



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

INSPECTION REPORT

DOE-OIG-19-45

August 2019

**ALLEGED PROHIBITED ACTIVITIES
AND ARTICLES AT THE OFFICE OF
INFRASTRUCTURE SECURITY AND
ENERGY RESTORATION**



Department of Energy
Washington, DC 20585

August 27, 2019

MEMORANDUM FOR THE UNDER SECRETARY OF ENERGY

Michelle Anderson

FROM: Michelle Anderson
Deputy Inspector General
for Audits and Inspections
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on “Alleged Prohibited Activities and Articles at the Office of Infrastructure Security and Energy Restoration”

BACKGROUND

The Department of Energy’s Office of Electricity Delivery & Energy Reliability¹ provides national leadership to ensure that the Nation’s energy delivery system is secure, resilient, and reliable. Prior to its recent re-alignment under the newly established Office of Cybersecurity, Energy Security, and Emergency Response, the Infrastructure Security and Energy Restoration (ISER) Division was part of the Office of Electricity Delivery & Energy Reliability.² Senior officials from these organizations are located at Department Headquarters (Headquarters) in the James Forrestal Building, located in Washington, DC. Occasionally, events at Headquarters can involve the possession and/or consumption of alcoholic beverages. The Office of Management, through its Office of Administration, is responsible for approving requests to bring alcohol into the facility. The Office of Environment, Health, Safety and Security (Health and Safety) is the primary office responsible for health, safety, environment, and security operations, including overseeing the Protective Force contractor who is responsible for confiscating and disposing of unauthorized alcoholic beverages.

The Office of Inspector General received allegations related to alcohol in the Headquarters facility, specifically that: (1) a senior ISER official had hosted several “happy hour” events in the Headquarters facility that included the consumption of alcoholic beverages; and (2) on March 9, 2016, Protective Force officers discovered alcohol in two senior ISER officials’ offices. During

¹ On May 14, 2018, the Office of Electricity Delivery & Energy Reliability’s formal title changed to the Office of Electricity. Because this title change did not happen until after the incident and corrective actions were taken, we use the former title of Office of Electricity Delivery & Energy Reliability throughout this report.

² In February 2018, the Secretary of Energy announced that he was establishing the Office of Cybersecurity, Energy Security, and Emergency Response. The new office focuses on energy infrastructure security, in support of the expanded national security responsibilities assigned to the Department. In May 2018, ISER was moved from the Office of Electricity (formerly titled the Office of Electricity Delivery & Energy Reliability) to the Office of Cybersecurity, Energy Security, and Emergency Response.

our initial assessment of the complaint, an additional allegation surfaced regarding perceived preferential treatment of the senior officials involved with the alleged alcohol. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

RESULTS OF INSPECTION

We determined that the senior ISER official had obtained proper approval to bring alcoholic beverages into the Department's Headquarters facility for several "happy hour" events. However, we determined that the senior ISER official had not removed the alcoholic beverages from the building after the conclusion of each approved event in accordance with Department policy and, as a result, on March 9, 2016, Protective Force officers confiscated the leftover alcohol from two senior officials' offices. Regarding the potential preferential treatment concerns, a Department Ethics official determined that based on the evidence presented, preferential treatment was not proven.

We found that during the period of June through July 2015, an ISER official hosted four "happy hour" events in the Headquarters facility involving alcohol; however, Department officials provided documentation demonstrating that the serving of alcohol at the four events had been approved. The two senior ISER officials indicated that the alcohol discovered by Protective Force officers in their offices in March 2016 was left over from prior events. (See Attachment 2 for the inventory list of confiscated alcohol provided by a Protective Force officer.) Regarding the alcohol inventory list, one of the senior ISER officials told us that not all of the alcohol (about half) on the Protective Force's list belonged to ISER. However, since the Protective Force officers did not provide the ISER official with a receipt for the confiscated alcohol, we could not validate the quantity of alcohol confiscated. We further noted that at the direction of Health and Safety oversight officials, the alcohol was subsequently returned to the ISER officials for an upcoming event that was approved in an Office of Administration memorandum dated June 6, 2016.

We noted that the alcohol remained in the facility after at least one approved event and/or possibly other approved or unapproved event(s) until being confiscated by Protective Force officers in March 2016 because the requesting officials (who were not the two senior ISER officials in possession of the alcohol) either failed to fully execute their responsibility to remove or dispose of the alcohol, or were unaware of their responsibility to do so. According to the Office of Management's memorandum, the requesting official (the individual who submits the alcohol memorandum to the Office of Management for approval) is required to monitor the consumption of the alcohol and ensure that any unconsumed alcohol is removed from the building upon completion of the event.

In response to our briefing of preliminary findings on March 7, 2017, we were provided documentation that the Office of Electricity Delivery & Energy Reliability had implemented a standard operating procedure addressing the use of alcohol in the building in a memorandum dated March 20, 2017. This standard operating procedure was made effective immediately to enhance internal controls to meet and/or exceed compliance with the Department's revised alcohol policy memorandum that had been released on February 28, 2017. According to management, the Office of Electricity Delivery & Energy Reliability took immediate steps to

implement the standard operating procedure to ensure that strong management and oversight continue to be in place. A copy of the memorandum is posted in all Office of Electricity Delivery & Energy Reliability office suites as a continuous reminder of the policy.

During our inspection, Health and Safety and the Office of Administration took actions to strengthen controls over alcohol brought into the facility. Specifically, the Office of Administration updated its operating procedures to address: (1) coordination with Health and Safety officials on alcohol-related incidents; (2) responsibilities of requesting officials; (3) removal of alcohol at the conclusion of an event; and (4) limiting approvals for alcohol to single events. These actions were formalized in the Office of Administration's revised Standard Operating Procedure 2017-03, *Request for the Use and Storage of Alcoholic Beverages in Department of Energy Headquarters*.

Furthermore, after discussing the issues during our review with Health and Safety officials, we found that Protective Force personnel developed a new *Protective Force Operations Guide: Unauthorized Alcohol* in August 2016 aimed at strengthening the confiscation and disposition of alcohol at Headquarters. Although a positive action, we identified opportunities for Protective Force to enhance the 2016 procedure by including guidance on: (1) documenting Health and Safety management's discretionary approval when disposal of confiscated alcohol is delayed; (2) ensuring that appropriate parties receive and acknowledge the inventory of confiscated alcohol; and (3) ensuring that the employee's supervisor is notified of incidents involving alcohol confiscation. During meetings with senior Health and Safety officials, we were told that Health and Safety management plans to consider the opportunities for improvement we identified.

While the corrective actions taken by both Health and Safety and the Office of Administration were positive actions, we made a recommendation aimed at improving internal controls over the confiscation and disposition of unauthorized alcohol at Headquarters.

RECOMMENDATION

To improve internal controls over the confiscation and disposition of unauthorized alcohol, we recommend that the Associate Under Secretary for Environment, Health, Safety and Security direct Protective Force to:

1. Modify its August 2016 *Protective Force Operations Guide: Unauthorized Alcohol* by:
 - a. Addressing Health and Safety management's discretion concerning the disposal of alcohol;
 - b. Ensuring that a copy of the inventory sheet is provided to the individual from whom the unauthorized alcohol is confiscated; and
 - c. Notifying the employee's supervisor of incidents involving alcohol confiscation.

MANAGEMENT RESPONSE

Management concurred with our recommendation and provided *Protective Force Operations Procedure PF-167*, which included changes that were made to address our recommendation. Management's comments are included in Attachment 3.

INSPECTOR COMMENTS

Management's actions were responsive to our recommendation. Management stated that initial changes were made to *Protective Force Operations Procedure PF-167* on May 8, 2017. Additional updates were made on April 13, 2018, and May 8, 2019.

Attachments

cc: Deputy Secretary
Chief of Staff
Assistant Secretary, Office of Cybersecurity, Energy Security, and Emergency Response
Associate Under Secretary, Office of Environment, Health, Safety and Security
Assistant Secretary, Office of Electricity
General Counsel
Director, Office of Management

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

The Office of Inspector General received allegations related to alcohol in the Department of Energy's James Forrestal Headquarters facility, specifically that: (1) a senior Infrastructure Security and Energy Restoration Division (ISER) official had hosted several "happy hour" events in the Headquarters facility that included the consumption of alcoholic beverages; and (2) on March 9, 2016, Protective Force¹ officers discovered alcohol in two senior ISER officials' offices. During our initial assessment of the complaint, an additional allegation surfaced regarding perceived preferential treatment of the senior officials involved with the alleged alcohol. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

SCOPE

We conducted this inspection from July 2016 through March 2019 at Department Headquarters, in the James Forrestal Building, located in Washington, DC. The scope of this inspection was limited to the facts and circumstances surrounding allegations concerning (1) a senior ISER official had hosted several "happy hour" events in the Headquarters facility that included the consumption of alcoholic beverages; and (2) on March 9, 2016, Protective Force officers discovered alcohol in two senior ISER officials' offices. During our initial assessment of the complaint, an additional allegation surfaced regarding perceived preferential treatment of the senior officials involved with the alleged alcohol that we also included in our scope. The inspection was conducted under Office of Inspector General project number S16IS009.

METHODOLOGY

To accomplish the inspection objective, we:

- Reviewed and analyzed Federal and Department policies and procedures regarding alcohol on Government property;
- Reviewed and analyzed previous Government Accountability Office, Department, and other pertinent reports pertaining to prohibited articles;
- Reviewed and obtained a sample memorandum for requesting authorization to bring alcoholic beverages into the James Forrestal Building;
- Evaluated the procedure, guide, and practices on confiscating unauthorized alcohol on Government property;
- Reviewed approval memorandums from relevant parties; and

¹ The Office of Environment, Health, Safety and Security is the primary office responsible for health, safety, environment, and security operations, including overseeing the Protective Force contractor who is responsible for confiscating and disposing of unauthorized alcoholic beverages

- Conducted interviews with Federal and contractor officials and staff.

We conducted this allegation-based inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Those standards require that we plan and perform the inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions and observations based on our inspection objective. We believe that the evidence obtained provided a reasonable basis for our conclusions and observations based on our inspection objective. Accordingly, the inspection included tests of controls and compliance with laws and regulations to the extent necessary to satisfy the inspection objective. Because our review was limited, it may not necessarily have disclosed all internal control deficiencies that may have existed at the time of our inspection. Finally, we did not rely on any computer-processed data to satisfy our objective.

Management waived an exit conference on June 14, 2019.

ALCOHOL INVENTORY

IR F-16-03-005

Date: 9 March 2016

List of alcohol confiscated from room 1E-278

28 Coors Light 12oz Cans - Unopened
3 Leffe 11.2 Bottles - Unopened
1 Eight Point I.P.A 12oz - Unopened
2 Samuel Adams Dunkelweizer 12oz - Unopened
1 Samuel Adams Cream Stout 12oz - Unopened
1 I.P.A Spider Bite 12oz - Unopened
1 Stella Artois 12oz - Unopened
2 Hoegaarden Wit-Blanche 11.0oz - Unopened
2 Wine Bottles -Tarima Hill 750 ML Unopened
1 Wine Bottle - B - Side 750 ML Unopened
1 Wine Bottle - Church Black 750 ML Unopened
1 Wine Bottle - Pride Cabernet Sauvignon 750 ML Unopened
1 The Glenlivet Scotch Whisky Open - approximately 1inch remain in the Bottle.

This document was provided to us by a Protective Force officer.

MANAGEMENT COMMENTS



Department of Energy
Washington, DC 20585

June 11, 2019

MEMORANDUM FOR TERI I. DONALDSON
INSPECTOR GENERAL

FROM: MATTHEW B. MOURY *MBM*
ASSOCIATE UNDER SECRETARY FOR ENVIRONMENT,
HEALTH, SAFETY AND SECURITY

SUBJECT: PROGRAM COMMENTS -- IG DRAFT AUDIT REPORT: "Alleged
Prohibited Activities and Articles at the Office of Infrastructure
Security and Energy Restoration" (S16IS009)

Thank you for the opportunity to respond to the Office of the Inspector General's draft audit report entitled: "Alleged Prohibited Activities and Articles at the Office of Infrastructure Security and Energy Restoration." The Office of Environment, Health, Safety and Security (AU) and the Office of Cybersecurity, Energy Security, and Emergency Response (CESER), have completed their review of the report and provide the following comments:

We appreciate the Inspector General's thorough review and want to give the reassurance that CESER and AU continue to apply strong management and oversight regarding the process to approve for use and the disposal of alcohol at the DOE Forestall building through enhanced internal controls so as to comply with the Department's revised alcohol policy released on February 28, 2017.

Recommendations 1: To improve internal controls over the confiscation and disposition of unauthorized alcohol, we recommend that the Associate Under Secretary for Environment, Health, Safety and Security direct Protective Force to:

1. Modify its August 2016 *Protective Force Operations Guide: Unauthorized Alcohol* by:
 - a. Addressing Health and Safety management's discretion concerning the disposal of alcohol;
 - b. Ensuring that a copy of the inventory sheet is provided to the individual from whom the unauthorized alcohol is confiscated; and
 - c. Notifying the employee's supervisor of incidents involving alcohol confiscation.

On May 8, 2017, the required changes were made and incorporated into DOE Headquarters' "Protective Force Operations Procedure PF-167, Unauthorized Alcohol, Revision 02." An

inventory form (PF-167A) was also developed and made available to the appropriate individual for future use. The specific changes can be found in paragraphs 6.2, Confiscation of Unauthorized Alcohol, and 6.3 Disposal of Unauthorized Alcohol.

If you have any questions, please contact me at (202) 586-1285 or have a member of your staff contact James Hutton, Director, Office of Headquarters Security Operations, at (202) 586-0975.

Attachments

FEEDBACK

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Office of Inspector General (IG-12)
Department of Energy
Washington, DC 20585

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 586-1818. For media-related inquiries, please call (202) 586-7406.