



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

INSPECTION REPORT

DOE-OIG-25-29

August 2025

**THE DEPARTMENT OF ENERGY DID
NOT CONSISTENTLY COMPLY WITH
DEPARTMENT ORDER 486.1A
REQUIREMENTS**



Department of Energy
Washington, DC 20585

August 12, 2025

MEMORANDUM FOR THE SECRETARY

SUBJECT: Inspection Report: *The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements*

The attached report discusses our inspection of Department Order 486.1A requirements. In 2020, the Department implemented Department Order 486.1A, *Foreign Government Sponsored or Affiliated Activities*, which prohibits Department and Laboratory employees from participating in foreign Government-sponsored talent recruitment programs and restricts participation in other foreign Government-sponsored or affiliated activities with a foreign country of risk. We initiated this inspection to determine if the Department and its National Laboratories are complying with Department Order 486.1A. We determined that the Department and its National Laboratories did not consistently comply with Department Order 486.1A requirements. Specifically, we found issues surrounding reporting disclosures, and the submission and review of quarterly disclosure reports. Additionally, we found that the Federal Oversight Advisory Body did not adhere to the Order. Our report contains five recommendations that, if fully implemented, should help the Department ensure full compliance with the Order and thereby help protect U.S. competitive and national security interests, prevent potential conflicts of interest, and limit unauthorized transfers of scientific and technical information. Management fully concurred with our recommendations.

We conducted this inspection from September 2023 through April 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (December 2020). We appreciated the cooperation and assistance received during this inspection.

A handwritten signature in cursive script, reading "Sarah Nelson", is positioned above the typed name.

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

cc: Chief of Staff



Department of Energy Office of Inspector General

The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements (DOE-OIG-25-29)

WHY THE OIG PERFORMED THIS INSPECTION

In 2020, the Department of Energy implemented Department Order 486.1A, *Foreign Government Sponsored or Affiliated Activities* (Order), which prohibits Department and Laboratory employees from participating in foreign Government-sponsored talent recruitment programs and restricts other foreign Government-sponsored activities or affiliated activities with a foreign country of risk.

We initiated this inspection to determine if the Department and its National Laboratories are complying with the Order.

What Did the OIG Find?

We determined that the Department and its National Laboratories did not consistently comply with Department Order 486.1A requirements. Specifically, we found issues surrounding reporting disclosures, and the submission and review of quarterly disclosure reports. Additionally, we found that the Federal Oversight Advisory Body did not adhere to the Order.

What Is the Impact?

If the Department and its National Laboratories are not consistently complying with the Order, then U.S. competitive and national security interests and Department program objectives may not be protected; potential conflicts of interest may arise; and the unauthorized transfers of scientific and technical information may occur.

What Is the Path Forward?

We have made five recommendations that, if fully implemented, should help ensure that the issues identified in this report are corrected.

BACKGROUND

The Department of Energy was one of the first Federal agencies to address the issues associated with foreign talent programs. As early as 2018, the Department began restricting Department-funded researchers from collaborating with colleagues from sensitive countries. In 2020, the Department implemented Department Order 486.1A, *Foreign Government Sponsored or Affiliated Activities* (Order). The Order prohibits Department and Laboratory employees from participating in foreign Government-sponsored talent recruitment programs and restricts other foreign Government-sponsored or affiliated activities with a foreign country of risk.

Prior to entering into discussions with a foreign entity, the Order requires Department employees to disclose to their immediate supervisor and the Designated Agency Ethics Official¹ (DAEO) about participating in a sponsored or affiliated activity with a foreign country of risk. Discussions with a foreign entity are permitted only when the DAEO has determined that the activity complies with the Order. The Order states that Laboratories must work with the cognizant Department Head of Field Element, or other cognizant Department Element, and the Office of Intelligence and Counterintelligence (Intelligence), as needed, to determine if any disclosed or otherwise identified activity signifies participation in a sponsored or affiliated activity with a foreign country of risk. The National Laboratory must take appropriate action, including a decision on whether to request an exemption, if it determines that any disclosed or otherwise identified activity constitutes participation in other foreign Government-sponsored or affiliated activities with a foreign country of risk. According to the Order, if an exemption request is desired, the National Laboratory must prepare such requests for Department review.

The Department Federal Oversight Advisory Body (FOAB) was established to identify and assist program offices in implementing policy changes to address the risk associated with international research collaboration and foreign national access to the Department's scientific enterprise. The FOAB also is responsible for providing feedback on the Department's science and technology engagement policies. The Order requires that the FOAB review quarterly disclosure reports, as well as exemption requests, submitted to the Department by the National Laboratories. Exemption requests must be approved by the Secretary of Energy, or their designee, to participate in such activities.

Given the importance of the Order's purpose, we initiated this inspection to determine if the Department and its National Laboratories are complying with the Order.

NONCOMPLIANCE WITH DEPARTMENT ORDER 486.1A

We determined that the Department and its National Laboratories did not consistently comply with the requirements of the Order. Specifically, we found issues related to the reporting of

¹ The DAEO provides legal advice to Department employees concerning legal requirements or restrictions concerning employee participation in any sponsored or affiliated activities with a foreign country of risk and determines compliance with legal requirements.

disclosures, and the submission and review of quarterly disclosure reports. We further found that the FOAB did not review quarterly disclosure reports or exemption requests submitted to the Department by the National Laboratories, as required by the Order.

Requirements for Reporting and Reviewing Disclosures Not Consistently Followed

We found that the requirements for reporting disclosures were not consistently followed. According to the Order, Department and Laboratory employees are required to disclose any pending and current participation with a foreign country of risk that meets the definition of other foreign Government-sponsored or affiliated activity. The Order specifies 10 data points that are to be included for each disclosure. We requested and reviewed all 89 disclosures from fiscal year (FY) 2021 through FY 2022 and found that 49 disclosures, or approximately 55 percent, did not include the required information.

Additionally, we determined that some National Laboratories did not comply with the Order regarding requirements for submitting quarterly disclosure reports. There were nine instances when Laboratories failed to submit quarterly disclosure reports, as required. Furthermore, there were three additional instances when quarterly disclosure reports listed exemption requests along with the disclosures, but these exemption requests were missing from the exemptions provided to us during our inspection. Finally, there were three exemption requests that did not appear on quarterly disclosure reports.

We also determined that the Department did not always comply with the Order regarding requirements for reviewing quarterly disclosure reports. The Order requires that quarterly disclosure reports providing information for each disclosed activity be filed with Intelligence and the cognizant Department Head of Field Element, or other cognizant Department Element, for review. According to an Intelligence official, quarterly disclosure reports were not consistently received from all the Laboratories, as required. Instead, Intelligence reviewed disclosures when requested. Based on issues identified, related to submitting and reviewing quarterly disclosure reports, there was no assurance that parties who were required to receive the quarterly disclosure reports were, in fact, receiving them, or that the reports were accurate.

Lastly, it should be noted that the Order employs two different standards between Federal and Laboratory employees regarding when they are required to disclose possible participation in a foreign country of risk sponsored or affiliated activity. Specifically, the Order states that Federal employees are required to disclose to their immediate supervisor and the DAEO prior to entering into discussions (with a foreign entity) about participating in a foreign country of risk sponsored or affiliated activity. However, that language is missing for Laboratory employees. We believe that the Order should employ the same disclosure requirements for both Federal and Laboratory employees.

Federal Oversight Advisory Body Not Adhering to Department Order 486.1A

We found that the FOAB did not review quarterly disclosure reports or exemption requests submitted to the Department by the Laboratories, as required by the Order. We were informed by an Office of Science official that the mission of the FOAB was in the process of being changed. At the time of the inspection, the FOAB met for collaboration purposes as well as to share best practices. The FOAB never functionally reviewed quarterly disclosure reports or exemption

requests, and the Department relied on the Program offices to provide this function. The official stated that a new working group had been established and, over time, will assume the functions of the previous FOAB regarding policy development. However, at the time of our inspection, the Order was not updated to reflect these changes; therefore, current requirements applicable to the FOAB were not being met.

DEPARTMENT ORDER 486.1A WEAKNESS THAT MUST BE ADDRESSED

As a result of the inspection work performed, we identified a key gap in the requirements established within the Order. Specifically, the Order does not specify the consequences when its provisions are violated, nor does it require National Laboratory employees to attest on an annual basis that they are not participating in foreign Government-sponsored talent recruitment programs, or that they have properly reported other foreign Government-sponsored or affiliated activities with a foreign country of risk. In August 2023, the Office of Inspector General, Office of Investigations, issued an investigative report to Department management that showed a Laboratory employee falsely submitted negative responses related to the topic of foreign Government-sponsored or affiliated activities from 2019 through 2021. As part of its report to management, the Office of Investigations questioned whether the Office of Science was providing proper guidance to its Laboratories and sites to record and save all responses, including negative responses, related to the disclosure of outside activities to include foreign Government talent recruitment programs. The creation of an attestation form signed by Laboratory employees on a yearly basis specifying the consequences of violating Order requirements would assist in these types of investigations.

IMPACT

If the Department and its National Laboratories are not consistently complying with the Order, then U.S. competitive and national security interests and Department program objectives may not be protected; potential conflicts of interest may not be prevented; and unauthorized transfers of scientific and technical information may not be limited.

RECOMMENDATIONS

We recommend that the Secretary ensure that:

1. Complete and accurate disclosures are reported in accordance with the Order;
2. Appropriate entities receive and review quarterly disclosure reports in accordance with the Order; and
3. FOAB requirements are modified and updated in the Order.

We additionally recommend that the Secretary, alongside appropriate other Department and National Nuclear Security Administration representatives, collaborate to determine whether the Order should be updated to:

1. Require Laboratory employees to disclose foreign activity to their immediate supervisor; and
2. Develop and implement a process for attesting on an annual basis and define consequences for failure to report, or for submission of false reporting in disclosures completed by Laboratory employees.

MANAGEMENT RESPONSE

Management fully concurred with our recommendations and provided details on corrective actions taken, which are expected to be completed by September 2025. According to the Deputy Director for Operations, Office of Science: (1) the Department will send guidance to the Laboratory contractors regarding the specific required data elements and will clarify in the contractor requirements document that negative reporting is required, and failure to address all required data elements in a quarterly report to the Department, even if inapplicable, will constitute noncompliance and that corrected reports must be submitted; and, (2) the Order will be updated to remove the FOAB requirements completely. Further, management believes that while Intelligence may not have received the quarterly reports, other processes ensured they were cognizant of the relevant information, and the Department considers this recommendation closed. Also, in coordination with other Departmental and National Nuclear Security Administration representatives, the Department will evaluate whether to include the requirement for Laboratory employees to disclose foreign country of risk-sponsored or affiliated activities to their immediate supervisor as an update to the Order. Further, the Department is in the process of updating the Order to include the recommended attestation requirement on an annual basis.

INSPECTOR COMMENTS

Management commented that the Department continues to strengthen this Order utilizing a risk-based approach and appreciates the opportunities for improvements to the reporting process that were identified. However, management believes the report's conclusion, that U.S. competitive and national security interests and Department program objectives may not be protected, is overly broad and based on the report's narrow focus, which is limited to reporting and administrative oversight. We understand management's concern but believe that reporting and administrative oversight are keys to adequately communicate and protect U.S. competitive and national security interests consistently across the Department.

Management's comments and corrective actions are responsive to our recommendations.

OBJECTIVE

We initiated this inspection to determine if the Department of Energy and its National Laboratories are complying with Department Order 486.1A (Order).

SCOPE

The inspection was performed from September 2023 through April 2025 at Department Headquarters in Washington, DC; the John A. Gordon Albuquerque Complex in Albuquerque, New Mexico; and the Los Alamos National Laboratory in Los Alamos, New Mexico. The scope was limited to select National Laboratories within the Department. The inspection was conducted under Office of Inspector General project number S23HQ018.

METHODOLOGY

To accomplish our inspection objective, we:

- Discussed with the Office of Intelligence and Counterintelligence the list of foreign Government-sponsored talent recruitment programs of foreign countries of risk;
- Reviewed six Management and Operating National Laboratory contracts to determine if the Order had been incorporated;
- Gathered the policies and procedures related to the Under Secretary for Science implementation of the Order;
- Selected six field offices to determine if the Department heads of field elements developed and implemented local procedures for the Order, including the review and approval of actions;
- Gathered policies and procedures for six Department Laboratories;
- Conducted a site visit to Los Alamos National Laboratory for a briefing on implementation of the Order;
- Discussed Federal Oversight Advisory Body exemption reviews with the Office of Science;
- Gathered all disclosures via quarterly disclosure reports and exemptions made for 16 of the 17 National Laboratories from fiscal year 2021 through fiscal year 2022; and
- Discussed exemptions with the Office of Intelligence and Counterintelligence.

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* (December 2020) as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions.

Appendix 1: Objective, Scope, and Methodology

We held an exit conference with management officials on July 16, 2025.

Appendix 2: Related Reports

Office of Inspector General

- Audit Report: [*Followup on the Department of Energy's Unclassified Foreign Visits and Assignments Program*](#) (DOE-OIG-20-22, December 2019). The audit found that although the Department of Energy had taken corrective actions resulting from our 2002 and 2008 reports, problems continued to exist with the management of unclassified foreign visits and assignments. While nothing came to our attention to indicate that there was unauthorized access at the sites we visited, the risk of potential unauthorized access increases in the future if the issues identified in this report are not addressed. We made recommendations designed to improve the Department's management of unclassified foreign visits and assignments.

General Accountability Office

- Testimony: [*Federal Research: Agency Actions Needed to Address Foreign Influence*](#) (GAO-22-105434, October 2021). The General Accountability Office found that five agencies, including the Department, accounted for almost 90 percent of all Federal research and development expenditures at universities in fiscal year 2018. All five agencies have mechanisms to monitor and enforce conflict-of-interest policies and requirements. While most agencies collect non-financial information such as details of foreign collaborations, agencies rely on universities to monitor financial conflicts. These agencies have enforcement mechanisms for responding to an alleged failure to disclose required information; however, only the National Science Foundation and the National Institutes of Health have written procedures for such allegations. Additionally, agencies have referred cases for criminal investigation, among other enforcement actions, when they identified researchers who failed to disclose required information.

U.S. Senate Permanent Subcommittee on Investigations

- Staff Report: [*Threats to U.S. Research Enterprise: China's Talent Recruitment Plans*](#) (November 2019). The Subcommittee on Investigations reported that American taxpayer-funded research has contributed to China's global rise over the last 20 years. During that time, China openly recruited U.S.-based researchers, scientists, and experts in the public and private sector to provide China with knowledge and intellectual capital in exchange for monetary gain and other benefits. At the same time, the Federal Government's grant-making agencies did little to prevent this from happening, nor did the Federal Bureau of Investigation and other Federal agencies develop a coordinated response to mitigate the threat. These failures continue to undermine the integrity of the American research enterprise and endanger our national security.

Appendix 3: Management Comments



Department of Energy
Office of Science
Washington, DC 20585

July 8, 2025

MEMORANDUM FOR SARAH NELSON
ASSISTANT INSPECTOR GENERAL FOR MANAGEMENT
AND ADMINISTRATION
OFFICE OF INSPECTOR GENERAL

FROM: JUSTON K. FONTAINE
DEPUTY DIRECTOR FOR OPERATIONS
OFFICE OF SCIENCE

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Fontaine

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K. Fontaine
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SUBJECT: Draft Inspection Report: "The Department of Energy Did Not
Consistently Comply with Department Order 486.1A
Requirements"

Thank you for the opportunity to review and comment on the subject draft report. As part of the Department of Energy's (DOE or Department) risk-based approach to protecting economic and national security while enabling and supporting its critical scientific mission and the benefit of strategic international collaboration, in 2019 DOE released its first-in-government prohibition on country of risk Foreign Government Talent Recruitment Program participation for all National Laboratory personnel.

DOE continues to strengthen this Order utilizing a risk-based approach and appreciates the opportunities for improvements to the reporting process identified by the Office of Inspector General (OIG). However, we believe the report's conclusion that U.S. competitive and national security interests and Department program objectives may not be protected is overly broad, based on the report's narrow focus, which is limited to reporting and administrative oversight.

The Department's response to the recommendations is attached. If you have any questions regarding this response, please contact Nick Dienna, Acting Director, Office of Laboratory Policy, Office of Science at Nicholas.Dienna@science.doe.gov.

Attachment

Appendix 3: Management Comments

Management Response
OIG Draft Report: The Department of Energy Did Not Consistently
Comply With Department Order 486.1A Requirements (S23HQ018)

Office of Inspector General (OIG) recommends that the Secretary ensures that:

Recommendation 1: Complete and accurate disclosures are reported in accordance with the Order.

DOE Response: Concur

The Department notes that the issues raised by the OIG, including the required data elements in the reports, were not identified as cases involving risk to the National Laboratory or non-compliance with the requirements in the Contractor Requirements Document (CRD). The CRD indicates that that laboratory contractors “must utilize due diligence to ensure that (1) Contractor Personnel performing work within the scope of the DOE contract, working at any level, are not participants in any Foreign Government-Sponsored Talent Recruitment Program of a Foreign Country of Risk; and (2) Contractor Employees performing work within the scope of the DOE contract, working at any level, are not participants in any Other Foreign Government Sponsored or Affiliated Activity” or that laboratory contractors must ensure that the researcher “either stop performing work within the scope of the DOE contract or stop participation in such activity.”

DOE will send guidance to the laboratory contractors regarding the specific required data elements and will clarify in the CRD that negative reporting is required, and failure to address all required data elements in a quarterly report to DOE, even if inapplicable, will constitute non-compliance and that corrected reports must be submitted.

Estimated Completion Date: 9/2025

Recommendation 2: Appropriate entities receive and review quarterly disclosure reports in accordance with the Order.

DOE Response: Concur with clarification

Departmental elements that provide oversight and assist in risk mitigation efforts, such as the laboratory-steward programs and the Office of Intelligence and Counterintelligence (DOE-IN), receive and review the quarterly reports. While we acknowledge DOE-IN Headquarters (HQ) did not always receive the quarterly reports, DOE-IN Counterintelligence (CI) field offices are an integral part of the implementation, as required in DOE Order 486.1A. When CI field offices receive such disclosures, DOE-IN processes require coordination with HQ if a potential talent program is involved. In other cases, discussion with HQ occurred when evaluating potential risks. CI-relevant information is documented in the CI system of records. As such, while DOE-IN HQ may not have received the quarterly reports, other processes ensured they were cognizant of the relevant information.

Estimated Completion Date: Completed

Appendix 3: Management Comments

Management Response OIG Draft Report: The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements (S23HQ018)

Recommendation 3: Federal Oversight Advisory Body (FOAB) requirements are modified and updated in the Order.

DOE Response: Concur

As noted during the inspection process, once the Order was implemented in 2021, the FOAB never had a functional role in reviewing the exemption requests because the Under Secretaries and program offices were performing this role. Program offices and relevant Under Secretaries that have cognizance over the requesting National Laboratories have and continue to provide oversight of these exemption requests. Having the FOAB serve this role was deemed unnecessary as the program offices effectively manage the oversight of the implementation of this Order. The Order will be updated to remove the FOAB completely.

Estimated Completion Date: 9/2025

Additionally, OIG recommend that the Secretary, alongside appropriate other Department and National Nuclear Security Administration representatives, collaborate to determine whether the Order should be updated to:

Recommendation 1: Require laboratory employees to disclose foreign activity to their immediate supervisor; and

DOE Response: Concur

DOE will evaluate whether to include the requirement for laboratory employees to disclose Foreign Country of Risk Sponsored or Affiliated Activities to their immediate supervisor as an update to DOE Order 486.1A.

Estimated Completion Date: 9/2025

Recommendation 2: Develop and implement a process for attesting on an annual basis and define consequences for failure to report, or for submission of false reporting in disclosures completed by laboratory employees.

DOE Response: Concur

DOE is in the process of updating the Order and will include the recommended attestation requirement on an annual basis.

Estimated Completion Date: 9/2025

FEEDBACK

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