



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

INSPECTION REPORT

OAI-L-16-16

September 2016

**DISPOSITION OF EXCESS GOVERNMENT
WEAPONS, EXPLOSIVES, AND
PROTECTIVE FORCE EQUIPMENT AT THE
LAWRENCE LIVERMORE NATIONAL
LABORATORY AND THE HANFORD SITE**

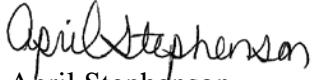


Department of Energy
Washington, DC 20585

September 29, 2016

MEMORANDUM FOR THE MANAGER, LIVERMORE FIELD OFFICE
MANAGER, RICHLAND OPERATIONS OFFICE

FROM:


April Stephenson
Assistant Inspector General
for Audits and Inspections
Office of Inspector General

SUBJECT:

INFORMATION: Inspection Report on the “Disposition of Excess Government Weapons, Explosives, and Protective Force Equipment at the Lawrence Livermore National Laboratory and the Hanford Site”

BACKGROUND

Lawrence Livermore National Laboratory (Livermore) is managed and operated by Lawrence Livermore National Security for the Department of Energy’s National Nuclear Security Administration (NNSA). NNSA’s Livermore Field Office oversees contractor operations. Livermore’s mission is to strengthen the security of the United States through the development and application of science and technology. The Hanford Site (Hanford) is a Department cleanup site managed by the Office of Environmental Management (Environmental Management). Richland Operations Office oversees the Hanford cleanup for Environmental Management. Hanford’s mission of environmental cleanup involves managing the legacy of plutonium production for the nation’s defense program.

Both Livermore and Hanford have armed Protective Forces because their missions require that they maintain sensitive property and high risk personal property, such as firearms, explosives, and equipment. Both property types must be identified at acquisition and be controlled through disposition. Livermore and Hanford must declare property that is no longer needed as excess property and reuse or dispose of it. In September 2012, Livermore’s security level was downgraded to Special Nuclear Material (SNM) Category III due to the removal of Category I/II inventories of SNM. This led to reducing Protective Force staff, as well as sensitive property/high risk personal property such as firearms and Protective Force equipment. Hanford also had prior security changes. We performed the inspection to determine if Livermore and Hanford had properly disposed of their excess firearms, explosives, and Protective Force equipment.

RESULTS OF INSPECTION

Nothing came to our attention to indicate that Hanford or Livermore had improperly disposed of its excess firearms, or that Hanford had improperly disposed of its explosives and Protective

Force equipment. We also noted that Livermore had not exceeded any explosives. However, according to Livermore officials, Livermore destroyed potentially usable Protective Force equipment based on economic decisions.

Disposition of Firearms

Based on our review of records and interviews with Livermore and Hanford officials, we learned that Livermore and Hanford accounted for, advertised, and transferred or destroyed its excess firearms, as required.

As part of our review at Hanford, we conducted a physical inventory, accounting for all firearms in the excess process that had not been transferred or destroyed. We did not conduct a similar inventory at Livermore because it destroyed all firearms in the excess process during our fieldwork. However, by reviewing Livermore's destruction documents, we were able to account for all of the excessed firearms.

The Federal Disposal System (GSAXcess) is the General Services Administration's (GSA) computer system for recording, tracking, and controlling the Federal Government's inventory of excess and surplus property. The Department's Energy Asset Disposal System (EADS) is a module contained within GSAXcess that provides automated data systems support for the Department's personal property needs. At the end of the internal screening cycle, any property still available is either returned to the entity responsible for the property or automatically passed to GSAXcess, where other Federal and state agencies can locate available excess property.

Department Order 580.1A, "Department of Energy Personal Property Management Program," states that reportable Department excess personal property must be submitted for Department reuse through EADS. Department Guide 580.1-1, "Department of Energy Personal Property Management Guide," further states that excess property is reported to EADS except property that is authorized for direct transfer. Transfers of excess property within the Department or to other Federal agencies are documented using Standard Form 122. Also, 41 Code of Federal Regulation (CFR), Section 102-36.145, "Direct Transfers," allows agencies to obtain excess personal property directly from another Federal agency without GSA approval. According to 41 CFR 101-42.1102-10, "Firearms," firearms can also be transferred to state and local law enforcement agencies. In addition, 41 CFR 102-36.375, "May We Dispose of Excess Firearms?" states that firearms not transferred or donated must be destroyed and sold as scrap.

Livermore and Hanford officials stated that they either advertised their excess firearms in EADS or GSAXcess, or they transferred or destroyed the firearms. We also learned through document reviews and interviews that when other agencies expressed interest in the excess firearms, Livermore and Hanford transferred the firearms to the appropriate agencies. For example, Livermore conducted an authorized direct transfer of firearms to another Department site without advertising the firearms. We also reviewed Hanford documents that showed the transfer of firearms to another Federal agency. For firearms that were not transferred, Livermore and Hanford officials provided records verifying that the firearms were destroyed in a manner that rendered them inoperative. In addition, we were informed that the resulting metal was either sold to a local metal recycler or the scrap was given to a local company in exchange for free destruction service.

Disposition of Explosives

Based on our review of records and interviews with Hanford officials, we concluded that Hanford disposed of its excess explosives, as required. The Department's technical standard, *Explosives Safety*, states that cased explosives should be removed from cases and burned or the cased item detonated. In addition, detonators, primary explosives, and other explosives that might ignite should be destroyed by detonation as well. Hanford properly excessed damaged explosives by sending them to the local police department for final disposition in accordance with site policy. By interviewing Hanford officials and reviewing documents provided by Hanford, we concluded that the police department accepted the explosives for destruction. We did not conduct an inventory of Livermore's explosives because Livermore no longer stored excess explosives as a result of its change in security level.

Disposition of Protective Force Equipment

We determined that Hanford disposed of its excess Protective Force equipment either by transferring it to other agencies through EADS and the GSA screening process, or by destroying the equipment, as required. According to the Department Guide 580.1-1, excess property is to be reported to EADS for reuse within the Department. In addition, 41 CFR, Part 102-36, Section 102-36.35, *Disposition of Excess Personal Property*, states that if property is no longer needed within the agency, the property is declared excess and is reported to GSA for possible transfer to eligible recipients. We reviewed Hanford's declaration of excess forms, which contained the condition code of the equipment. Through document reviews of these forms, as well as the corresponding shipping and receiving forms and interviews, we determined that Hanford transferred to another agency the usable items, such as goggles and scopes, and destroyed unusable equipment by burying it in a secure facility.

Livermore officials told us that, for economic reasons, they made a business decision to destroy 168 Protective Force helmets. Specifically, we were told by Livermore officials that Protective Force Division officials comingled scrap equipment with potentially usable helmets when they were excessing the Protective Force equipment. Furthermore, we noted that condition codes on the excess forms were not marked to indicate whether the helmets were usable property. Livermore property officials told us that Livermore's property management group accepted the property without marking the condition code. A Livermore official stated that, after accepting the equipment, a decision was made to destroy the helmets because Livermore did not have adequate resources to separate the helmets, determine each helmet's condition, and enter usable items into EADS and GSAXcess for advertisement. Consequently, Livermore believed destroying them was the most economically feasible decision under the circumstances. In addition, Livermore officials told us that, for economic reasons, they decided to focus time and resources on the disposition of high value and sensitive items, such as firearms and armored vehicles.

We did not find any conditions for corrective action, so we are not making any formal recommendations or suggestions.

Attachments

cc: Deputy Secretary
Administrator, National Nuclear Security Administration
Assistant Secretary, Environmental Management
Deputy Under Secretary, Management and Performance
Chief of Staff

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

We conducted this inspection to determine if Lawrence Livermore National Laboratory (Livermore) and the Hanford Site (Hanford) had properly disposed of their excess firearms, explosives, and Protective Force equipment.

SCOPE

Our inspection was performed from April 2015 through September 2016 at the Lawrence Livermore National Laboratory in Livermore, California, and the Hanford Site in Richland, Washington. The inspection focused on reviewing the processes followed for the disposition of items identified by Livermore and Hanford as excess. We reviewed excess firearms, Protective Force explosives, and Protective Force equipment at these sites from October 2012 to April 2015. The inspection was conducted under Office of Inspector General project number S15IS011.

METHODOLOGY

To accomplish the inspection objective, we:

- Reviewed applicable laws and regulations pertaining to property management;
- Obtained and analyzed records of items in the excess process;
- Reviewed documents supporting the transfer and destruction of items;
- Conducted inventory of all firearms in the excess process that had not been transferred or destroyed at Hanford; and
- Conducted a visual inspection of the explosives purchased in 2014 by Hanford.

We conducted this performance-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 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 would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our inspection. We relied on computer-process data to satisfy our objective. Based on our comparison of computer-processed data to supporting documents and inventory we determined that the data was reliable.

We also assessed compliance with the *GPRA Modernization Act of 2010* and found that Lawrence Livermore National Laboratory and Hanford Site had established performance measures for property management.

NNSA management waived an exit conference on July 28, 2016. An exit conference was held with Office of Environmental Management personnel on August 24, 2016.

PRIOR REPORTS

Office of Inspector General

- Inspection Report on the [*Management of Explosives at Selected Department Sites*](#) (INS-O-12-02, July 2012). This report found problems with handling and storing of explosives at four Department of Energy contractor-operated sites potentially increasing the risk of harm to personnel and infrastructure. The report found that excess combustible and non-combustible materials were being stored in explosive bunkers, incorrect bunker placards and fire symbols were posted on bunkers and buildings, and excess explosives waste was not being disposed of timely. The report found that Department management had not focused the attention needed to ensure that the responsible facilities contractors properly implemented Department policies for handling and storing explosives. Also, contractor officials charged with managing and safeguarding explosives had not ensured compliance with various aspects of the *DOE Explosives Safety Manual*.
- Audit Report on [*Management Controls over the Department's Excess Weapons Inventories and Selected Sensitive Equipment used by Protective Forces*](#) (OAS-M-09-01; January 2009). This report found that the Department was not always properly managing its inventories of excess weapons and selected sensitive equipment. The audit identified issues with the retention of unneeded weapons at many locations and with the identification and tracking of sensitive items.
- Audit Report on [*The Department's Management of Non-Nuclear High Explosives*](#) (DOE/IG-0730, June 2006). This report found that Department laboratories were not always maintaining control, accountability, and safety over a wide variety of explosives. The lack of control and accountability over high explosives occurred, in large part, because the Laboratories failed to design and implement effective local high explosive management strategies.

FEEDBACK

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We aim to make our reports as responsive as possible and ask you to consider sharing your thoughts with us.

Please send your comments, suggestions, and feedback to OIG.Reports@hq.doe.gov and include your name, contact information, and the report number. Comments may also be mailed to:

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) 253-2162.