



U.S. DEPARTMENT
of **ENERGY**

Office of
Inspector General

Office of Inspector General Semiannual Report to Congress

For Period Ending
September 30, 2025

DOE-IG-0088

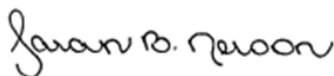
A Message from the Office of the Inspector General

Honorable Members of Congress:

I am pleased to present the Department of Energy Office of Inspector General's *Semiannual Report to Congress*, detailing our oversight activities and accomplishments for the period of April 1, 2025, through September 30, 2025. Throughout this period, the Office of Inspector General has undertaken concerted efforts to enhance accountability, streamline operations, and deliver substantial value to the American taxpayer. Consistent with our mission to promote efficiency and prevent fraud, waste, and abuse, we produced 37 audit products, to include the issuance of 18 audit and inspection reports, aimed at improving the management and performance of programs across the agency. These reports not only identified opportunities for operational efficiencies but also offered actionable recommendations to strengthen internal controls and improve outcomes. Additionally, we conducted and closed multiple investigations into allegations of fraud and misconduct, reinforcing accountability and trust in public service.

A key area of internal focus during this reporting period was an operational restructuring; aligning the Office of Inspector General into four core programs: the Office of Audits, Office of Investigations, Office of Counsel, and Office of Management. This new structure enhances coordination, reduces duplication, and supports more agile oversight capabilities. As a result of our strategic restructuring, we were able to gain efficiencies and mitigate the operational impact of the Office of Inspector General losing approximately 30 percent of our staff to retirement, separations, terminations, and actions under the Deferred Resignation Program. This reduction created opportunities to reassess workforce needs and realign talent with evolving priorities. In conjunction with our restructuring initiative, we reviewed resource allocation, contract management, and administrative expenses. Through these reviews, we reduced discretionary spending, such as travel and training, and eliminated unnecessary or duplicative contracts. As a result, we recognized a one-time cost savings in excess of \$20 million, without compromising the quality or integrity of our oversight work.

These efforts reflect our ongoing commitment to fiscal responsibility, transparency, and stewardship of public funds. I am proud of the dedication, professionalism and resilience demonstrated by our team, whose work continues to uphold the principles of good governance and public trust. We remain committed to identifying new opportunities for improvement across the Department of Energy. I thank our stakeholders and partners for their continued support and collaboration in this important work.



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

Table of Contents

Abbreviation Listing	1
Statistical Highlights	2
Investigative Activities	3
Whistleblower and Hotline Activities	4
Audit and Inspection Reporting	5
Actions Taken by Department Management in Response to Office of Inspector General Investigations and Reports	7
Table of Published Reports	10
Audit Reports	10
Inspection, Evaluations, and Special Reports	12
Audit Reviews	14
Adequacy and Real Time Labor Reviews	14
IT/Cyber Notices of Findings	15
Investigations Resulting in Reportable Outcomes	16
Investigations Involving Unauthorized Disclosure of Classified Information	17
Investigations Involving Senior Government Employees	17
Cooperation with the Office of Inspector General	18
Interference with Inspector General Independence	18
Management Decision Status	18
Open Recommendations	19
Reviews Closed and Not Disclosed to the Public	23
Congressional Matters	25
Legislative and Regulatory Reviews	25
Congressional Testimony	25
Peer Reviews	26
Summary of Office of Inspector General Activities	27
Federal Financial Management Improvement Act-Related Reporting	42
Semiannual Reporting Requirements Index	43
About the Department and the Office of Inspector General	44
The Office of Inspector General Hotline Contact Information	44

Abbreviation Listing

ASO	Argonne Site Office	NFR	Notice of Findings
BNL	Brookhaven National Laboratory	NNSA	National Nuclear Security Administration
BPA	Bonneville Power Administration	NSF	National Science Foundation
CARES	Coronavirus Aid, Relief, and Economic Security	NTESS	National Technology and Engineering Solutions of Sandia, LLC
CAS	Cost Accounting Standards	OCED	Office of Clean Energy Demonstrations
CEO	Chief Executive Officer	OI	Office of Investigations
CSAM	Child Sexual Abuse Material	OIG	Office of Inspector General
Department	Department of Energy	OMB	Office of Management and Budget
DOJ	Department of Justice	PPP	Paycheck Protection Program
EIDL	Economic Injury Disaster Loan	PR-ERF	Puerto Rico Energy Resilience Fund
FAR	Federal Acquisition Regulation	PSMFC	Pacific States Marine Fisheries Commission
FBI	Federal Bureau of Investigation	SAFER	Safety, Analytics, Forecasting, Evaluation, and Reporting
FFMIA	Federal Financial Management Improvement Act	SCMS	Office of Science Management System
GDO	Grid Deployment Office	SNL	Sandia National Laboratories
GRIP	Grid Resilience and Innovation Partnerships Program	SRNS	Savannah River Nuclear Solutions, LLC
H2Hubs	Regional Clean Hydrogen Hubs	SRS	Savannah River Site
IDP	Industrial Facilities Deployment Program	STTR	Small Business Technology Transfer
IT	Information Technology	WRPS	Washington River Protection Solutions, LLC
KCNCS	Kansas City National Security Campus	Y-12	Y-12 National Security Complex
LANL	Los Alamos National Laboratory		
LLNL	Lawrence Livermore National Laboratory		
LPO	Loan Programs Office		
NE	Office of Nuclear Energy		

Statistical Highlights

Total Monetary Impact \$17.6 Million



Questioned and unsupported costs	\$9.2 Million
Restitution, funds returned to the Department, penalties, and court costs	\$7.2 Million
Funds put to better use	\$1.2 Million

Accountability



Persons referred to a prosecuting authority	19
Administrative discipline and other management action	28
Criminal convictions	5

Reports and Recommendations



Audit and inspection reports issued	18
Other audit products issued	19
Recommendations contained in issued reports	163

Prevention



Referrals for suspension and debarment	13
Fraud Awareness Briefings	131

Investigative Activities

What We Investigate	How Investigations Promote Accountability	How Investigations Save Taxpayer Dollars
The OIG's OI addresses alleged violations of law that impact Department programs, operations, facilities, and personnel.	The OIG works closely with officials who have the authority to hold offenders accountable, including the DOJ and other law enforcement organizations and Department officials.	Our findings result in financial remedies such as fines, settlements, and recoveries as well as opportunities for funds to be put to better use. These all have a monetary impact with potential taxpayer savings.

Cases		Actions Taken on Investigative Findings	
Cases Open as of April 1, 2025	236	Administrative Discipline and Other Management Actions	28
New Cases Opened	54	Suspensions/Debarments ¹ <i>Suspensions/Debarments reported may have been referred in prior reporting periods.</i>	20
Cases Closed	33	Referrals for Suspension/Debarment <i>This number reflects referrals for this reporting period.</i>	13
Cases Open as of September 30, 2025	255	Total Persons Referred to a Prosecuting Authority <i>Persons is defined as an individual or an entity. For example, two co-owners and their business entity would be counted as three persons.</i>	19
Multi-Agency Joint Cases Opened During the Reporting Period	9	DOJ Referrals	17
Qui Tam Cases Opened During the Reporting Period	6	State/Local Referrals	2
Total Open Qui Tam Investigations as of September 30, 2025	24	Referrals Accepted for Prosecution <i>Some referrals accepted during the 6-month period were referred for prosecution during a previous reporting period.</i>	16
Reports		Total Indictments/Criminal Informations <i>Sealed Indictments are included.</i>	5
Total Investigative Reports Issued During the Reporting Period	36	Indictments/Criminal Informations Resulting From Prior Reporting Periods	5
Investigative Reports Issued by OI include Reports of Investigation and Investigative Reports to Management		Criminal Convictions	5
		Pre-Trial Diversions	0
		Civil Actions	3
		Monetary Impact	
		Dollars Recovered (Fines, Settlements, Recoveries) <i>Some of the money collected was the result of investigations involving multiple agencies.</i>	\$7,204,501
		Cost Avoidance <i>This includes funds from awards that were canceled or modified as a result of OIG investigations.</i>	\$1,154,445

For more information on Qui Tams—lawsuits filed by private citizens alleging frauds against the Government—go to:
<https://shorturl.at/48Ca9>

¹ This number includes proposed debarments issued under the FAR. We report proposed debarments under FAR because those actions have the same effect as a debarment or a suspension in accordance with 48 Code of Federal Regulations § 9.405. The inclusion of proposed debarments under FAR presents a more complete picture of the effect of OIG referrals, but they are not final actions.

Whistleblower and Hotline 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 Activities

Whistleblower Matters Open as of April 1, 2025		93
Whistleblower Matters Opened this Period		37
Whistleblower Matters Closed this Period		79
Whistleblower Matters Closed via Investigative Reports	2	
Whistleblower Matters Closed via Letters	77	
Whistleblower Matters Open as of September 30, 2025		51

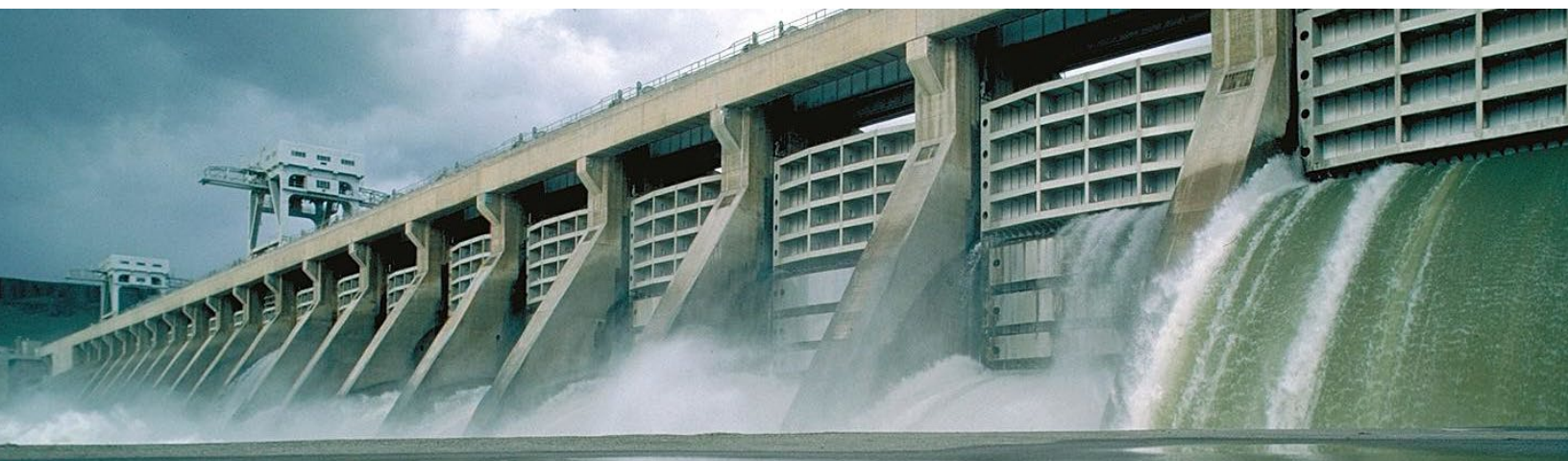
Hotline Activities

Total Hotline Calls, Emails, Letters, and Other Complaints (Contacts) <i>This number refers to any contact that required Hotline staff review, including re-contacts for additional information and requests for disposition.</i>	7,483
Hotline Contacts Resolved Immediately/Redirected/No Further Action	7,080
Hotline Contacts Predicated For Evaluation	403
Total Hotline Predications Processed this Reporting Period <i>(Includes 15 predications carried over from the last semi-annual reporting period)</i>	391
Hotline Predications Transferred to OIG Program Office	68
Hotline Predications Referred to Department Management or Other Entity for Information/Action	162
Hotline Predications Closed Based on Preliminary OIG Activity and Review	161
Hotline Predications Open at the End of the Reporting Period	27

Audit and Inspection Reporting

Total Reports Issued		18
Audit Reports		8
Inspection/Evaluation Reports		10
Other Issued Products		19
What audit and inspection activities the OIG performs	Our work provides oversight of Department organizations, programs, and operations; its operational efficiency, effectiveness, and vulnerabilities; assessments of cybersecurity; and determinations about the costs incurred by contractors.	
How audit and inspection activities save taxpayer dollars	Our reports include recommendations for better (more efficient) use of funds , questioned costs, and unsupported costs. We question costs that are unnecessary, unreasonable, or an alleged violation of law, regulation, contract, etc. (may include unresolved subcontract costs pending audit). We identify costs claimed that are not supported by adequate documentation as unsupported .	
How audit and inspection activities improve operations and programs	In addition to identifying questioned costs and funds that may be put to better use, our work examines Department programs and operations. We make recommendations to improve effectiveness and efficiency, reduce risk to taxpayer-funded initiatives, and provide other benefits.	

Better Use of Funds	Reports	Dollars
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 April 1, 2025 <i>Management Decisions are Department 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.</i>	1	\$276
Reports issued during the reporting period that included recommendations for better use of funds <i>(regardless of whether a decision on dollars has been made)</i>	—	—
Reports that include recommendations for better use of funds for which a decision on dollars was made during the reporting period	—	—
Agreed to by management	—	—
Not agreed to by management	—	—
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



Source: U.S. Department of Energy

Questioned and Unsupported Costs

	Reports	Alleged Violation	Unsupported Costs	Unreasonable/Unnecessary	Total
Reports issued before the reporting period that included questioned or unsupported costs for which decisions on dollars had not been made as of April 1, 2025	9	\$1,427,582	\$42,859,978	\$169,613,335	\$213,900,895
Reports issued during the reporting period that include questioned or unsupported costs (regardless of whether a decision on dollars has been made)	3	\$8,861,754	\$329,254	—	\$9,191,008
Reports that include questioned or unsupported costs for which a decision on dollars was made during the reporting period	4	\$153,616	\$40,014,375	\$9,663,493	\$49,831,484
Value of disallowed costs	—	—	—	—	—
Value of costs not disallowed	—	\$153,616	\$40,014,375	\$9,663,493	\$49,831,484
Reports that include questioned or unsupported costs for which decisions on dollars have not been made at the end of the reporting period	4	\$10,135,720	\$3,174,857	\$159,949,842	\$173,260,419

Unresolved Costs²

Total of unresolved costs in reports issued before the reporting period that the Department may have made some decisions on dollars but not all issues were resolved as of April 1, 2025	\$123,330,104
Total of unresolved costs in reports issued during the reporting period (regardless of whether a decision on dollars has been made)	—
Total of unresolved costs in reports for which a decision on dollars was made during the reporting period.	\$5,944,065
Value of disallowed costs	—
Value of costs not disallowed	\$5,944,065
Total of unresolved costs in reports for which decisions on dollars have not been made at the end of the reporting period	\$117,386,039



Source: U.S. Department of Energy

² The OIG is currently working with the Department to determine how these costs will be resolved.

Actions Taken by Department Management in Response to Office of Inspector General Investigations and Reports

Senior Scientist Terminated for Personal Conflict-of-Interest Violations

SNL made the decision to terminate the employment of a senior scientist for violating its personal conflict of interest policies. The OIG investigation determined the employee used their official position to influence the issuance of seven subcontracts totaling \$299,449 to a company they own. The investigation also revealed that the senior scientist worked on laboratory projects that directly benefited their company and charged 685.75 labor hours to SNL for that work, resulting in \$237,596.95 in burdened labor costs to the Department.

Two Debarments in a Former Department Contract Employee Misconduct/CARES Act Investigation

A former Department contract employee at SRS and their business were debarred for a period of 3 years by the Department's Office of Acquisition Management. As previously reported in the March 31, 2024; September 30, 2024; and the March 31, 2025, *Semiannual Report to Congress*, the former contract employee was sentenced in the U.S. District Court for the Southern District of Georgia to 3 years' probation, \$28,500 restitution, and a \$100 special assessment fee for using their Department issued computer to falsely apply for and receive a PPP loan, an EIDL, and EIDL advances.



Source: U.S. Department of Energy

Employee Flagged as “Do Not Hire” as Result of Office of Inspector General Investigation

As a result of an OIG investigation, the Department flagged a former contract employee as “Do Not Hire” in its Corporate Contractor/Vendor Management System. This prevents the future employment of the contract employee. The Department took this action because an OIG investigation determined the contract employee, upon termination of their contract with the subcontractor, sent multiple emails with attachments containing both business proprietary information and export-controlled technical data from his business email account to their personal email account. With the assistance of NNSA, the OIG determined the export-controlled technical data was subject to Title 10 Code of Federal Regulation Part 810. This is an ongoing joint investigation and is being coordinated with the U.S. Attorney’s Office in the Eastern District of North Carolina.

The Department of Energy and Sandia National Laboratories Took Corrective Actions, but Additional Actions Would Further Improve Subcontract Management

Prior OIG work found that SNL improperly excluded from audit their fixed-price subcontracts with flexible cost elements, SNL did not fully support decisions not to sustain (allow) questioned subcontract costs, and the Department did not ensure questioned costs were resolved appropriately (DOE-OIG-22-16, December 2021).

We found that NNSA, NTESS, and the Office of Acquisition Management took corrective actions and made improvements to deficiencies identified in the prior OIG report, DOE-OIG-22-16. As a result, the Department’s contracting officers had more insight into SNL sustainment decisions for questioned subcontract costs, SNL improved its classification of subcontracts, and SNL improved its process for reviewing costs claimed by its subcontractors. However, additional steps such as assessing the impact of the Subcontract Management Performance Office and enforcing existing policy requirements would further improve subcontract management. (DOE-OIG-25-27, August 2025)

Management of Indirect Funded Minor Construction Projects at Argonne National Laboratory

In response to our report, *Management of Indirect Funded Minor Construction Projects at Argonne National Laboratory*, ASO implemented updated and approved SCMS policies and procedures to oversee indirect funded minor construction projects. The Office of Science generated a checklist that will be used for upcoming projects, and will continue to evaluate its use and apply modifications if additional changes are necessary. The management & operating contractor in coordination with ASO completed a comprehensive review of all existing indirect funded minor construction projects and established that the indirect funded scope is for the general management and administration of a business or allocated to the benefiting programs per CAS 410, CAS 418, and the contractor's approved CAS Disclosure Statement. ASO and the Laboratory have aligned their internal practices to reflect the requirements.

The SCMS Board approved the new procedure, "Preparation of the Institutional General Plant Projects Annual End-of-Year Report;" and two other revised procedures, "Acquiring Assets via Institutional General Plant Projects" and "Preparation of the Annual Maintenance and D&D Report," at its meeting on May 12, 2025. (DOE-OIG-24-07, November 2023)



Source: Argonne National Laboratory

Table of Published Reports

The following table identifies all reports issued from April 1, 2025, through September 30, 2025.

Audit Reports					
Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
May 27, 2025	<i>The Department of Energy's Payment Integrity Reporting in the Fiscal Year 2024 Agency Financial Report (DOE-OIG-25-20)</i>	0	—	—	—
June 12, 2025	<i>Paycheck Protection Program Loans at the Hanford Site (DOE-OIG-25-22)</i>	6	—	\$2,181,565	—
June 23, 2025	<i>Regional Clean Hydrogen Hubs Program (DOE-OIG-25-23)</i>	2	—	—	—
July 2, 2025	<i>The Office of Nuclear Energy's Contract Award to American Centrifuge Operating, LLC (Centrus) for the High Assay Low Enriched Uranium Demonstration Project (DOE-OIG-25-25)</i>	0	—	—	—
August 4, 2025	<i>The Department of Energy and Sandia National Laboratories Took Corrective Actions, but Additional Actions Would Further Improve Subcontract Management (DOE-OIG-25-27)</i>	2	—	—	—
August 26, 2025	<i>The Loan Programs Office's Management of Contractor Conflicts of Interest (DOE-OIG-25-32)</i>	2	—	—	—

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
September 25, 2025	<i>Consolidated Nuclear Security's Timekeeping Irregularities at the National Nuclear Security Administration's Pantex Plant Had Adverse Effects on Operations and Resulted in Additional Costs (DOE-OIG-25-36)</i>	0	—	—	—
September 29, 2025	<i>Nuclear Waste Partnership LLC's Statement of Costs Incurred and Claimed for Fiscal Year 2020 Under Contract No. DE-EM0001971 (DOE-OIG-25-37)</i>	5	—	\$6,993,072	—

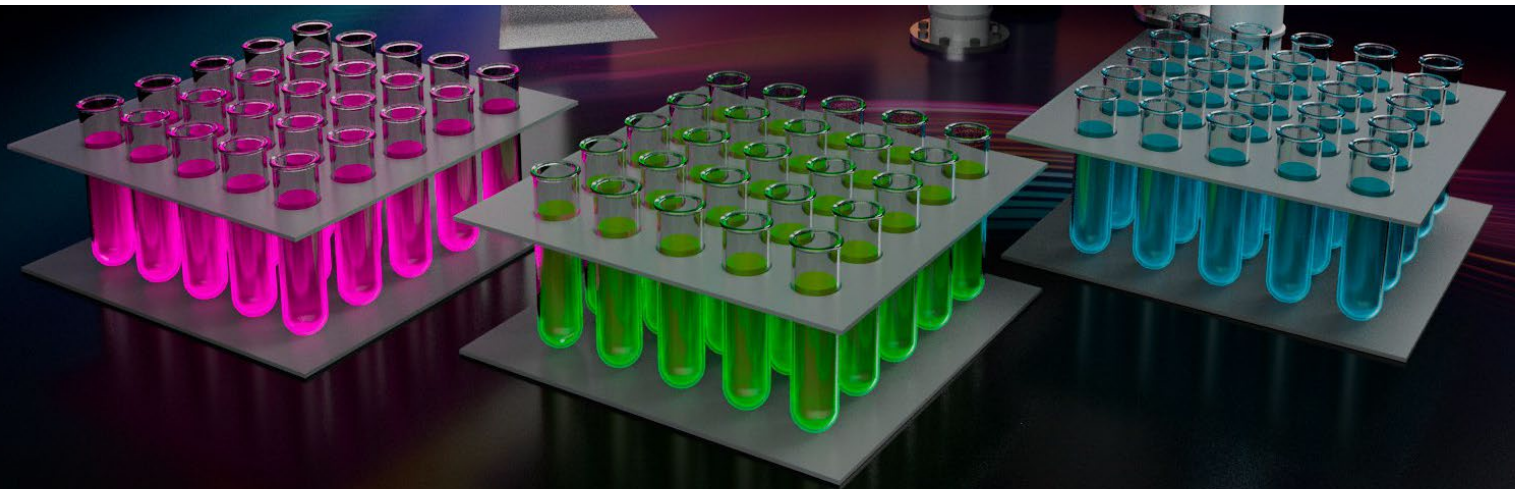


Source: U.S. Department of Energy

Inspection, Evaluations, and Special Reports

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
May 14, 2025	<i>Grid Deployment Office's Implementation of the Grid Resilience and Innovation Partnerships Program (DOE-OIG-25-19)</i>	2	—	—	—
June 12, 2025	<i>Review of Explosives Storage at the Savannah River Site (DOE-OIG-25-21)</i>	2	—	—	—
June 25, 2025	<i>Allegation Concerning the National Nuclear Security Administration's Mismanagement of Its \$90 Million Safety, Analytics, Forecasting, Evaluation, and Reporting System (DOE-OIG-25-24)</i>	3	—	—	—
July 24, 2025	<i>Opportunities to Improve Internal Control Gaps for the Office of Clean Energy Demonstrations' Implementation of the Advanced Industrial Facilities Deployment Program (DOE-OIG-25-26)</i>	3	—	—	—
August 7, 2025	<i>Allegation Regarding National Nuclear Security Administration Laboratories Not Following Export Control Regulations (DOE-OIG-25-28)</i>	2	—	—	—
August 12, 2025	<i>The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements (DOE-OIG-25-29)</i>	5	—	—	—

Date Issued	Report Title	Number of Recs	Better Use of Funds	Questioned Costs	Unsupported Costs
August 14, 2025	<i>The Department of Energy's Unclassified Cybersecurity Program – 2024 (DOE-OIG-25-30)</i>	123	—	—	—
August 14, 2025	<i>Allegations on the Failure of the Department of Energy to Effectively Oversee Travel Card Use for Executive Travel (DOE-OIG-25-31)</i>	0	—	\$16,371	—
September 8, 2025	<i>The Western Area Power Administration's Physical Protection Program for Critical Assets (DOE-OIG-25-33)</i>	0	—	—	—
September 11, 2025	<i>Allegations of Flight Concerns at the National Nuclear Security Administration's Remote Sensing Laboratory (DOE-OIG-25-34)</i>	5	—	—	—
September 25, 2025	<i>The Grid Deployment Office's Implementation of the Puerto Rico Energy Resilience Fund Program (DOE-OIG-25-35)</i>	1	—	—	—



Source: U.S. Department of Energy | Pacific Northwest National Laboratory

Audit Reviews

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.

Adequacy and Real Time Labor Reviews

Review Type	Title	Date
Adequacy Review	Final Indirect Cost Submission for Iowa State University/Ames National Laboratory for Fiscal Year 2024	May 8, 2025
Real Time Labor Review	Review of UT-Battelle, LLC's Fiscal Year 2024 Labor Practices Under Department of Energy Management and Operating Contract No. DE-AC05-00OR22725	May 20, 2025
Adequacy Review	Final Indirect Cost Submission for The Trustees of Princeton University/Princeton Plasma Physics Laboratory for Fiscal Year 2024	May 21, 2025
Adequacy Review	Final Indirect Cost Submission for Triad National Security, LLC for Fiscal Year 2024	May 28, 2025
Adequacy Review	Final Indirect Cost Submission for Oak Ridge Associated Universities, Inc. for Fiscal Year 2024	June 18, 2025
Adequacy Review	Final Indirect Cost Submission for Mission Support and Test Services/Nevada National Security Sites for Fiscal Year 2024	July 7, 2025
Adequacy Review	Final Indirect Cost Submission for National Technology and Engineering Solutions of Sandia, LLC for Fiscal Year 2024	July 7, 2025
Adequacy Review	Final Indirect Cost Submission for Consolidated Nuclear Security/Y-12 National Security Complex and Pantex Plant for Fiscal Year 2024	July 11, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Memorial Institute for Fiscal Year 2024	July 24, 2025
Adequacy Review	Final Indirect Cost Submission for Honeywell Federal Manufacturing and Technologies, LLC/Kansas City National Security Complex for Fiscal Year 2024	July 24, 2025
Adequacy Review	Final Indirect Cost Submission for Salado Isolation Mining Contractors, LLC for Fiscal Year 2024 Under Contract No. 89303322DEM000077	July 31, 2025
Real Time Labor Review	Review of Triad National Security, LLC's Fiscal Year 2024 Labor Practices Under Contract No. 89233218CNA000001	August 7, 2025

Review Type	Title	Date
Adequacy Review	Final Indirect Cost Submission for UT-Battelle, LLC for Fiscal Year 2024 Under Contract No. DE-AC05-00OR22725	August 14, 2025
Adequacy Review	Final Indirect Cost Submission for Savannah River Nuclear Solutions, LLC Under Contract No. DE-AC09-08SR22470 for Fiscal Year 2024	August 25, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Savannah River Alliance, LLC for Fiscal Year 2023	September 3, 2025
Adequacy Review	Final Indirect Cost Submission of Brookhaven Science Associates, LLC for Fiscal Year 2024	September 4, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Energy Alliance, LLC for Fiscal Year 2024 Under Contract No. DE-AC07-05ID14517	September 10, 2025
Real Time Labor Review	Review of Consolidated Nuclear Security, LLC's Fiscal Year 2024 Labor Practices Under Department of Energy Contract No. DE-NA0001942	September 24, 2025

IT/Cyber Notices of Findings and Recommendations

In addition to published audit and inspection reports, the Office of Audits conducts reviews over the cybersecurity programs to ensure compliance with Federal and Departmental requirements. As part of our review, we issue NFRs detailing the specific conditions, causes, and impact an identified weakness may have to the Department's security posture. The NFRs are later summarized and included in our annual unclassified cybersecurity report. Given the sensitivity of the findings, we are providing a summary of the total NFRs issued along with that status of the recommendations.

Department Program	Total NFRs Issued	Total NFRs Closed	Recs Newly Issued	Prior Year(s) Recs Reissued	Prior Year(s) Recs Closed	Total Recs Open
Chief Information Officer	1	0	0	1	0	1
Science	5	2	0	9	5	9
Environmental Management	0	1	0	0	2	0
National Nuclear Security Administration	4	1	0	4	2	5
Power Marketing Administration	3	2	1	4	4	5
Nuclear Energy	0	1	0	0	2	0
Energy Efficiency and Renewable Energy	1	0	0	2	0	2
Fossil Energy and Carbon Management	0	1	0	0	1	0

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 April 1, 2025, through September 30, 2025.

Summary Title
<i>Sentencing in a Child Sexual Abuse Material Investigation</i>
<i>Information and Sentencing in a Grant Fraud Investigation</i>
<i>Guilty Plea in CARES Act Fraud Investigation</i>
<i>Indictment and Arrest of a Department Contractor Employee in an Identity Theft Investigation</i>
<i>Change of Plea/Guilty Plea in a Contract Fraud Investigation</i>
<i>Indictment in CARES Act Fraud Investigation</i>
<i>Indictment and Arrest of a Department Contractor Employee in a Child Sexual Abuse Material Investigation</i>
<i>Indictment of a Department Employee in a Bribery Investigation</i>
<i>Loss and Restitution Ruling in Grant Fraud Investigation</i>
<i>Settlement in a False Claims Investigation</i>
<i>Restitution in Theft of Government Property Investigation</i>
<i>Repayment in a Conflict-of-Interest Investigation</i>
<i>Two Debarments in a Former Department Contractor Employee Misconduct/CARES Act Investigation</i>
<i>Contractor Employees Suspended in a Timecard Fraud Investigation</i>
<i>Termination, Counseling, and Corrective Action at Brookhaven National Laboratory</i>
<i>Senior Scientist Terminated for Personal Conflict-of-Interest Violations</i>
<i>Federal Employee Terminated in Economic Injury Disaster Loan Fraud Investigation</i>
<i>Indictment in Wire Fraud Investigation</i>
<i>Employee Flagged as "Do Not Hire" as Result of OIG Investigation</i>

Investigations Involving Unauthorized Public Disclosure of Classified Information

Pursuant to the requirement of Section 9718 of the National Defense Authorization Act, during the reporting period from April 1, 2025, through September 30, 2025, the work of OI included the following reports:

The number of investigations opened regarding an unauthorized public disclosure of classified information	—
The number of investigations completed regarding an unauthorized public disclosure of classified information	—
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 Where Allegations of Misconduct Were Substantiated

During the reporting period from April 1, 2025, through September 30, 2025, the following investigations were conducted by OI that involved a senior Government employee at the GS-15 level or above.

Facts and Circumstances	Status and Disposition	Referred to Department of Justice	Department of Justice Declination
Alleged conflict of interest of a Senior Executive Service Employee	Closed; Unsubstantiated	Yes October 21, 2022	Yes
Alleged recipient of an EIDL	Closed; Substantiated	Yes April 17, 2024	No
Alleged conflict of interest of a former Senior Executive Service employee	Closed; Unsubstantiated	Yes March 19, 2024	Yes

Cooperation With the Office of Inspector General

Interference With Inspector General Independence

During the reporting period from April 1, 2025, through September 30, 2025, the Department neither interfered with OIG independence nor denied funding for OIG activities.

Management Decision Status

During the reporting period from April 1, 2025, through September 30, 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.



Source: U.S. Department of Energy | Pacific Northwest National Laboratory

300 Recommendations Accepted but Not yet Implemented

The following table identifies 45 reports with a total of 300 recommendations, which were agreed to by the Department but have not been implemented as of September 30, 2025. The total potential cost savings associated with these reports is \$280,468,015. Beyond these potential cost savings, many of the recommendations of the OIG will result in additional benefits and savings that may not be readily monetized at the time the report is published.

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
December 17, 2007	<i>Beryllium Surface Contamination at the Y-12 National Security Complex</i> (IG-0783)	1	—
October 31, 2018	<i>The Department of Energy's Funds Distribution System 2.0</i> (DOE-OIG-19-03)	5	—
June 1, 2020	<i>The Strategic Petroleum Reserve's Modernization Program</i> (DOE-OIG-20-43)	1–2	—
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
September 21, 2022	<i>The Management of Emergency Communication Systems at the Oak Ridge Reservation</i> (DOE-OIG-22-43)	1	—
March 30, 2023	<i>Security over Cloud Computing Technologies at Select Department of Energy Locations</i> (DOE-OIG-23-18)	1–4	—
June 1, 2023	<i>Access of Executive Branch Personnel Records</i> (DOE-OIG-23-23)	1–2	—
June 13, 2023	<i>Management of the Bonneville Power Administration's Cybersecurity Program</i> (DOE-OIG-23-25)	1–19	—
August 11, 2023	<i>Management of the Los Alamos National Laboratory's Unclassified Cybersecurity Program</i> (DOE-OIG-23-28)	1–2	—
August 28, 2023	<i>Fermi Research Alliance, LLC, Costs Claimed under Department of Energy Contract No. DE-AC02-07CH11359 for Fiscal Year 2018</i> (DOE-OIG-23-29)	9	—
September 29, 2023	<i>Sensitive and High-Risk Property Management at the Brookhaven National Laboratory</i> (DOE-OIG-23-35)	2–3	—

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
September 29, 2023	<u>The Department of Energy's Oversight of the Employee Concerns Program</u> (DOE-OIG-23-36)	1	—
September 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)
March 27, 2024	<u>Management of Cybersecurity Over the Clearance Action Tracking System</u> (DOE-OIG-24-15)	27	—
July 2, 2024	<u>Bonneville Power Administration's Physical Protection Program for Critical Assets</u> (DOE-OIG-24-21)	1-2	—
July 25, 2024	<u>The Southwestern Federal Power System's Fiscal Year 2023 Financial Statements Audit</u> (DOE-OIG-24-24)	1-4	—
August 30, 2024	<u>Opportunities Exist to Improve Bonneville Power Administration's Management of Fish and Wildlife Program Contracts</u> (DOE-OIG-24-27)	1-8	—
September 23, 2024	URS/CH2M Oak Ridge, LLC, (UCOR) Statement of Costs Incurred and Claimed for Fiscal Years 2017 and 2019-2022 under Department of Energy Contract Nos. DE-SC0004645 (DOE-298-OIG)	1-6	\$188,722
September 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)
September 24, 2024	<u>Western Area Power Administration Would Benefit From Improvements to Its Management of Critical Spare Parts</u> (DOE-OIG-24-30)	2	—
September 26, 2024	<u>Opportunities Exist to Improve NNSA's Contract Administration and Oversight of Skookum Educational Programs</u> (DOE-OIG-24-33)	6, 7	—
September 27, 2024	<u>Bonneville Power Administration Needs to Improve Cybersecurity Over Selected Transmission Infrastructure Systems</u> (DOE-OIG-24-34)	1-18	—
September 30, 2024	<u>The Department of Energy Has Made Little Progress Implementing the Geospatial Data Act of 2018</u> (DOE-OIG-24-35)	2-4	—
December 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)	2-3	—

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
December 30, 2024	<u>Savannah River Nuclear Solutions, LLC's Use of Corporate Reachback at the Savannah River Site</u> (DOE-OIG-25-10)	1-5	\$17,559,400
December 30, 2024	<u>Allegations of Management Concerns at the Department of Energy's Office of Intelligence and Counterintelligence</u> (DOE-OIG-25-11)	2	—
February 20, 2025	<u>Management Letter on The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements</u> (DOE-OIG-25-13)	1-22	—
February 21, 2025	<u>Management Letter on The Department of Energy's Unclassified Cybersecurity Program for Fiscal Year 2024</u> (DOE-OIG-25-14)	2a-b, 3a-b, 4a-b, 5a-b, 6a-b, 7a-c, 8a-b, 9a-b, 11a-b, 12a, 13a-b, 14a-b, 17a-b, 21a, 22a, 23a, 25a-b, 26b,d	—
February 28, 2025	<u>Management Letter: The Western Area Power Administration's Fiscal Year 2024 Financial Statements Audit</u> (DOE-OIG-25-16)	1,2	—
March 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	—
March 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
May 14, 2025	<u>Grid Deployment Office's Implementation of the Grid Resilience and Innovation Partnerships Program</u> (DOE-OIG-25-19)	1-2	—
June 12, 2025	<u>Review of Explosives Storage at the Savannah River Site</u> (DOE-OIG-25-21)	1-2	—
May 27, 2025	<u>Paycheck Protection Program Loans at the Hanford Site</u> (DOE-OIG-25-22)	1, 4-6	\$2,181,565
June 23, 2025	<u>Regional Clean Hydrogen Hubs Program</u> (DOE-OIG-25-23)	1-2	—

Date Issued	Report Title	Open Recs	Potential Monetary Benefit
June 25, 2025	<u>Allegation Concerning the National Nuclear Security Administration's Mismanagement of Its \$90 Million Safety, Analytics, Forecasting, Evaluation, and Reporting System</u> (DOE-OIG-25-24)	3	—
July 24, 2025	<u>Opportunities to Improve Internal Control Gaps for the Office of Clean Energy Demonstrations' Implementation of the Advanced Industrial Facilities Deployment Program</u> (DOE-OIG-25-26)	1-2	—
August 4, 2025	<u>The Department of Energy and Sandia National Laboratories Took Corrective Actions, but Additional Actions Would Further Improve Subcontract Management</u> (DOE-OIG-25-27)	1-2	—
August 7, 2025	<u>Allegation Regarding National Nuclear Security Administration Laboratories Not Following Export Control Regulations</u> (DOE-OIG-25-28)	1-2	—
August 12, 2025	<u>The Department of Energy Did Not Consistently Comply With Department Order 486.1A Requirements</u> (DOE-OIG-25-29)	1, 3-5	—
August 14, 2025	<u>The Department of Energy's Unclassified Cybersecurity Program – 2024</u> (DOE-OIG-25-30)	1-123	—
August 14, 2025	<u>The Loan Programs Office's Management of Contractor Conflicts of Interest</u> (DOE-OIG-25-32)	1-2	—
September 8, 2025	<u>The Western Area Power Administration's Physical Protection Program for Critical Assets</u> (DOE-OIG-25-33)	1-3	—
September 11, 2025	<u>Allegations of Flight Concerns at the National Nuclear Security Administration's Remote Sensing Laboratory</u> (DOE-OIG-25-34)	1-5	—
September 30, 2025	<u>The Grid Deployment Office's Implementation of the Puerto Rico Energy Resilience Fund Program</u> (DOE-OIG-25-35)	1	—
Total Open Recommendations <i>The total potential monetary benefits under-represent the potential monetary impact of recommendations.</i>		300	\$280,468,015

Reviews Closed and Not Disclosed to the Public

The OIG did not issue any audit or inspection reports that were undisclosed to the public for the reporting period from April 1, 2025, through September 30, 2025.

The OIG did, however, issue the following audit products (Adequacy Reviews, Real Time Labor Reviews, and IT/Cyber NFRs) for the reporting period from April 1, 2025, through September 30, 2025, that were undisclosed to the public.

Adequacy and Real Time Labor Reviews

Review Type	Title	Date
Adequacy Review	Final Indirect Cost Submission for Iowa State University/Ames National Laboratory for Fiscal Year 2024	May 8, 2025
Real Time Labor Review	Review of UT-Battelle, LLC's Fiscal Year 2024 Labor Practices Under Department of Energy Management and Operating Contract No. DE-AC05-00OR22725	May 20, 2025
Adequacy Review	Final Indirect Cost Submission for The Trustees of Princeton University/Princeton Plasma Physics Laboratory for Fiscal Year 2024	May 21, 2025
Adequacy Review	Final Indirect Cost Submission for Triad National Security, LLC for Fiscal Year 2024	May 28, 2025
Adequacy Review	Final Indirect Cost Submission for Oak Ridge Associated Universities, Inc. for Fiscal Year 2024	June 18, 2025
Adequacy Review	Final Indirect Cost Submission for Mission Support and Test Services/Nevada National Security Sites for Fiscal Year 2024	July 7, 2025
Adequacy Review	Final Indirect Cost Submission for National Technology and Engineering Solutions of Sandia, LLC for Fiscal Year 2024	July 7, 2025
Adequacy Review	Final Indirect Cost Submission for Consolidated Nuclear Security/Y-12 National Security Complex and Pantex Plant for Fiscal Year 2024	July 11, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Memorial Institute for Fiscal Year 2024	July 24, 2025
Adequacy Review	Final Indirect Cost Submission for Honeywell Federal Manufacturing and Technologies, LLC/Kansas City National Security Complex for Fiscal Year 2024	July 24, 2025
Adequacy Review	Final Indirect Cost Submission for Salado Isolation Mining Contractors, LLC for Fiscal Year 2024 Under Contract No. 89303322DEM000077	July 31, 2025
Real Time Labor Review	Review of Triad National Security, LLC's Fiscal Year 2024 Labor Practices Under Contract No. 89233218CNA000001	August 7, 2025

Review Type	Title	Date
Adequacy Review	Final Indirect Cost Submission for UT-Battelle, LLC for Fiscal Year 2024 Under Contract No. DE-AC05-00OR22725	August 14, 2025
Adequacy Review	Adequacy Review: Final Indirect Cost Submission for Savannah River Nuclear Solutions, LLC Under Contract No. DE-AC09-08SR22470 for Fiscal Year 2024	August 25, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Savannah River Alliance, LLC for Fiscal Year 2023	September 3, 2025
Adequacy Review	Final Indirect Cost Submission of Brookhaven Science Associates, LLC for Fiscal Year 2024	September 4, 2025
Adequacy Review	Final Indirect Cost Submission for Battelle Energy Alliance, LLC for Fiscal Year 2024 Under Contract No. DE-AC07-05ID14517	September 10, 2025
Real Time Labor Review	Review of Consolidated Nuclear Security, LLC's Fiscal Year 2024 Labor Practices Under Department of Energy Contract No. DE-NA0001942	September 24, 2025

IT/Cyber Notices of Findings and Recommendations

Department Program	Total NFRs Issued	Total NFRs Closed	Recs Newly Issued	Prior Year(s) Recs Reissued	Prior Year(s) Recs Closed	Total Recs Open
Chief Information Officer	1	0	0	1	0	1
Science	5	2	0	9	5	9
Environmental Management	0	1	0	0	2	0
National Nuclear Security Administration	4	1	0	4	2	5
Power Marketing Administration	3	2	1	4	4	5
Nuclear Energy	0	1	0	0	2	0
Energy Efficiency and Renewable Energy	1	0	0	2	0	2
Fossil Energy and Carbon Management	0	1	0	0	1	0

Congressional Matters

Legislative and Regulatory Reviews

During the reporting period, the OIG reviewed proposed legislation and regulations related to the Department's programs and operations. Additionally, the OIG reviewed proposed legislation at the request of Congressional staff, and at the request of the Legislative Committees of the Council of the Inspectors General on Integrity and Efficiency and the Intelligence Community Inspector General

Congressional Testimony

No Congressional testimony was presented during the reporting period from April 1, 2025, through September 30, 2025.



Source: Architect of the Capitol

Peer Reviews

Peer Reviews Conducted by Department OIG April 1, 2025 – September 30, 2025			
Type of Review	Date of Peer Review	OIG Reviewed	Outstanding Recommendations
Audit	None	N/A	N/A
Inspection	None	N/A	N/A
Investigation	None	N/A	N/A

Peer Reviews Conducted by Other OIGs April 1, 2025 – September 30, 2025				
Type of Review	Date of Peer Review	Reviewing OIG	Frequency Requirement	Outstanding Recommendations
Audit	None	N/A	At Least Once Every 3 Years	N/A
Inspection	None	N/A	At Least Once Every 3 Years	N/A
Investigation	None	N/A	N/A	N/A

The most recent peer review was completed for Audits in March 2025 by the Social Security Administration. Investigations underwent peer reviews in October 2022.



Source: U.S. Department of Energy

Summary of OIG Activities

Sentencing in a Child Sexual Abuse Material Investigation

Jon Hopkins Jr., a former Department contract employee with Honeywell Federal Manufacturing and Technology at the KCNSC, was sentenced in the U.S. District Court for the Western District of Missouri for possession of CSAM. The contractor was sentenced to 14 years in federal prison without parole, supervised release for life, and \$15,000 in restitution to his victims. As previously reported, in the March 31, 2025, and September 30, 2024, *Semiannual Report to Congress*, Mr. Hopkins pleaded guilty to one count of Possession of Child Pornography. The OIG investigation determined the former contract employee entered a secure area with a personal electronic device, which was seized and reviewed by Department security personnel at the KCNSC. The OIG was notified by the Department, and pursuant to a Federal search warrant, discovered CSAM on the device. The DOJ press release can be found [here](#).

Change of Plea/Guilty Plea in a Contract Fraud Investigation

Richard Mueller, a Department contractor employee for KCNSC, changed his plea to guilty and entered into a plea agreement for one count of Conspiracy to Commit Wire Fraud, in violation of Honest Services Wire Fraud in the U.S. District Court for the District of Kansas. As previously reported in the March 31, 2024, *Semiannual Report to Congress*, the contract employee was indicted for one count of Conspiracy to Commit Wire Fraud; four counts of Honest Services Wire Fraud; and one count of False Statements and Representations. Sentencing will be completed at a later date. The OIG investigation determined Mr. Mueller, through his business and vendor to KCNSC, steered awards to the business and received more than \$1.3 million in bribes and kickbacks. The business provided the Department with components that went into the Nation's nuclear weapon stockpile. This case is being prosecuted by the DOJ's Main Justice, Criminal Fraud Division, and the District of Kansas U.S. Attorney's Office. A previous DOJ press release can be found [here](#).

Settlement in a False Claims Investigation

A Department subcontractor at the Hanford Site, WRPS, reached a settlement agreement in the amount of \$6,500,000 with the DOJ resolving allegations that WRPS fraudulently overcharged the Department millions of dollars in labor hours. WRPS admitted that from October 1, 2017, through December 31, 2024, it sought and received reimbursement from the Department for labor hours made up of unallowable excessive idle time. WRPS has further admitted in the settlement agreement that it did not schedule or assign sufficient work to be performed by its personnel. Of the total \$6,500,000 settlement amount, \$3,000,000 was restitution made payable to the Department. The DOJ press release can be found [here](#).

Information and Sentencing in a Grant Fraud Investigation

The U.S. District Court for the District of Oregon filed an Information against Pamela J. Kahut, the former chief financial officer of PSMFC, Department grantee, for embezzlement of funds from the PSMFC's health benefit trust account. Kahut pleaded guilty to one count of Theft in Connection With Health Care and was sentenced to 8 months' incarceration, 3 years' probation, and was ordered to pay \$211,083.27 in restitution, \$10,000 in fines and an assessment of \$100. The OIG investigation determined between October 2014 and September 2020, Kahut stole \$211,083.27 from PSMFC's health benefit trust account. The funds in the medical benefit bank account were traced to quarterly deposits made from PSMFC's primary operating account, which were primarily funded by grants from the Department, the National Oceanic and Atmospheric Administration, and the Department of the Interior. This was a joint investigation with the FBI and the Department of Commerce OIG. The DOJ press release can be found [here](#).

Guilty Plea in CARES Act Fraud Investigation

A Department subcontractor employee at SRS pleaded guilty to one count of Wire Fraud. As previously reported in the September 30, 2024, *Semiannual Report to Congress*, the subcontractor employee used their Department issued computer to falsely apply for and receive an EIDL in the amount of \$10,000. This case is being prosecuted by the U.S. Attorney's Office for the District of South Carolina.

***Indictment and Arrest of a
Department Contractor
Employee in an Identity
Theft Investigation***

A Department contractor employee for SRNS at SRS was arrested on a Federal warrant after being indicted in the U.S. District Court for the Southern District of Georgia for Aggravated Identity Theft, False Statements and Passport Fraud. Later, the U.S. District Court for the District of South Carolina obtained a superseding indictment for the Department contractor employee for Aggravated Identity Theft, False Statements and False Claims to United States Citizenship. The OIG investigation determined that in August 2019 and April 2024, the Department contract employee applied for a U.S. passport using stolen identity documents. The identity belonged to a resident of Puerto Rico who never traveled outside of Puerto Rico. The Department contractor employee also allegedly used these stolen identity documents for onboarding at SRS to include their SF-82 background paperwork and Declaration for Federal Employment forms.

***Indictment in CARES Act
Fraud Investigation***

A Department subcontractor employee at SRS was indicted on four counts of Wire Fraud. The OIG investigation determined that the subcontractor employee used their Department issued computer to falsely apply for and receive an EIDL loan in the amount of \$10,200. The subcontractor employee also applied for three additional EIDL loans using false information; however, these loans were not awarded. This case is being prosecuted by the U.S. Attorney's Office for the District of South Carolina.

***Indictment and Arrest of a
Department Contractor
Employee in a Child Sexual
Abuse Material
Investigation***

A Department contractor employee at Y-12 was indicted in U.S. District Court for the Eastern District of Tennessee on two counts of Distribution of CSAM and one count of Possession of CSAM. Previously, the OIG and the State of Tennessee 9th District Attorney General's Office arrested the contractor employee and conducted multiple search warrants. The OIG investigation determined the contractor employee had viewed and was distributing CSAM. The U.S. District Court for the Eastern District of Tennessee subsequently indicted the contractor employee on Federal charges, and the OIG assisted with his transfer to Federal custody.

Indictment of a Department Employee in a Bribery Investigation

Edward Doherty, a former Department Security Specialist, was indicted in the U.S. District Court for the District of Massachusetts on five counts of Honest Services Wire Fraud, one count of Unlawful Gratuities to a Public Official, and one count of Bribery of a Public Official. The OIG investigation determined that Mr. Doherty bribed a Department employee to secure Government contracts for Doherty's company, MAE Systems, LLC. Mr. Doherty offered the Department employee money in exchange for ensuring MAE Systems, LLC received Department contracts. Between February and June 2025, Mr. Doherty was recorded agreeing to pay the Department employee at least \$10,000 in exchange for a Department contract. In June 2025, Doherty made two bribe payments, totaling \$2,500, to the Department employee. This is an ongoing investigation. The DOJ press release can be found [here](#).

Loss and Restitution Ruling in Grant Fraud Investigation

The U.S. District Court for the Western District of New York ruled that the awardee of a Department STTR grant and an NSF grant was responsible for the full loss and restitution amount of the NSF grant award. As previously reported in the March 31, 2025, *Semiannual Report to Congress*, the Chief Executive Officer of a Department grantee pleaded guilty to one count of Unlawful Conversion/Unlawful Conveying of Government Money. Specifically, the Chief Executive Officer pleaded guilty to using government money in a manner unrelated to the NSF project. The OIG investigation also determined that the awardee failed to pay its cooperating research institution the required 30% under a Department STTR award and used NSF funds to pay a salary to individuals who worked on the Department STTR 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.

Restitution in Theft of Government Property Investigation

A former Department subcontractor employee made a restitution payment of \$3,888.39 to LLNL. The Alameda County District Attorney's Office charged the subcontractor employee with the theft of copper material. The way the crime was carried out indicates planning, sophistication, or professionalism. The subcontractor employee was observed via surveillance cameras cutting large gauge copper wires from copper spools at an LLNL worksite.

Repayment in a Conflict-of-Interest Investigation

Andrew Horn, a former Senior Advisor to the Secretary of Energy, agreed to pay \$59,000 to resolve allegations that he violated conflict-of-interest rules prior to his departure from the Department. The OIG investigation determined that Mr. Horn worked personally and substantially on a particular matter affecting the financial interests of a private company with which he was simultaneously negotiating contract terms to serve as a paid Senior Advisor, following his upcoming separation from Federal service. As part of the settlement, Mr. Horn agreed to pay a civil penalty to resolve allegations that his conduct violated conflict-of-interest prohibitions for Federal employees. The DOJ press release can be found [here](#).

Contractor Employees Suspended in a Timecard Fraud Investigation

The National Ignition Facility at LLNL suspended two contractor employees and placed them on administrative leave due to allegations of timecard fraud. The OIG investigation determined through surveillance and badging records that the two contractor employees had left early and were working fewer hours than stated on their timesheets. During interviews with the contractor employees, both admitted to falsifying their timesheets, and agreed to cooperate and repay LLNL for the hours not worked. The amount of timecard fraud for both contractor employees was estimated at \$7,000.



Source: U.S. Department of Energy

Termination, Counseling, and Corrective Action at Brookhaven National Laboratory

BNL notified the OIG that BNL terminated a former credit card administrator and counseled two procurement officers for their relationships with a Department contractor and its president. The OIG investigation determined the former administrator used the Department contractor's account to receive discounts on car washes over several years and failed to disclose the extent to which they accepted these car washes. The former administrator also solicited the Department contractor's president for other items of value. During this time, the Administrator also awarded the Department contractor approximately \$11 million in contracts. BNL subsequently terminated the credit card administrator's employment and provided counseling to the two for their actions related to suspect/counterfeit parts sold by the Department contractor to BNL. BNL further conducted an analysis related to the parts and took action to avoid future occurrences. As previously reported in the September 30, 2023, March 31, 2024, and March 31, 2025, *Semiannual Report to Congress*, the Department contractor's president was sentenced to 24 months of Federal probation, ordered to pay \$911,385.21 in criminal forfeiture, and ordered to pay \$1,805,147.61 in restitution. The case was prosecuted by the U.S. Attorney's Office for the Eastern District of New York.

Federal Employee Terminated in Economic Injury Disaster Loan Fraud Investigation

BPA terminated an employee in San Antonio, TX from Federal employment following an OIG investigation. The OIG investigation determined that the former employee submitted an EIDL application and several loan modifications on behalf of a volleyball club, falsely claiming to be the owner and employing 17 people. The former employee claimed the EIDL funds would be used as working capital for the volleyball club to alleviate economic injury caused by COVID-19, when in fact these EIDL loan funds were used by the former employee for personal purposes, including travel, a new car, hosting large social gatherings, and building a pool. In total, the Small Business Administration disbursed \$480,100 in fraudulent EIDL funds to the former employee through the volleyball club. Previously, the U.S. District for the Western District of Texas San Antonio Division filed an information for three counts of Wire Fraud. The former BPA employee pleaded guilty to one count of Wire Fraud and is scheduled to be sentenced in late 2025.

Indictment in Wire Fraud Investigation

A Department contractor employee at SRS was indicted in the U.S. District Court for the District of South Carolina on two counts of False Statements. The contractor employee was a former supervisor at the Department's Y-12 in Oak Ridge, TN and was relieved of their duties and banned from site access due to verbal abuse and threats made to their coworkers. Following their dismissal, the contractor employee applied for a similar position at SRNL and falsely represented that they were not subject to previous disciplinary action on an SF-86 application form, as well as an interrogatory questionnaire submitted to the Department. This investigation is complete and awaiting further judicial action.

The Grid Deployment Office's Implementation of the Grid Resilience and Innovation Partnerships Program

We found that GDO did not have adequate internal controls and may not have adequate staff resources to implement the GRIP Program. Specifically, GDO did not develop and document an effective internal controls system, including the control environment and risk assessment, as required. Further, GDO may not have sufficient staff to oversee the Federal activities that support the GRIP Program. The issues we identified occurred in part because GDO: followed a phased implementation approach for internal controls; and did not distinguish between program-level and project-specific responsibilities. Without a robust internal controls system, GDO may not identify risks that could negatively impact the GRIP program's outcomes. Additionally, GDO may have difficulty identifying and addressing program performance issues—including the performance of organizations, such as the National Energy Technology Laboratory, which GDO depends upon for ensuring GRIP success. (DOE-OIG-25-19, May 2025)

The Department of Energy's Payment Integrity Reporting in the Fiscal Year 2024 Agency Financial Report

The Payment Integrity Information Act of 2019 requires agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by OMB. We found that the Department's fiscal year 2024 improper payment reporting was aligned with OMB criteria and was not susceptible to making significant improper payments.

Although we determined that the Department met the OMB's compliance criteria, we identified areas where continuous improvements to the underlying root cause process could result in more efficient and accurate identification of improper payments. Without properly identifying underlying root causes, the Department is unable to adequately identify trends related to improper payments and take appropriate corrective actions to mitigate recurrences. (DOE-OIG-25-20, May 2025)

Review of Explosives Storage at the Savannah River Site

We found that SRS contractors generally stored explosives material in accordance with Federal and Department requirements. During our onsite walkthroughs at SRS, SRS contractors safely and securely stored explosives in storage locations. Additionally, we did not identify any issues pertaining to vegetation surrounding the explosives storage locations. We identified that the Department did not require SRNS and Battelle Savannah River Alliance, LLC to implement the 2019 version of the Department Technical Standard on explosives safety because efforts to comply with the 2012 version were still in progress. We also determined that SRNS should consider revising the SRS site procedure on explosives safety to clarify requirements about situations regarding explosives that do not require an explosives safety site plan. (DOE-OIG-25-21, June 2025)

Paycheck Protection Program Loans at the Hanford Site

Congress enacted the CARES Act in March 2020. The CARES Act, Section 3610, clarifies that reimbursement requests must be reduced by any credits received from other COVID-19 relief programs, including PPP loans. There were 258 companies that collectively received forgiveness for more than \$300 million of PPP loans at the Hanford Site. We found that 43 companies certified the need for PPP loan forgiveness after already billing and receiving payment from the Hanford Site for work performed. These companies received \$11.9 million in loan forgiveness paid by the Small Business Administration for costs that were already paid to those companies for work performed.

Additionally, we questioned approximately \$2.2 million in payments received by companies working at the Hanford Site. These companies received approximately \$2.2 million to cover labor payments from the CARES Act, Section 3610, funds and then received loan forgiveness under the PPP for those same labor costs, thereby obtaining twice the appropriate amount of Federal funding. (DOE-OIG-25-22, June 2025)

Regional Clean Hydrogen Hubs Program

The Department's OCED selected seven hubs to accelerate the large-scale production and end-use of clean hydrogen. We found that the OCED did not adequately plan, resource, or develop controls to help ensure the H2Hubs Program met its goals and objectives. Specifically, we found that the OCED and the H2Hubs Program had not conducted any programmatic risk assessments of its internal or external control environments. Additionally, the OCED and the H2Hubs Program had not conducted an assessment on its human capital posture to determine whether adequate staffing resources with the requisite skills and knowledge were available to meet current and future mission goals and objectives. (DOE-OIG-25-23, June 2025)

Allegation Concerning the National Nuclear Security Administration's Mismanagement of Its \$90 Million Safety, Analytics, Forecasting, Evaluation, and Reporting System

We did not substantiate the allegation that a contractor had not provided any deliverables on its project with NNSA. However, we identified inadequate project planning and management of the SAFER system by NNSA. For instance, NNSA did not develop key performance indicators to measure project success. In addition, NNSA did not develop user acceptance criteria to measure the success of the development process and ensure that delivered functionality aligned with user requirements. Further, NNSA did not complete a required Contractor Performance Assessment Report for the base year of the contract.

Based on feedback provided by SAFER users and a lack of acceptance criteria to measure the success of the development process for the safety programs, we question whether SAFER is meeting user needs. Although not fully implemented, we were unable to obtain evidence that SAFER had produced widespread benefits and improved oversight across the NNSA enterprise. (DOE-OIG-25-24, June 2025)

The Office of Nuclear Energy's Contract Award to American Centrifuge Operating, LLC for the High Assay Low Enriched Uranium Demonstration Project

The Department's NE limited competition throughout the pre-award and award phases for the High Assay Low Enriched Uranium Demonstration Project by including highly restrictive requirements. Specifically, NE bypassed contracting rules outlined in the FAR; and the Notice of Intent and the Justification for Other Than Full and Open Competition contained restrictive requirements that limited competition. In addition, NE awarded the sole source contract to a contractor with financial risks and questionable viability at the time of contract award. Limiting competition for awards is generally not in the Government's best interest. Acquisition should be fair, transparent, and facilitate competition, which helps ensure the Government receives the best value while satisfying the needs of the agency. In this case, the procurement actions included restrictive language that limited competition. As a result, the Department may not have received the best value for taxpayer resources. (DOE-OIG-25-25, July 2025)

***Opportunities to Improve
Internal Control Gaps for
the Office of Clean Energy
Demonstrations’
Implementation of the
Advanced Industrial
Facilities Deployment
Program***

OCED is responsible for administering \$5.8 billion Inflation Reduction Act funds through the Advanced IDP. The IDP provides 50 percent cost share through cooperative agreements to eligible private sector companies.

We found that the OCED did not have adequate internal controls to implement the IDP. Specifically, the OCED did not develop, document, and implement required internal controls, including a lack of: (1) documented internal controls policies, procedures, and plans; (2) risk assessments and processes; (3) a plan to mitigate conflict-of-interest risks; (4) a program performance plan; and (5) a plan to track programmatic community benefits requirements. The issues we identified occurred, in part, because the OCED did not: (1) prioritize the full development and documentation of its internal controls system; and (2) differentiate between program-level and project-specific responsibilities and risks. (DOE-OIG-25-26, July 2025)

***Allegation Regarding
National Nuclear Security
Administration
Laboratories Not
Following Export Control
Regulations***

We did not substantiate the allegation that NNSA Laboratories were not following export control regulations by publishing research to the public domain in violation of International Traffic in Arms Regulations and applicable Department criteria. Our review focused on three research publications from LANL and one from LLNL. We found that LANL’s three publications were published in accordance with an exemption within the International Traffic in Arms Regulations. We also found that the article from LLNL was not identified as export controlled. While the use of this exemption for review and approval may be allowable, according to NNSA officials it may not be the best process to approve publication of NNSA research to the public domain.

While we found that the use of the exemption may be allowable, the concerns raised by NNSA officials identified the potential risk that NNSA research is being approved for public release under a review process intended to review publications for national security concerns and not whether the information might be covered under the International Traffic in Arms Regulations. (DOE-OIG-25-28, August 2025)

The Department of Energy Did Not Consistently Comply With the Foreign Government Sponsored or Affiliated Activities Order 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 other foreign Government-sponsored activities or affiliated activities with a foreign country of risk.

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 Department Order 486.1A. (DOE-OIG-25-29, August 2025)

The Department of Energy's Unclassified Cybersecurity Program – 2024

The Federal Information Security Modernization Act of 2014 requires Federal agencies to develop, implement, and manage agency-wide information security programs. Agencies are also required to provide acceptable levels of security for the information and systems that support their operations and assets.

We found that the Department had taken actions to address some of the previously identified weaknesses related to its unclassified cybersecurity program. While actions were taken to close 19 of 63 recommendations from our prior year audits and evaluations, 44 prior year recommendations remained open. We also issued 79 new recommendations throughout the fiscal year related to various areas of cybersecurity programs. Without improvements to address the weaknesses identified in our report, the Department may be unable to adequately protect its information systems and data from compromise, loss, or modification. (DOE-OIG-25-30, August 2025)

Allegations on the Failure of the Department of Energy to Effectively Oversee Travel Card Use for Executive Travel

Our review substantiated four out of five allegations regarding misuse or abuse of travel rules and regulations related to a political appointee. Additionally, our review found that these weaknesses were not limited to the individual identified in the allegation but extended to a small number of other high-level officials within the Department. We found that some officials misused their Government-issued travel cards by making personal purchases using the cards and maintaining delinquent travel card account balances. We found that when the Office of Travel Management notified Department leadership of travel card issues, leadership did not always act on the information provided. Notably, the misuse and lack of leadership action was not limited to any one program but identified across many Department program elements. (DOE-OIG-25-31, August 2025)

The Loan Programs Office's Management of Contractor Conflicts of Interest

LPO did not have an effective framework in place for managing conflicts of interest for contractors providing support to its Office. Specifically, the LPO was not aware of relationships that could result in conflicts of interest. We also found that the LPO did not effectively manage conflict of interest disclosures and waiver requests, and did not ensure its prime contractor fully implemented key aspects of its strategy for managing potential conflicts of interest. (DOE-OIG-25-32, August 2025)

The Western Area Power Administration's Physical Protection Program for Critical Assets

Because this report contains Controlled Unclassified Information, it was not released to the public. (DOE-OIG-25-33, September 2025)

Allegations of Flight Concerns at the National Nuclear Security Administration's Remote Sensing Laboratory

NNSA's Remote Sensing Laboratory has several crisis and consequence management emergency response teams specially trained and equipped to respond to a variety of radiological situations and is the only dedicated nuclear response aviation program in the world. We substantiated the allegation that Mission Support and Test Services, LLC management approved the transport of a supplemental pilot using an NNSA-owned aircraft. However, we questioned whether the supplemental pilot's role on the training flight was needed. In addition, there were differences in understanding by aviation personnel about how readiness was tracked in the multipurpose dashboard system. (DOE-OIG-25-34, September 2025)

The Grid Deployment Office's Implementation of the Puerto Rico Energy Resilience Fund Program

We found that GDO was not fully prepared to implement the PR-ERF Program, as it had not developed the requisite oversight tools and resources to conduct separate and appropriate oversight to ensure that it will meet its intended goals and objectives. We identified six areas related to GDO's implementation of the PR-ERF Program where additional oversight and resources are needed.

The lack of preparedness and planned oversight occurred due to GDO's reliance on other entities. Specifically, while GDO delegated management and execution duties to other entities, it did not assess the readiness and ability of these entities to oversee the PR-ERF Program, nor prepare a plan to oversee the work performed by these entities. GDO's ability to achieve PR-ERF Program objectives is vulnerable without the establishment of independent, robust oversight, and resources. (DOE-OIG-25-35, September 2025)

Timekeeping Irregularities at the National Nuclear Security Administration's Pantex Plant Had Adverse Effects on Operations and Resulted in Additional Costs

Because this report contains Controlled Unclassified Information, it was not released to the public. (DOE-OIG-25-36, September 2025)

***Nuclear Waste Partnership
LLC's Statement of Costs
Incurred and Claimed for
Fiscal Year 2020 Under
Contract No. DE-
EM0001971***

Nuclear Waste Partnership managed and operated the Office of Environmental Management's Waste Isolation Pilot Plant under a contract with the Department from October 1, 2012, through February 3, 2023. The Waste Isolation Pilot Plant was built to safely dispose of the Nation's defense-related transuranic radioactive waste.

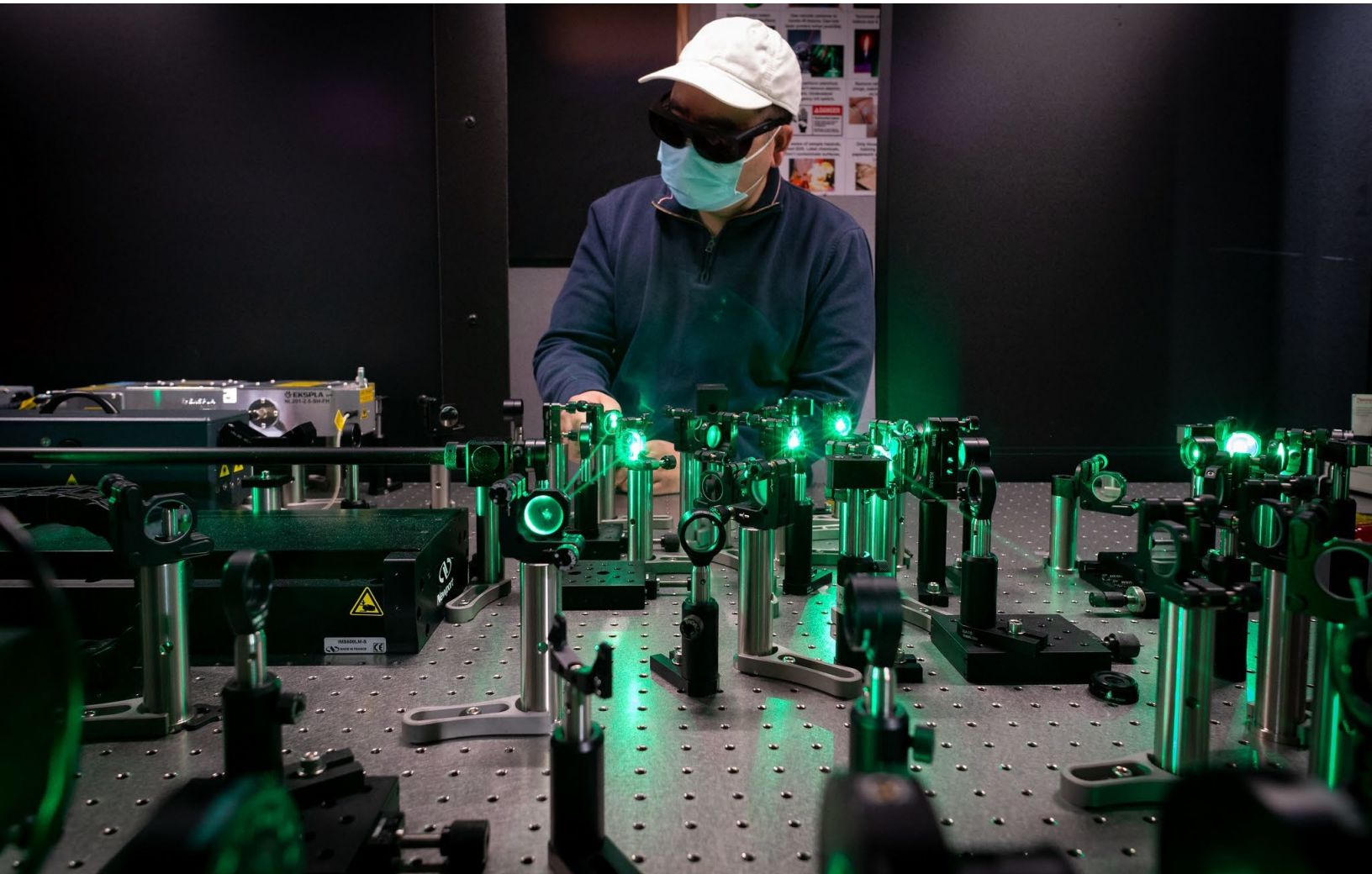
Our audit was to determine if costs charged to Department Contract No. DE-EM0001971 during fiscal year 2020 were allowable, allocable, and reasonable, in accordance with contract terms, applicable laws, and regulations. We identified three material noncompliance and internal control deficiencies. We questioned nearly \$7 million of costs claimed by Nuclear Waste Partnership in its Statement of Costs Incurred and Claimed for fiscal year 2020. We questioned proposed labor and procurement costs due to unsupported bonus costs, executive compensation over the approved compensation limits, and lobbying and procurement costs that exceeded subcontract ceilings. The internal control deficiencies were related to accounting for unallowable costs and inadequate oversight of labor costs, invoice reviews, and various procurement processes. (DOE-OIG-25-37, September 2025)



Source: U.S. Department of Energy

Federal Financial Management Improvement Act-Related Reporting

Reporting on FFMIA requirements is addressed annually via the audit of the Department's consolidated financial statements. The most recent audit was conducted by KPMG LLP on the OIG's behalf. In the audit report, *The Department of Energy's Fiscal Year 2024 Consolidated Financial Statements*, KPMG did not express an opinion on compliance with FFMIA. However, KPMG LLP's 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.



Source: U.S. Department of Energy

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)	25
Total Number of Issued Investigative Reports	5 U.S.C. § 405(b)(17)(A)	3
Referrals to the DOJ for Criminal Prosecution	5 U.S.C. § 405 (b)(17)(B)	3
Total Number of Persons Referred to the State/Local Prosecuting Authorities for Criminal Prosecution	5 U.S.C. § 405 (b)(17)(C)	3
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 (b)(17)(D)	3
Description of the Metrics Used for Developing the Data for the 405(b)(17) Statistical Tables	5 U.S.C. § 405 (b)(18)	3
Investigations Involving Senior Government Employees	5 U.S.C. § 405 (b)(19)	17
Instances of Whistleblower Retaliation	5 U.S.C. § 405 (b)(20)	4
Detailed Description of Any Attempt by the Department to Interfere With the Independence of the OIG	5 U.S.C. § 405 (b)(21)	18
Reviews Closed and Not Disclosed to the Public	5 U.S.C. § 405 (b)(22)	23
Recommendations for Corrective Action to Significant Problems	5 U.S.C. § 405 (b)(2)	19
Previous Reports' Recommendations for Which Corrective Action Has Not Been Implemented	5 U.S.C. § 405 (b)(3)	19
Total Number of Convictions in This Reporting Period	5 U.S.C. § 405 (b)(4)	3
Information Regarding Each Audit, Inspection, or Evaluation Report Issued	5 U.S.C. § 405 (b)(5)	10
Description of Significant Reports	5 U.S.C. § 405 (b)(1, 7)	27
Dollar Value of Questioned Costs	5 U.S.C. § 405 (b)(6, 8)	6
Reports With Recommendations That Funds Be Put to Better Use	5 U.S.C. § 405 (b)(9)	5
Management Decision Status	5 U.S.C. § 405 (b)(10-12)	18
Federal Financial Management Improvement Act-Related Reporting	5 U.S.C. § 405 (b)(13)	42
Peer Review Results	5 U.S.C. § 405 (b)(14–16)	26

About the Department and the Office of Inspector General

The Department is headquartered in Washington, DC, and is also responsible for the Energy Information Administration, the National Nuclear Security Administration, 21 pre-eminent research laboratories and facilities, 4 Power Marketing Administrations, 10 field offices, and 17 program offices, all of which help manage the Department's mission with over 15,000 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 Department's mission 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

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