$0
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	\$432,525,726
(i) Value of disallowed costs	\$0
(ii) Value of costs not disallowed	\$432,525,726
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	\$81,275,105

SUMMARY OF SELECT ACTIVITIES WITHIN THE OFFICE OF AUDITS

Improved Oversight and Enforcement Would Help the Department of Energy Implement the Weatherization Assistance Program

The OIG has issued numerous audit reports identifying risk areas within the Department’s Weatherization Assistance Program, such as senior leader fraud at the subgrantees, controls over acceptance of work, compliance with terms and conditions, grantee-level oversight issues, and administrative remedies. The Infrastructure Investment and Jobs Act appropriated \$3.5 billion to Weatherization Assistance Program, a significant increase to the enduring program’s funding. In our October 2024 audit, we identified issues requiring immediate management attention. Specifically, we found that 11 states exceeded the “expenditure limit per unit” by more than 50 percent; 21 states and territories did not submit quarterly reports to the Department on time, as required by the grants; and 16 states and territories that have approved plans and funding have not reported performance of completed units. We reported that the increased costs and lack of performance warranted immediate Department attention. (DOE-OIG-25-01, October 2024)

Savannah River Nuclear Solutions, LLC Did Not Follow Contract Requirements Regarding Corporate Reachback at the Savannah River Site

SRNS used corporate reachback employees—employees of SRNS’ parent companies, Fluor Federal Services, Inc., Newport News Nuclear, Inc. and Honeywell International, Inc.—to perform work under its management and operating contract with the Department for SRS. Corporate reachback employees are on loan to SRNS for an indefinite period and those employees typically receive travel and relocation expenses. We found that SRNS’ use of corporate reachback at SRS did not comply with its management and operating contract provisions and requirements governing the use of corporate reachback, and the overall costs incurred for these activities were not reasonable, allocable, and allowable. Specifically, we found that SRNS did not comply with its management and operating contract requirements to use competition in purchasing services from contractor-affiliated sources. We questioned a total of \$17,559,400.39 of the costs claimed by SRNS at SRS from

FY 2017 through FY 2021 for seconded corporate reachback employees as follows: \$8,920,136.12 in excess labor costs; \$7,895,907.88 in labor costs due to insufficient documentation to evaluate reasonableness; and \$743,356.39 in relocation costs. (DOE-OIG-25-10, December 2024)

The Department's Loan Programs Office Did Not Manage Organizational Conflicts of Interest in Compliance With Regulations and Contractual Obligations

The Department's LPO provides loans and loan guarantees to help deploy innovative clean energy, advanced transportation, and Tribal energy projects in the United States. Through the Infrastructure Investment and Jobs Act, Inflation Reduction Act, and related legislation, Congress issued more than \$385 billion in new loan authority for the LPO to administer. The LPO contracts with more than 300 contractor and subcontractor personnel to assist with loan application processing. These personnel support the LPO's review of loan applications, and they provide expertise in legal, engineering/technical, market analysis, and financial/credit aspects of loan applications. Interim findings of an OIG audit found that: (1) LPO did not track contractors who may serve both the LPO and prospective borrowers; (2) LPO did not track conflicts of interest disclosures or waiver requests for loans and loan guarantees; and (3) LPO's prime contractor did not implement its Organizational Conflict of Interest Management Plan, as required. Because the LPO did not collect information about and tracking all parties involved in loan administration, it did not know whether prospective borrowers had strategically hired the same third-party experts or affiliates that the LPO retained to assist with loan processing and due diligence. Also, by failing to track the parties involved in these transactions, as well as the disclosures and waiver requests, the LPO functionally abandoned any responsibility for identifying, evaluating, avoiding, neutralizing, or mitigating conflicts of interest. Finally, without verifying the prime contractor's implementation of its conflicts of interest program, the LPO could not assure that its prime contractor established reliable and valid processes to identify and report conflicts of interest.

OFFICE OF INSPECTIONS, INTELLIGENCE OVERSIGHT, AND SPECIAL PROJECTS

The Office of Inspections, Intelligence Oversight, and Special Projects conducts inspections and special projects on Departmental programs and operations to evaluate operational efficiency, effectiveness, and vulnerability. Inspections performed by this office include both performance-based and allegation-based.

The Office of Inspections, Intelligence Oversight, and Special Projects also conducts whistleblower investigations and operates the OIG Hotline. The OIG Hotline receives and processes allegations from Department employees, contractors, and the public. The Hotline frequently refers matters to Departmental management for either action or information.

The Office of Inspections, Intelligence Oversight, and Special Projects is comprised of approximately 50 inspectors, auditors, and investigators located throughout the country.

STATISTICAL HIGHLIGHTS

PUBLISHED REPORTS

The following list identifies all reports issued by the Office of Inspections, Intelligence Oversight, and Special Projects from October 1, 2024, through March 31, 2025.

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	UNRESOLVED COSTS
Oct. 28, 2024	<i>Subcontractor Conducted Unaccredited Asbestos Training at the Idaho National Laboratory (DOE-OIG-25-02)</i>	4	\$0	\$153,616	\$0	\$0
Dec. 30, 2024	<i>Allegations of Management Concerns at the Department of Energy's Office of Intelligence and Counterintelligence (DOE-OIG-25-11)</i>	2	\$0	\$0	\$0	\$0
Jan. 3, 2025	<i>Congressional Request: Review of the Secretary of Energy's Electric Vehicle Road Trip Travel Expenses (DOE-OIG-25-12)</i>	2	\$276	\$0	\$0	\$0
Mar. 31, 2025	<i>Remote Workers Received Incorrect Locality Pay Adjustments at the Department of Energy (DOE-OIG-25-18)</i>	3	\$0	\$0	\$0	\$0

BETTER USE OF FUNDS

	TOTAL NUMBER	BETTER USE OF FUNDS
Reports issued before the reporting period that included recommendations for better use of funds for which decisions on dollars had not been made as of September 30, 2024	1	\$0
Reports issued during the reporting period that include recommendations for better use of funds (regardless of whether a decision on dollars has been made)	1	\$276
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	1	\$0
(i) Agreed to by management		\$0
(ii) Not agreed to by management		\$0
Reports that include recommendations for better use of funds for which decisions on dollars have not been made at the end of the reporting period	1	\$276
Better Use of Funds: Funds that could be used more efficiently by implementing recommended actions. Management Decision: Management’s evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management concerning its response.		

QUESTIONED AND UNSUPPORTED COSTS

	TOTAL NUMBER	QUESTIONED COSTS ¹¹			TOTAL COSTS
		ALLEGED VIOLATION	UNSUPPORTED COSTS	UNREASONABLE/ UNNECESSARY	
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of September 30, 2024	1	\$0	\$38,773	\$0	\$38,773
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	1	\$153,616	\$0	\$0	\$153,616
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	1	\$0	\$38,773	\$0	\$38,773
(i) Value of disallowed costs		\$0	\$23,197	\$0	\$23,197
(ii) Value of costs not disallowed		\$0	\$15,576	\$0	\$15,576
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	1	\$153,616	\$0	\$0	\$153,616

¹¹ Questioned costs were broken out into the updated Monetary Impact Report categories of alleged violation, unsupported, unreasonable/unnecessary for questioned costs and pending audit.

SUMMARY OF SELECT ACTIVITIES WITHIN THE OFFICE OF INSPECTIONS, INTELLIGENCE OVERSIGHT AND SPECIAL PROJECTS

Allegations of Management Concerns at the Department of Energy's Office of Intelligence and Counterintelligence

During our inspection, we substantiated the allegation that Department Headquarters' SCIFs at the Forrestal Building did not meet U.S. Intelligence Community requirements. Specifically, we found that SCIF reaccreditations, technical security reviews, and self-assessments were not conducted for some SCIFs occupied by Intelligence. Additionally, we did not substantiate the allegation that Intelligence authorized a contractor employee to procure a contract for a congressionally directed review of Intelligence's CI Program. Further, while we substantiated the allegation that Intelligence has contractor employees conducting inspections of Intelligence's CI Program, we determined that the use of contractor personnel was not against Intelligence policy.

Noncompliance with U.S. Intelligence Community security requirements, which ensure that critical safeguards are fully implemented, may result in degradation of the security posture for SCIFs. This degradation can potentially expose highly classified national security information. To address the issues identified in this report, we made two recommendations that, if fully implemented, should help ensure that the Department maintains its Headquarters' SCIFs in compliance with U.S. Intelligence Community requirements. Management concurred with our recommendations and stated that developments for a Security Division Inspection Program to ensure that technical security reviews and self-assessments are conducted, as well as an interim Issue Management Program to track all findings and deficiencies involving Department-accredited SCIFs to ensure corrective actions are developed and implemented. (DOE-OIG-25-11, December 2024)

Congressional Request: Review of the Secretary of Energy's Electric Vehicle Road Trip Travel Expenses

During our inspection based on a request from the U.S. House of Representatives' Committee on Oversight and Accountability, we determined that 36 of the 42 travel vouchers (86 percent) for Department officials involved with the Secretary of Energy's June 2023 electric vehicle road trip contained lodging expenses that exceeded Government per diem rates. Additionally, we identified seven travel vouchers for which travel expenses exceeded 15 percent of the authorized cost. Further, we found four travel vouchers for which Government-issued travel cards were not used for expenses, as required. Moreover, travel voucher warnings addressing potential policy deviations and issues were unaddressed or inadequately justified. We also identified other issues separate from the concerns expressed by the U.S. House of Representatives' Committee on Oversight and Accountability that included: travelers being reimbursed for amounts that exceeded the Department's 15 percent tip policy; travel vouchers with inaccurate temporary duty locations and dates; and cost comparisons for travel to and from alternate locations that were not submitted with the travel authorizations, as required. These issues occurred because of inadequate reviews of travel vouchers and insufficient knowledge of Federal travel requirements.

The issues we identified in this report were the result of our review of one trip for official Department purposes, which led to the identification of issues with other trips. According to an Office of Travel Management official, the total cost of official travel for the Department in FY 2023 was \$58.8 million. Department personnel have a duty to be conscientious stewards of taxpayer funds.

To address the issues identified in this report, we made two recommendations that, if fully implemented, should help ensure the accuracy of travel authorizations and vouchers. Management concurred with our recommendations and stated that leadership will reinforce the importance of reviewing travel authorizations and vouchers for accuracy and will also provide refresher training on the Federal Travel Regulations and the Department Travel Manual to all approving officials. (DOE-OIG-25-12, January 2025)

Subcontractor Conducted Unaccredited Asbestos Training at the Idaho National Laboratory

During our inspection initiated from an OIG Hotline allegation on August 17, 2023, we substantiated the allegation that a contractor conducted unaccredited asbestos training at the INL. The complainant alleged that D&D Environmental Consulting, Inc. (D&D) had been under contract to conduct asbestos training but had not been certified to do so since 2013. We found that from February 2015 through May 2022, D&D conducted 8,000 hours of uncertified training for 236 INL asbestos professionals. We found that D&D's accreditation expired on January 30, 2015, and was not renewed. D&D's contract requires Environmental Protection Agency certification to ensure that asbestos professionals are properly trained. Accredited asbestos training addresses a variety of specialized topics such as pre-asbestos abatement work activities, personal protection, worker decontamination procedures, and safety in the abatement work area. Despite its contractual requirement, D&D conducted unaccredited initial and refresher asbestos training for INL asbestos professionals from February 2015 through May 2022. For over 7 years, INL's uncertified asbestos workforce conducted 243 renovations involving removal of asbestos-containing material.

Insufficient oversight of subcontractor performance occurred because D&D failed to keep its asbestos training accreditation current despite contractual and regulatory requirements, and INL did not verify that D&D maintained current accreditation as an asbestos trainer. We also learned that during the contract period, INL had not verified whether D&D's accreditation to administer the training was valid. INL's laboratory-wide procedure, LWP-7205, *Idaho National Laboratory Service Subcontracted Work*, requires that subcontractor training be current and documented prior to providing service. Lastly, D&D's unaccredited asbestos training resulted in 8,000 invalid training hours at an estimated cost of \$153,616, which we questioned as unallowable. Additionally, we estimated that 147 INL employees will require 3,776 hours of initial asbestos training at a cost of \$93,175 to recertify their positions as asbestos professionals. Finally, unaccredited asbestos training could call into question the validity of asbestos work done at INL over a 7-year period.

To address the issues identified in this report, we made four recommendations, that, if fully implemented, will bring the employees that require accredited asbestos training in compliance with regulations. Further, these recommendations should ensure that future subcontractors administer only accredited asbestos training.
(DOE-OIG-25-02, October 2024)

Remote Workers Received Incorrect Locality Pay Adjustments at the Department of Energy

The OIG received a Congressional inquiry to review the Department’s remote work practices. Specifically, the request expressed concern regarding the accuracy of official worksites for remote employees and their locality pay adjustments. We initiated this inspection to determine the facts and circumstances pertaining to the concerns regarding locality pay implementation at the Department.

We found that the Department did not implement locality pay adjustments accurately for five remote workers in our judgmental sample. The five employees identified each worked remotely from one location while receiving a locality pay adjustment for another location. Locality pay adjustments are determined by the cost of living in defined locality areas and should be made based on an employee’s official worksite. Further, during our inspection, the Department identified eight additional employees that were receiving incorrect locality pay adjustments. In total, those identified in our inspection were less than one percent of all remote employees in the Department.

We attributed these issues to insufficient internal controls regarding the determination of remote workers’ official worksites and locality pay adjustments. In particular, prior to our inspection, the Department did not: (1) fully implement data analytics to identify discrepancies between official worksites and locality pay adjustments; (2) specifically assign oversight responsibility for continued monitoring to ensure official worksites remained accurate; (3) require a periodic review of official worksites and recertification of Remote Work Agreements; and (4) require documentation to verify official worksites. If remote workers receive locality pay adjustments that are higher than appropriate, the Department is not fully achieving the cost savings that can be provided by remote work arrangements.

To address the issues identified in this report, we made three recommendations that, if fully implemented, should help ensure that the issues identified are corrected.
(DOE-OIG-25-18, March 2025)

WHISTLEBLOWER ACTIVITIES

Whistleblowers and individuals who report suspected wrongdoing to our Hotline play a critical role in keeping Government honest, efficient, and accountable.

Federal laws outline the duty of Federal employees to disclose wrongdoing, and they are to do so in an environment free from the threat of retaliation. The whistleblower activities reported below capture our investigations of alleged retaliation. The Hotline activities reported below capture the reporting and disposition of allegations received from Department employees, contractors, and the public.

Whistleblower matters open as of October 1, 2024	61
Whistleblower matters opened this period	8
Whistleblower matters closed this period	8
Whistleblower matters closed via Investigative Reports	0
Whistleblower matters closed via Letters	8
Whistleblower matters open as of March 31, 2025	61

HOTLINE ACTIVITIES

Total Hotline calls, emails, letters, and other complaints (contacts)	7,327 ¹²
Hotline contacts resolved immediately/ redirected/no further action	7,065
Hotline contacts predicated for evaluation	262
Total Hotline predications processed this reporting period	264 ¹³
Hotline predications transferred to OIG Program Office	48
Hotline predications referred to Department management or other entity for information/action	82
Hotline predications closed based upon preliminary OIG activity and review	117
Hotline predications open at the end of the reporting period	15

¹² This number refers to any contact that required Hotline staff review, including re-contacts for additional information and requests for disposition.

¹³ This number includes 17 predications carried over from the last semiannual reporting period.

OFFICE OF CYBER ASSESSMENTS AND DATA ANALYTICS

Cyber Assessments and Data Analytics promotes the effective, efficient, and economical operation of the Department's financial and information technology programs and operations, through audits, inspections, and other reviews. Additionally, this office provides Data Analytics support for OIG audits, inspections, and investigations.

The use of data analytics informs the OIG's understanding of the Department's risk and enables more proactive, targeted, and timely allocation of our investigative and audit resources against those risks. The OIG's Data Analytics Division was a vital team member working on six significant projects focused on specific referrals for audits or investigations. The division also continued work on enabling at least 10 capabilities to enhance the OIG ability for staff to conduct proactive work related to fraud detection and more efficient audit processes. Further, the division completed at least 13 other discrete requests in FY 2025 to support audits, investigations, and other OIG functions.

The Office of Cyber Assessments and Data Analytics also oversees the annual audit of the Department's consolidated financial statements. The most recent audit was conducted by KPMG LLP on the OIG's behalf. This audit fulfills the reporting on Federal Financial Management Improvement Act. In the audit report, *The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements*, KPMG stated that its test results disclosed no instances in which the Department's financial management system did not substantially comply with: (1) Federal financial management systems requirements; (2) applicable Federal accounting standards; and (3) the U.S. Government Standard General Ledger at the transactions level. (DOE-OIG-25-09, December 2024)

The Office of Cyber Assessments and Data Analytics is comprised of approximately 40 financial and technology auditors, statisticians, data scientists, database administrators, and analysts located throughout the country.

STATISTICAL HIGHLIGHTS

PUBLISHED REPORTS

The following list identifies all reports issued by the Office Cyber Assessments and Data Analytics from October 1, 2024, through March 31, 2025.

Department of Energy Office of Inspector General
October 1, 2024 – March 31, 2025

DATE ISSUED	REPORT TITLE	NUMBER OF RECS	BETTER USE OF FUNDS	QUESTIONED COSTS	UNSUPPORTED COSTS	UNRESOLVED COSTS
Nov. 14, 2024	<i>The Department of Energy Nuclear Waste Fund's Fiscal Year 2024 Financial Statement Audit (DOE-OIG-25-03)</i>	0	\$0	\$0	\$0	\$0
Nov. 15, 2024	<i>The Federal Energy Regulatory Commission's Fiscal Year 2024 Financial Statements (DOE-OIG-25-04)</i>	0	\$0	\$0	\$0	\$0
Dec. 4, 2024	<i>The Department of Energy Should Invest in and Implement Enterprise-Wide Data Analytics to Identify and Mitigate Risk (DOE-OIG-25-06)</i>	0	\$0	\$0	\$0	\$0
Dec. 9, 2024	<i>Progress Is Needed to Support the Department of Energy's Integration of Artificial Intelligence Into Intelligence Activities (DOE-OIG-25-07)</i>	3	\$0	\$0	\$0	\$0
Dec. 10, 2024	<i>The Federal Energy Regulatory Commission's Unclassified Cybersecurity Program – 2024 (DOE-OIG-25-08)</i>	0	\$0	\$0	\$0	\$0
Dec. 12, 2024	<i>The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements (DOE-OIG-25-09)</i>	0	\$0	\$0	\$0	\$0
Feb. 20, 2025	<i>Management Letter on The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements (DOE-OIG-25-13)</i>	22	\$0	\$0	\$0	\$0
Feb. 21, 2025	<i>Management Letter on The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2024 (DOE-OIG-25-14)</i>	48	\$0	\$0	\$0	\$0
Feb. 27, 2025	<i>The Western Area Power Administration's Fiscal Year 2024 Financial Statements Audit (DOE-OIG-25-15)</i>	2	\$0	\$0	\$0	\$0
Feb. 28, 2025	<i>The Western Area Power Administration's Fiscal Year 2024 Financial Statements Audit (DOE-OIG-25-16)</i>	0	\$0	\$0	\$0	\$0

BETTER USE OF FUNDS

	TOTAL NUMBER	BETTER USE OF FUNDS
Reports issued before the reporting period that included recommendations for better use of funds for which decisions on dollars had not been made as of September 30, 2024	0	\$0
Reports issued during the reporting period that include recommendations for better use of funds (regardless of whether a decision on dollars has been made)	0	\$0
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	0	\$0
(i) Agreed to by management		\$0
(ii) Not agreed to by management		\$0
Reports that include recommendations for better use of funds for which decisions on dollars have not been made at the end of the reporting period	0	\$0
Better Use of Funds: Funds that could be used more efficiently by implementing recommended actions.		
Management Decision: Management’s evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management concerning its response.		

QUESTIONED AND UNSUPPORTED COSTS

	TOTAL NUMBER	QUESTIONED COSTS ¹⁴			TOTAL COSTS
		ALLEGED VIOLATION	UNSUPPORTED COSTS	UNREASONABLE/ UNNECESSARY	
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of September 30, 2024	0	\$0	\$0	\$0	\$0
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	0	\$0	\$0	\$0	\$0
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	0	\$0	\$0	\$0	\$0
(i) Value of disallowed costs		\$0	\$0	\$0	\$0
(ii) Value of costs not disallowed		\$0	\$0	\$0	\$0
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	0	\$0	\$0	\$0	\$0

¹⁴ Questioned costs were broken out into the updated Monetary Impact Report categories of alleged violation, unsupported, unreasonable/unnecessary for questioned costs and pending audit.

SUMMARY OF SELECT ACTIVITIES WITHIN THE OFFICE OF CYBER ASSESSMENTS AND DATA ANALYTICS

The Department of Energy Nuclear Waste Fund's Fiscal Year 2024 Financial Statement Audit

The report presents the results of the independent certified public accountants' audit of the balance sheets of the Department NWF, as of September 30, 2024, and 2023, and the related statements of net cost, changes in net position, and combined statements of budgetary resources for the years then ended.

To fulfill the OIG's audit responsibilities, we contracted with the independent public accounting firm of KPMG to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on the NWF's financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on the NWF's financial statements.

KPMG concluded that the combined financial statements present fairly, in all material respects, the respective financial position of the NWF as of September 30, 2024, and 2023, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of this review, auditors also considered the NWF's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness. Additionally, the results of the auditors' review disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards or applicable OMB guidance. There were no formal recommendations that need to be tracked in the Departmental Audit Report Tracking System; therefore, an additional response was not required.
(DOE-OIG-25-03, November 2024)

The Federal Energy Regulatory Commission's Fiscal Year 2024 Financial Statements

The report presents the results of the independent certified public accountants' audit of FERC's balance sheets as of September 30, 2024, and 2023, and the related statements of net cost, changes in net position, custodial activity, and statements of budgetary resources for the years then ended, and the related notes to the financial statements.

To fulfill the OIG's audit responsibilities, we contracted with the independent public accounting firm of KPMG to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on FERC's financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed

no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on FERC's financial statements.

KPMG concluded that the financial statements present fairly, in all material respects, the financial position of FERC as of September 30, 2024, and 2023, and its net costs, changes in net position, custodial activity, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of this review, auditors also considered FERC's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness.

The results of the auditors' review disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards or applicable OMB guidance. There were no formal recommendations that needed to be tracked in the Departmental Audit Report Tracking System; therefore, an additional response was not required. (DOE-OIG-25-04, November 2024)

Implementation of Enterprise-Wide Data Analytics to Identify, Prioritize, and Mitigate Risks at the Department of Energy

Although the Department considers enterprise-wide risks in its decision making, it does so in a fragmented fashion by aggregating risks identified by each element rather than examining risks from an enterprise-wide perspective. This approach, which reflects the Department's decentralized management and operating culture, results in gaps in information because the enterprise-wide risk environment is multi-dimensional and extends beyond a compilation of element-based risks. The gaps, in turn, create blind spots in the universe of data that, if captured, could be used to more efficiently identify, track, and respond to risks across the Department. Enterprise-wide risks are increasingly significant because the Department faces: (1) increasing and evolving external threats; (2) complex interactions with other Government and private sector stakeholders; (3) pressing and dynamic national security imperatives to accelerate integration of nuclear security enterprise modernization; and (4) the adoption of new missions aimed at fundamental national energy transformation. (DOE-OIG-25-06, December 2024)

Integration of Artificial Intelligence Into Intelligence Activities

Our test work found that Intelligence had only fully implemented 1 of the 2 Intelligence Authorization Act for FY 2023 requirements for which the Department had direct responsibilities. Much of the remaining work was not complete at the time of our review, and most deadlines for the requirements had passed. We identified certain risks to Intelligence which could impact its ability to implement requirements and additional AI technologies in the future. In particular, Intelligence officials informed us that they had internal difficulties in implementing AI technologies due to limited funding, lack of human capital, and outdated systems that prevent rapidly implementing new technologies. This is

important not just because of considerations in implementing AI, but also because Intelligence is operating an outdated technology infrastructure. It is also critical that planning and implementing AI is conducted in recognition of appropriate safeguards. Responsible AI use has the potential to help solve urgent challenges while making our world more prosperous, productive, innovative, and secure. However, irresponsible use could exacerbate societal harms, such as fraud, discrimination, bias, and disinformation; displace and disempower workers; stifle competition; and pose risks to national security. (DOE-OIG-25-07, December 2024)

The Federal Energy Regulatory Commission’s Unclassified Cybersecurity Program – 2024

FERC is an independent agency within the Department that assists consumers in obtaining economically efficient, safe, reliable, and secure energy services at a reasonable cost through appropriate regulatory and market means and collaborative efforts. FERC’s major responsibilities center on regulating the Nation’s transmission and wholesale of electricity, transmission and sale of natural gas, and the transportation of oil by pipelines. FERC reviews proposals to build liquefied natural gas terminals and interstate natural gas pipelines, as well as licensing hydropower projects.

FISMA establishes requirements for Federal agencies to develop, document, and implement an agency-wide information security program to ensure that information technology resources are adequately protected. FISMA also mandates that each agency annually performs an independent evaluation of the agency’s information security program by its appointed Inspector General or by an independent external auditor as determined by the Inspector General. Our evaluation assessed FERC’s unclassified cybersecurity program according to FISMA security metrics developed by the OMB and the Council of the Inspectors General on Integrity and Efficiency. The metrics are focused around five cybersecurity functions and nine security domains that align with the National Institute of Standards and Technology’s Framework for Improving Critical Infrastructure Cybersecurity.

Based on FY 2024 test work performed by KPMG, nothing came to our attention to indicate that attributes required by the OMB, the National Institute of Standards and Technology, and DHS Security were not incorporated into FERC’s unclassified cybersecurity program. We found no indication that the reviewed general information technology controls and business process application controls implemented within FERC’s information technology environment were ineffective. Notably, our test work was limited only to a review of required FISMA metrics and select controls over financial processes. Our review did not include technical vulnerability testing.

Because nothing came to our attention that would indicate significant control weaknesses in the areas tested, we did not make any recommendations related to this evaluation. (DOE-OIG-25-08, December 2024)

The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements

The report presents the results of the independent certified public accountants' audit of the Department's consolidated financial statements as of September 30, 2024, and 2023, and the related consolidated statements of net costs, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

To fulfill the OIG's audit responsibilities, we contracted with the independent public accounting firm of KPMG to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on the Department's financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on the Department's financial statements.

KPMG audited the consolidated financial statements of the Department as of September 30, 2024, and 2023, and the related consolidated statements of net costs, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements. Based on its audit and the reports of other auditors, KPMG concluded that except for an opinion qualification on the Portsmouth Paducah Project Office's \$39.1 billion environmental liability and a material weakness for internal controls related to financial reporting over environmental liability estimates, the consolidated financial statements present fairly, in all material respects, in accordance with U.S. generally accepted accounting principles for the years ended September 30, 2024, and 2023.

As part of this review, the auditors also considered the Department's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the consolidated financial statements. During the audit, KPMG identified a material weakness over the environmental management liability estimate. KPMG determined that Office of Environmental Management Headquarters had not ensured that the environmental liability estimate was adequately supported with valid cost estimates, schedules, and assumptions. For instance, KPMG identified that numerous sites did not maintain documentation to support risks and cost estimates associated with the environmental liability. In addition, KPMG noted that the lack of management review at one site contributed to an environmental liability overstatement of \$1.8 billion.

The OIG issued notices of findings and recommendations to management throughout the audit. All findings and recommendations will be detailed in a separate management letter that will be provided to the Department. The audit disclosed no instances of noncompliance or other matters required to be reported under applicable audit standards and requirements. There were no formal recommendations that need to be tracked in the Departmental Audit Report Tracking System; therefore, an additional response was not required. (DOE-OIG-25-09, December 2024)

The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements

Pursuant to requirements established by the Government Management Reform Act of 1994, the OIG engaged the independent public accounting firm of KPMG to perform the audit of the Department's FY 2024 Consolidated Financial Statements. During the audit, KPMG considered the Department's internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the consolidated financial statements.

During the audit, KPMG identified certain deficiencies in internal control that were considered to be a material weakness and communicated this material weakness in the audit report dated December 12, 2024. Specifically, KPMG identified a material weakness over the environmental management liability estimate. KPMG determined that Office of Environmental Management Headquarters had not ensured that the environmental liability estimate was adequately supported with valid cost estimates, schedules, and assumptions. For instance, KPMG identified that three sites at the Portsmouth Paducah Project Office did not maintain documentation to support risks and cost estimates associated with \$39.1 billion of its environmental liability. KPMG also noted that the lack of management review at the Office of River Protection contributed to an overstatement of \$1.8 billion. Finally, SRS did not ensure that supporting documentation was available for risks associated with two of its projects. The findings that led to the material weakness were included in an attached management letter.

Although not considered to be significant deficiencies or material weaknesses, KPMG noted other deficiencies in internal control that are also included in the attached management letter. The attached letter contained 13 new findings, 1 repeat finding, and a total of 22 recommendations that were issued during the audit of the Department's FY 2024 Consolidated Financial Statements. Except for one instance, management fully concurred with each of the recommendations included in the management letter and had taken or planned to take corrective actions. Management's responses were included with each finding. (DOE-OIG-25-13, February 2025)

Protecting the Department's Information Resources and Enhancing Its Overall Cybersecurity Posture

Our report on the Department's FY 2024 unclassified cybersecurity program identified control weaknesses and opportunities for improvement at the Department's sites and programs. We made 48 recommendations that, if fully implemented, should help protect Department information resources and enhance its overall cybersecurity posture. This is significant because without improvements to address the weaknesses identified, the Department may be unable to adequately protect its information systems and data from compromise, loss, or modification. Because this report contains Controlled Unclassified Information, it was not released to the public. (DOE-OIG-25-14, February 2025)

The Western Area Power Administration’s Fiscal Year 2024 Financial Statements Audit

The report presents the results of the independent certified public accountants’ audit of WAPA balance sheets as of September 30, 2024, and 2023, and the related consolidated statements of net costs, changes in net position, and custodial activity, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

To fulfill the OIG’s audit responsibilities, we contracted with the independent public accounting firm of KPMG to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on WAPA’s financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards. The OIG did not express an independent opinion on WAPA’s financial statements.

KPMG concluded that the financial statements present fairly, in all material respects, the financial position of WAPA as of September 30, 2024, and 2023, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of this review, auditors also considered WAPA’s internal controls over financial reporting and tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements. The audit did not identify any deficiency in internal control over financial reporting that is considered a material weakness.

The OIG issued Notices of Findings and Recommendations to management throughout the audit. All findings and recommendations will be detailed in a separate management letter that will be provided to WAPA. The audit disclosed no instances of noncompliance or other matters required to be reported under applicable audit standards and requirements. (DOE-OIG-25-15, February 2025)

The Western Area Power Administration’s Fiscal Year 2024 Financial Statements Audit

The OIG engaged its contractor, the independent public accounting firm of KPMG to conduct the FY 2024 financial statement audit of WAPA, subject to our review. As part of this audit, we considered WAPA’s internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing its opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WAPA’s internal control.

As indicated in the report, the OIG issued two internal control deficiency findings to WAPA containing two recommendations. Management fully concurred with the findings and recommendations and had taken or planned to take corrective actions. (DOE-OIG-25-16, February 2025)

PEER REVIEWS

PEER REVIEWS CONDUCTED BY DEPARTMENT OIG OCTOBER 1, 2024 – MARCH 31, 2025			
TYPE OF REVIEW	DATE OF PEER REVIEW	OIG REVIEWED	OUTSTANDING RECOMMENDATIONS
Audit	November 2024	U.S. Department of the Treasury	None - Pass
Inspection	N/A	N/A	N/A
Investigation	N/A	N/A	N/A

PEER REVIEWS CONDUCTED BY OTHER OIGS OCTOBER 1, 2024 – MARCH 31, 2025				
TYPE OF REVIEW	DATE OF PEER REVIEW	REVIEWING OIG	FREQUENCY REQUIREMENT	OUTSTANDING RECOMMENDATIONS
Audit	March 2025	Social Security Administration	At Least Once Every 3 Years	2
Inspection	None	N/A	At Least Once Every 3 Years	N/A
Investigation	None	N/A	N/A	N/A

OFFICE OF COUNSEL

The Office of Counsel provides a broad range of legal services to support the mission of the OIG. A few of these services are reported below.

FREEDOM OF INFORMATION ACT AND PRIVACY ACT

The OIG Office of Counsel processes FOIA/PA requests related to the activities of the OIG. During the reporting period, the OIG received 36 new FOIA/PA requests and closed 55 FOIA/PA requests. The OIG also conducted eight other FOIA/PA-adjacent information releases related to consultations, proactive reports, and congressional requests. During the reporting period, one requestor filed an appeal with the Department’s Office of Hearings and Appeals, and the OIG successfully defended the appeal. As of the end of the reporting period, the OIG had 34 FOIA/PA requests pending.

SUSPENSION AND DEBARMENT

The OIG refers matters to suspension and debarment authorities as part of our mission to ensure the program and operational integrity of the Department. These referrals also

protect the rest of the Government by preventing bad actors from participating in new Government contracts, grants, cooperative agreements, loan guarantees, and other transactions. The OIG’s suspension and debarment practice provides forward-looking protection to complement the other remedies our work supports. We made two such referrals during this reporting period.

ACTIONS TAKEN BY DEPARTMENT MANAGEMENT IN RESPONSE TO OFFICE OF INSPECTOR GENERAL REPORTS AND INVESTIGATIONS

During the reporting period from October 1, 2024, through March 31, 2025, the Department took positive actions resulting from OIG work conducted during the current or previous periods:

❖ ***Congressional Request: Review of the Secretary of Energy’s Electric Vehicle Road Trip Travel Expenses***

During our inspection initiated from a request from the U.S. House of Representatives’ Committee on Oversight and Accountability, we found various issues pertaining to travel vouchers. The issues with travel vouchers were a result of inadequate reviews and insufficient knowledge of Federal travel requirements. As a result of our inspection, the Department’s Office of Management issued a formal communication to managers that required approving officials in Departmental elements to be aware of their responsibilities, possess the required knowledge of pertinent regulations and agency procedures when reviewing travel authorizations and vouchers, and to consistently perform the required reviews. Additionally, the Office of Management is to be contacted to provide any training or guidance needed for assistance.

❖ ***The Department of Energy’s Unclassified Cybersecurity Program for Fiscal Year 2024***

As noted in our Management Letter, the Department had taken corrective actions to address weaknesses identified by the OIG during prior year cybersecurity evaluations. As a result of actions taken, the OIG closed seven prior year recommendations, including one dating back to FY 2021 that addressed weaknesses in the Department’s cybersecurity program. Corrective actions were taken to address OIG-identified weaknesses related to, but not limited to, access reviews, audit logging, and vulnerability management.

❖ ***Cybersecurity Over the Clearance Action Tracking System***

In response to our inspection report over one of the NNSA high value assets, several corrective actions were completed. For example, NNSA updated its enterprise cybersecurity program plan to provide additional guidance and requirements for NNSA systems, users, and program personnel. The system security plan for the high value asset was also updated to enhance the security posture of the system. In addition, the Department implemented actions to improve the management of records in the system, which contains significant amounts of personally identifiable information.

❖ ***NNSA’s Control and Accountability of Nuclear Weapons Systems As-Built Information***

During the early stages of a planned follow-up review on our audit, *National Nuclear Security Administration Nuclear Weapons Systems Configuration Management* (DOE/IG-0902, March 2014), we identified that NNSA had taken actions to implement our prior recommendation. The OIG had recommended that NNSA “complete initiated actions to prioritize, collect, and digitize the original as-built nuclear weapons product definition information and continue to identify and implement options for associating this information with the serialized weapons systems and components.” Our follow-up work in this important area to help ensure the efficacy of our nuclear stockpile found that NNSA’s actions resulted in measurable improvements in controlling and accounting for decades-old, but still relevant, nuclear weapons data. Specifically, in response to our recommendation, NNSA took action to upgrade a database that maintains the decades-old product definition data, and NNSA demonstrated that it was able to associate that data with serialized weapon systems in the stockpile.

❖ ***Financial Recovery in Suspect/Counterfeit Materials Investigation at the Y12 National Security Complex***

The OIG was notified that a Department contractor at the Y12 National Security Complex in Oak Ridge, TN, returned \$971,347.50 to the Department as a result of an OIG investigation. The OIG investigation identified suspect/counterfeit materials associated with the construction of the new Uranium Processing Facility. The investigation resulted in the Department contractor identifying quality control issues with several vendors/subcontractors resulting in charge backs, ultimately resulting in funds returned to the Department.

❖ ***Financial Recovery in a Contract Fraud Investigation***

The OIG was notified that a Department prime contractor returned \$118,546.89 to the Department for unallowable costs related to contractor lobbying. The OIG investigation determined that two employees had met with congressional delegations to lobby during their official travel for a series of conferences sponsored by the Voluntary Protection Program.

❖ ***Debarment Issued by the Department***

The Department’s Office of Acquisition Management issued a notice of suspension and proposed debarment for a former university professor listed as a Principal Investigator on a \$75 million Department consortium awardee. The OIG investigation determined that the former professor partnered with several companies in China to receive monies in a way that would evade taxes and failed to disclose foreign relationships to the Department. Also, a Department subcontractor employee for LBNL intentionally omitted required disclosure information of their external activities and contracts to include all personal businesses and other international and U.S. companies. LBNL calculated the amount paid to the subcontractor for salary, related benefits, and indirect costs and was reimbursed \$88,850.32 for the subcontracts.

COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL

INTERFERENCE WITH INSPECTOR GENERAL INDEPENDENCE

During the reporting period from October 1, 2024, through March 31, 2025, the Department neither interfered with OIG independence nor denied funding for OIG activities.

MANAGEMENT DECISION STATUS

During the reporting period from October 1, 2024, through March 31, 2025, there were no audit or inspection reports where the OIG disagreed with the management decision, and no revised management decisions were made. Regarding audit and inspection reports issued during prior reporting periods, none received a management decision or lacked a management decision.

RECOMMENDATIONS ACCEPTED BUT NOT YET IMPLEMENTED

The following table identifies 40 reports with a total of 184 recommendations, which were agreed to by the Department but have not been implemented as of March 31, 2025. The total potential cost savings associated with these reports is \$266,482,393.

DATE ISSUED	REPORT TITLE	OPEN RECS	POTENTIAL MONETARY BENEFIT
Dec. 17, 2007	<i>Beryllium Surface Contamination at the Y-12 National Security Complex</i> (IG-0783)	1	\$0
Feb. 14, 2014	<i>The Technology Transfer and Commercialization Efforts at the Department of Energy's National Laboratories</i> (OAS-M-14-02)	3	\$0
Oct. 31, 2018	<i>The Department of Energy's Funds Distribution System 2.0</i> (DOE-OIG-19-03)	5	\$0
June 10, 2019	<i>The Department of Energy's Management of the ActioNet Information Technology Support Contract</i> (DOE-OIG-19-35)	4	\$0
June 1, 2020	<i>The Strategic Petroleum Reserve's Modernization Program</i> (DOE-OIG-20-43)	1-2	\$0
July 13, 2020	<i>Audit Coverage of Cost Allowability for Nuclear Waste Partnership, LLC, from October 1, 2014, to September 30, 2017, under the Department of Energy Contract No. DE-EM0001971</i> (DOE-OIG-20-49)	1	\$2,613,069
Sept. 21, 2022	<i>The Management of Emergency Communication Systems at the Oak Ridge Reservation</i> (DOE-OIG-22-43)	1	\$0

Department of Energy Office of Inspector General
October 1, 2024 – March 31, 2025

DATE ISSUED	REPORT TITLE	OPEN RECS	POTENTIAL MONETARY BENEFIT
Mar. 6, 2023	<u>Audit Coverage in Office of Science Grants</u> (DOE-OIG-23-14)	1, 4	\$5,944,065 (Rec 1)
Mar. 6, 2023	<u>Review of the Department's Insider Threat Analysis and Referral Center</u> (DOE-OIG-23-15)	2, 4	\$0
Mar. 30, 2023	<u>Security over Cloud Computing Technologies at Select Department of Energy Locations</u> (DOE-OIG-23-18)	1-4	\$0
May 17, 2023	<u>The Department of Energy's Payment Integrity Reporting in the Fiscal Year 2022 Agency Financial Report</u> (DOE-OIG-23-22)	3	\$0
June 1, 2023	<u>Access of Executive Branch Personnel Records</u> (DOE-OIG-23-23)	1-2	\$0
June 13, 2023	<u>Management of the Bonneville Power Administration's Cybersecurity Program</u> (DOE-OIG-23-25)	1-19	\$0
Aug. 11, 2023	<u>Management of the Los Alamos National Laboratory's Unclassified Cybersecurity Program</u> (DOE-OIG-23-28)	1-2	\$0
Aug. 28, 2023	<u>Fermi Research Alliance, LLC, Costs Claimed under Department of Energy Contract No. DE-AC02-07CH11359 for Fiscal Year 2018</u> (DOE-OIG-23-29)	9	\$0
Sept. 29, 2023	<u>Sensitive and High-Risk Property Management at the Brookhaven National Laboratory</u> (DOE-OIG-23-35)	1-3	\$0
Sept. 29, 2023	<u>The Department of Energy's Oversight of the Employee Concerns Program</u> (DOE-OIG-23-36)	1	\$0
Sept. 29, 2023	<u>UT-Battelle, LLC, Costs Claimed under Department of Energy Contract No. DE-AC05-00OR22725 for Fiscal Year 2017</u> (DOE-OIG-23-37)	3	\$15,311,819 (Rec 3)
Nov. 22, 2023	<u>Management of Indirect Funded Minor Construction Projects at Argonne National Laboratory</u> (DOE-OIG-24-07)	2, 4	\$0

DATE ISSUED	REPORT TITLE	OPEN RECS	POTENTIAL MONETARY BENEFIT
Mar. 27, 2024	<u>Management of Cybersecurity Over the Clearance Action Tracking System</u> (DOE-OIG-24-15)	1, 6, 12, 24-27	\$0
May 23, 2024	<u>The Department of Energy's Ransomware Countermeasures and Response</u> (DOE-OIG-24-18)	1-3	\$0
July 2, 2024	<u>Bonneville Power Administration's Physical Protection Program for Critical Assets</u> (DOE-OIG-24-21)	1-2	\$0
July 8, 2024	<u>The National Nuclear Security Administration's Energy Savings Performance Contract with NORESKO, LLC at the Pantex Plant</u> (DOE-OIG-24-23)	2	\$0
July 25, 2024	<u>The Southwestern Federal Power System's Fiscal Year 2023 Financial Statements Audit</u> (DOE-OIG-24-24)	2-4	\$0
Aug. 13, 2024	<u>Implementation and Administration of the Human Reliability Program at the Savannah River Site</u> (DOE-OIG-24-25)	1, 4-5	\$0
Aug. 30, 2024	<u>Opportunities Exist to Improve Bonneville Power Administration's Management of Fish and Wildlife Program Contracts</u> (DOE-OIG-24-27)	1, 2, 3, 4, 6, 7, 8	\$0
Sept. 6, 2024	<u>Audit of The Regents of the University of California's Management and Operating Contract of Lawrence Berkeley National Laboratory Statement of Costs Incurred and Claimed Submissions for Fiscal Years Ended September 30, 2019, and September 30, 2020</u> (Independent Public Accountant Report 0617584-2381-20)	1-2	\$0
Sept. 23, 2024	<u>UChicago Argonne, LLC Costs Claimed Under Department of Energy Contract No. DE-AC02-06CH11357 for Fiscal Year 2019</u> (DOE-OIG-24-29)	1, 2, 4, 5, 6	\$73,634,017 (Rec 5) \$162,964,643 (Rec 6)
Sept. 24, 2024	<u>Western Area Power Administration Would Benefit From Improvements to Its Management of Critical Spare Parts</u> (DOE-OIG-24-30)	2	\$0
Sept. 26, 2024	<u>Opportunities Exist to Improve NNSA's Contract Administration and Oversight of Skookum Educational Programs</u> (DOE-OIG-24-33)	1, 4, 6, 7	\$0

DATE ISSUED	REPORT TITLE	OPEN RECS	POTENTIAL MONETARY BENEFIT
Sept. 27, 2024	<u>Bonneville Power Administration Needs to Improve Cybersecurity Over Selected Transmission Infrastructure Systems</u> (DOE-OIG-24-34)	1-18	\$0
Sept. 30, 2024	<u>The Department of Energy Has Made Little Progress Implementing the Geospatial Data Act of 2018</u> (DOE-OIG-24-35)	2, 3, 4	\$0
Oct. 28, 2024	<u>Subcontractor Conducted Unaccredited Asbestos Training at the Idaho National Laboratory</u> (DOE-OIG-25-02)	4	\$0
Dec. 9, 2024	<u>Progress Is Needed to Support the Department of Energy's Integration of Artificial Intelligence Into Intelligence Activities</u> (DOE-OIG-25-07)	1-3	\$0
Dec. 30, 2024	<u>Allegations of Management Concerns at the Department of Energy's Office of Intelligence and Counterintelligence</u> (DOE-OIG 25-11)	1	\$0
Feb. 20, 2025	<u>Management Letter on The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements</u> (DOE-OIG-25-13)	1-22	\$0
Feb. 21, 2025	<u>Management Letter on The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2024</u> (DOE-OIG-25-14)	1a, 2a-b, 3a-b, 4a-b, 5a-b, 6a-b, 7a-c, 8a-b, 9a-b, 12a, 13a-b, 14a-b, 17a-b, 19a, 20a-b, 21a, 22a, 23a, 24a-b, 25a-b, 26a-d	\$0
Mar. 7, 2025	<u>Performance Audit of Mission Support and Test Services LLC Statement of Costs Incurred and Claimed Submissions for Fiscal Year Ended September 30, 2018 and Incurred Cost Submissions for Fiscal Years Ended September 30, 2019 and September 30, 2020</u> (DOE-OIG-25-17)	1-5	\$0
Mar. 14, 2025	<u>SLAC National Accelerator Laboratory's Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2021</u> (DOE-DCAA-25-4281)	1-2	\$6,014,780
Mar. 31, 2025	<u>Remote Workers Received Incorrect Locality Pay Adjustments at the Department of Energy</u> (DOE-OIG-25-18)	1-3	\$0

Total Open Recommendations

184 \$266,482,393¹³

¹³ This number under-represents the potential monetary impact of the recommendations. The Council of the Inspectors General on Integrity and Efficiency is currently examining metrics associated with monetary

REVIEWS CLOSED AND NOT DISCLOSED TO THE PUBLIC

The OIG did not issue any reports that were undisclosed to the public for the reporting period from October 1, 2024, through March 31, 2025.

LEGISLATIVE AND REGULATORY REVIEWS

The legislative reviews occurring during this period took place at the request of the Council of the Inspectors General on Integrity and Efficiency's Legislation Committee. The OIG gave substantive input on several legislative proposals.

CONGRESSIONAL TESTIMONY

On February 26, 2025, Chief Advisor for Strategic Planning and Project Oversight Jonathan Black appeared before the House Committee on Energy and Commerce's Subcommittee on Oversight and Investigations. The purpose of this hearing was to examine the Biden Administration's energy and environment spending. Chief Advisor Black appeared at this hearing along with the Acting Inspector General of the Environmental Protection Agency and Directors from the Government Accountability Office.

During the testimony before the Committee, Mr. Black emphasized concerns over the LPO's potential conflicts of interest, the LPO's accelerated loan closures, and general results from two LPO loan file reviews.

impact calculations.

SEMIANNUAL REPORTING REQUIREMENTS INDEX

This table identifies the report sections that meet each reporting requirement prescribed by the Inspector General Act of 1978 and the Inspector General Empowerment Act of 2016.

REPORTING REQUIREMENT	SECTION	PAGE
Review of Legislation and Regulations	5 U.S.C. § 404(a)(2)	35
Total Number of Issued Investigative Reports	5 U.S.C. § 405(a)(11)(A)	2
Referrals to the DOJ for Criminal Prosecution	5 U.S.C. § 405 (a)(11)(B)	2
Total Number of Persons Referred to the State/Local Prosecuting Authorities for Criminal Prosecution	5 U.S.C. § 405 (a)(11)(C)	2
Total Number of Indictments and Criminal Informations During the Reporting Period that Resulted From Any Prior Referral to Prosecuting Authorities	5 U.S.C. § 405 (a)(11)(D)	2
Description of the Metrics Used for Developing the Data for the 5(a)(11) Statistical Tables	5 U.S.C. § 405 (a)(12)	2
Investigations Involving Senior Government Employees	5 U.S.C. § 405 (a)(13)	7
Instances of Whistleblower Retaliation	5 U.S.C. § 405 (a)(14)(A)	18
Detailed Description of Any Attempt by the Department to Interfere With the Independence of the OIG	5 U.S.C. § 405 (a)(15)(A)	31
Reviews Closed and Not Disclosed to the Public	5 U.S.C. § 405 (a)(16)(A)	35
Recommendations for Corrective Action to Significant Problems	5 U.S.C. § 405 (a)(1)	31
Previous Reports' Recommendations for Which Corrective Action Has Not Been Implemented	5 U.S.C. § 405 (a)(2)	31
Summary of Significant Investigations	5 U.S.C. § 405 (a)(3)	3
Total Number of Convictions in This Reporting Period	5 U.S.C. § 405 (a)(4)	2
Information Regarding Each Audit, Inspection, or Evaluation Report Issued	5 U.S.C. § 405 (a)(5)(A)	8, 13, 19
Description of Significant Reports	5 U.S.C. § 405 (a)(1)	11, 15, 22
Dollar Value of Questioned Costs	5 U.S.C. § 405 (a)(5)(B)	10, 14, 21
Reports With Recommendations That Funds Be Put to Better Use	5 U.S.C. § 405 (a)(5)(B)	10, 14, 21
Management Decision Status	5 U.S.C. § 405 (a)(6)	31
Federal Financial Management Improvement Act-Related Reporting	5 U.S.C. § 405 (a)(7)	19
Peer Review Results	5 U.S.C. § 405 (a)(9-10)	28

COMMONLY USED TERMS

Artificial Intelligence	AI
Code of Federal Regulations	CFR
Counterintelligence	CI
D&D Environmental Consulting, Inc.	D&D
Department of Defense	DoD
Department of Energy	Department or DOE
Department of Homeland Security	DHS
Department of Justice	DOJ
Economic Injury Disaster Loan	EIDL
Federal Acquisition Regulation	FAR
Federal Bureau of Investigation	FBI
Federal Energy Regulatory Commission	FERC
Federal Information Security Modernization Act of 2014	FISMA
Fiscal Year	FY
Freedom of Information Act	FOIA
Idaho National Laboratory	INL
KPMG LLP	KPMG
Lawrence Berkeley National Laboratory	LBNL
Lawrence Livermore National Laboratory	LLNL
Loan Programs Office	LPO
Los Alamos National Laboratory	LANL
National Nuclear Security Administration	NNSA
National Science Foundation	NSF
Nuclear Waste Fund	NWF
Office of Inspector General	OIG
Office of Intelligence and Counterintelligence	Intelligence

Office of Management and Budget	OMB
Office of Personnel Management	OPM
Privacy Act	PA
Savannah River Nuclear Solutions, LLC	SRNS
Savannah River Site	SRS
Sensitive Compartmented Information Facilities	SCIF
Small Business Administration	SBA
Small Business Technology Transfer	SBBT
Western Area Power Administration	WAPA

ABOUT THE DEPARTMENT AND THE OFFICE OF INSPECTOR GENERAL

The Department is headquartered in Washington, DC, and is responsible for the Energy Information Administration, NNSA, 21 pre-eminent research laboratories and technology centers, 4 power marketing administrations, 10 field offices, and 17 program offices, which help manage the Department’s mission with over 16,000 Federal employees and more than 124,000 contract employees. The Department is the Nation’s top sponsor of research and development and has won more Nobel Prizes and research and development awards than any private sector organization, and twice as many as all other Federal agencies combined. The mission of the Department is to ensure America’s security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions.

The OIG’s mission is to strengthen the integrity, economy, and efficiency of the Department’s programs and operations. The OIG has the authority to inquire into all Department programs and activities as well as the related activities of persons or parties associated with Department grants, contracts, or other agreements. As part of its independent status, the OIG provides the Secretary with an impartial set of “eyes and ears” to evaluate management practices.

THE OFFICE OF INSPECTOR GENERAL HOTLINE CONTACT INFORMATION

Contact the OIG Hotline if you suspect fraud, waste, or abuse involving Department programs, a Department employee, contractor, or grant recipient.

Complaint Form	https://www.energy.gov/ig/complaint-form
Toll Free Telephone Number	1-800-541-1625
Washington DC Metro Telephone Number	1-202-586-4073
Fax	1-202-586-4902
Email Address	ighotline@hq.doe.gov
Mailing Address	U.S. Department of Energy Office of Inspector General ATTN: IG Hotline 1000 Independence Ave, SW Washington, DC 20585

FEEDBACK

The contents of this *Semiannual Report to Congress* comply with the requirements of the Inspector General Act of 1978, as amended. If you have any suggestions for making the report more responsive, please email your comments to OIGPublicAffairs@hq.doe.gov.