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**U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL**

**REPORT ON INSPECTION OF
COMPLIANCE WITH DOE ORDER 2030.4B
AT THE SAVANNAH RIVER SITE**

**Report No: INS-0-97-02
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**Office of Inspections
Washington, DC 20585**

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I. PURPOSE AND OBJECTIVE

The purpose of this inspection was to evaluate contractor compliance at the Savannah River Site (SRS) with Department of Energy (DOE) Order 2030.4B, "REPORTING FRAUD, WASTE, AND ABUSE TO THE OFFICE OF INSPECTOR GENERAL." The specific objective was to determine if the SRS management and operating (M&O) contractors were complying with the requirements in Paragraph 6.c. of DOE Order 2030.4B. These requirements are: (1) annual notification to employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement; (2) display and publish the DOE Office of Inspector General (OIG) Hotline telephone number in common areas of buildings; (3) display and publish the DOE OIG Hotline number in telephone books and newsletters; and (4) notify the OIG regarding cases referred to other law enforcement entities.

II. SCOPE AND METHODOLOGY

This inspection covered all DOE management and operating contractors at SRS. These contractors were: Westinghouse Savannah River Company (WSRC), Wackenhut Services Incorporated (WSI), and the University of Georgia Research Foundation (UGRF). In conducting this inspection, we reviewed the M&O contractor requirements listed in DOE Order 2030.4B, Paragraph 6.c. We also reviewed applicable contracts, memorandums of understanding, contract administrator notices, directive implementation instructions, compliance packages, M&O contractors' procedures, telephone directories, posting notices, and newsletters.

We interviewed DOE Savannah River Operations Office (DOE-SR) officials responsible for ensuring compliance with DOE Order 2030.4B, the DOE-SR Directives Coordinator, DOE-SR Security Management Division personnel, M&O "contractor point of contact" personnel, and M&O personnel responsible for implementation of DOE Order 2030.4B. We also conducted physical inspections at selected on-site and off-site buildings.

This inspection was conducted in accordance with Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

III. SUMMARY RESULTS OF INSPECTION

Requirements of DOE Order 2030.4B

We found that the SRS M&O contractors were not fully complying with three of the four specific requirements in Paragraph 6.c. of DOE Order 2030.4B. First, we found that the M&O contractors were not annually notifying their employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, directly to the OIG. Second, we found that the M&O contractors were not adequately displaying and publishing the DOE OIG Hotline telephone number in common areas of buildings. Third, we found that the M&O contractors were either incorrectly publishing or not publishing the DOE OIG Hotline number in telephone books and in newsletters under the contractors' cognizance. Fourth, we did find, however, that the applicable M&O contractor had notified the OIG of alleged incidents of fraud, waste, and abuse which had been referred to Federal, State, or local law enforcement entities.

The summary results of our review were as follows:

DOE ORDER 2030.4B PARAGRAPH 6.c. <u>REQUIREMENTS</u>	M&O Contractors' Compliance		
	<u>WSRC</u>	<u>WSI</u>	<u>UGRF</u>
Annual notification of employees	No	No	No
Office of Inspector General (OIG) Hotline telephone number displayed and published in buildings	Partial*	Partial*	Partial*
OIG Hotline telephone number displayed and published in telephone books and newsletters	Partial**	No	No
Notification of the OIG regarding cases referred to other law enforcement entities	N/A***	Yes	N/A***

* Partial compliance, more than 50 percent of the buildings inspected were not displaying the OIG Hotline number.

** The WSRC telephone directory in use at the time of our inspection mislabeled the OIG Hotline as an Environmental Hotline.

*** Not/Applicable, WSI is responsible for performing law enforcement functions at SRS.

We found that the SRS M&O contractors were not annually notifying their employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, directly to the OIG. The officials

designated as "contractor point of contact" for DOE Order 2030.4B compliance at the three respective M&O contractors told us that their contractor was not annually notifying their employees of the above duty, as required by DOE Order 2030.4B, Paragraph 6.c.(1).

We also found that SRS M&O contractors were not adequately displaying and publishing the DOE OIG Hotline telephone number in common areas of buildings. We performed physical inspections at selected SRS buildings, both on-site and off-site, and found that more than half of the buildings inspected were not displaying the OIG Hotline telephone number as required by DOE Order 2030.4B, Paragraph 6.c.(2). Furthermore, "contractor point of contact" officials at two M&O contractors told us that their contractor was not displaying the OIG Hotline telephone number.

We found that the SRS M&O contractors were either incorrectly publishing or not publishing the DOE OIG Hotline telephone number in telephone books and newsletters under the contractors' cognizance, as required by DOE Order 2030.4B, Paragraph 6.c.(3). We reviewed the telephone directory published by WSRC for SRS and found that the OIG Hotline number was mislabeled as an Environmental Hotline. We believe this to be misleading for those individuals needing to contact the OIG Hotline regarding matters other than environmental violations. At the time of our inspection, the telephone directory in use was dated August 1992. Subsequent to our inspection, a new DOE-SR telephone directory has been published dated May 1996, which correctly lists the OIG Hotline number. Responsible officials with the three M&O contractors told us that the OIG Hotline telephone number was not being published in their respective newsletters which we confirmed through reviews of selected newsletters.

We did find, however, that the OIG had been notified of alleged incidents of fraud, waste, and abuse which had been referred to Federal, State, or local law enforcement entities. The M&O contractor responsible for law enforcement at the SRS had procedures and agreements in place to provide for notification of the OIG, as required by DOE Order 2030.4B, Paragraph 6.c.(4), as did DOE-SR. We reviewed selected cases which had been referred to outside law enforcement agencies, and verified that the OIG had been notified of these referrals.

Compliance Assessment of DOE Order 2030.4B

The M&O contractors at SRS, when provided with a new DOE order, are responsible for performing a compliance assessment. This involves reviewing the order and preparing an assessment which reflects whether the contractor (1) is in compliance; (2) is working to be in compliance; (3) is not in compliance due to financial restraints and the estimated cost for compliance; or (4) does not

believe the order pertains to them. We found that WSRC only prepared a draft compliance assessment of DOE Order 2030.4B. We also found that WSI completed a finalized compliance assessment; and, UGRF agreed DOE Order 2030.4B was applicable, but did not complete a formal compliance assessment.

IV. BACKGROUND

At the time of our inspection, February through June 1995, DOE-SR had three active M&O contracts. Each of the three contracts contained requirements relating to compliance with DOE regulations and directives. DOE Order 2030.4B applies to all integrated and M&O contractors performing work for DOE as provided by law and/or contract. We verified that DOE-SR's three M&O contractors were issued copies of the Order for information and compliance.

M&O Contractors

DOE-SR had the following active M&O contracts:

- Westinghouse Savannah River Company under contract number DE-AC09-89SR18035 manages, operates, and maintains existing and new facilities known as the Savannah River Plant.
- Wackenhut Services Incorporated under contract number DE-AC09-88SR18002, is the management and operating contractor for paramilitary security services at SRS.
- The University of Georgia Research Foundation under contract number DE-AC09-76SR00819 operates and maintains the Savannah River Ecology Laboratory (SREL).

M&O Contractors' Implementation of Federal and DOE Regulations and Directives

Each of the above contracts contains specific requirements relating to compliance with selected Federal and DOE regulations and directives. Savannah River Implementing Procedure (SRIP) 1321.1.1C, and the predecessor SRIPs, sets forth the process for the contractors' implementation of Federal and DOE regulations and directives. DOE-SR has established a directives compliance system, which initiates a "Contract Administrator Notice," for transmitting applicable Federal and DOE regulations and directives to the M&O contractors.

Each of the above contracts requires the specified M&O contractor to comply with selected Federal and DOE regulations and directives, including DOE orders. These requirements are detailed within Section H, "Federal and

Department [DOE] Regulations and Directives,” of each contract as follows: WSRC’s is in Section H-10; WSI’s is in Section H-13; and UGRF’s is in Section H-9.

DOE-SR issued SRIP 1321.1.1C, dated May 9, 1995, and predecessor SRIPs, to set forth the process for the contractor’s implementation of Federal and DOE regulations and directives. DOE-SR has designated a Directives Coordinator to coordinate this process. The Coordinator, in concert with a DOE-SR subject matters expert, determines if a particular directive should be sent to the M&O contractors. These DOE-SR officials also determine if the applicable directive should be sent for “information only” or “for information and compliance.”

DOE-SR has established the directives compliance system for transmitting applicable Federal and DOE regulations and directives to the M&O contractors. Once it is determined that a directive should be sent to the M&O contractors, the Directives Coordinator initiates a Contract Administrator Notice (CAN) stating this determination and has the Director, DOE-SR’s Contracts Division, sign the applicable CAN. The Coordinator then issues the CAN and directive to a designated office within the M&O contractor, known as the “contractor point of contact,” for assessment.

The contractor point of contact office forwards the package to the contractor organization that is responsible for ensuring compliance with that specific directive. The responsible contractor organization reviews the directive and prepares an assessment which reflects that the contractor (1) is in compliance; (2) is working to be in compliance; (3) is not in compliance due to financial restraints and the estimated cost for the contractor to become compliant; or (4) does not believe the order/notice pertains to them. The contractor organization sends a copy of the assessment to the applicable DOE-SR “Primary Division Office” and to the DOE-SR Directives Coordinator. The DOE Primary Division Office (PDO) is responsible for reviewing the assessment and determining if the assessment is satisfactory. If the assessment is not satisfactory, the PDO will work with the contractor organization until an agreement is reached regarding the particular directive. Completion of a compliance assessment by the three M&O contractors is discussed in further detail in Section V of this report.

DOE Order 2030.4B

DOE Order 2030.4B, “REPORTING FRAUD, WASTE, AND ABUSE TO THE OFFICE OF INSPECTOR GENERAL,” dated May 18, 1992, establishes policies and procedures for reporting fraud, waste, abuse, or corruption to the Department of Energy’s Office of Inspector General. The Order applies to all DOE elements and contractors performing work for DOE as provided by law and/or contract. For purposes of the Order, “contractor” refers exclusively to DOE integrated contractors and management and operating contractors.

Paragraph 6.c. of DOE Order 2030.4B requires heads of field elements, including the DOE-SR Manager, to ensure that contractors under their cognizance are complying with the following four requirements: (1) annual notification to employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement; (2) display and publish the DOE OIG Hotline telephone number in common areas of buildings; (3) display and publish the DOE OIG Hotline number in telephone books and newsletters; and (4) notify the OIG regarding cases referred to other law enforcement entities.

DOE Order 2030.4B Applicability

We verified that the three M&O contractors (i.e., WSRC, WSI, and UGRF) received copies of DOE Order 2030.4B through the CAN System. Per the CAN package for DOE Order 2030.4B, which is maintained by the DOE-SR Directives Coordinator, copies of the Order were distributed to the applicable WSRC and WSI points of contact and the Director, Savannah River Ecology Laboratory (SREL), UGRF, on September 3, 1992. Furthermore, the cover sheet stated: "This Department of Energy (DOE) Order is transmitted for your information and compliance." The current points of contact for WSRC, WSI, and UGRF, told us that they were aware that their respective M&O contractor was to comply with DOE Order 2030.4B.

V. RESULTS OF INSPECTION

We found that the SRS M&O contractors were not fully complying with three of the four specific requirements in Paragraph 6.c. of DOE Order 2030.4B. First, we found that the M&O contractors were not annually notifying their employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, directly to the OIG. Second, we found that the M&O contractors were not adequately displaying and publishing the DOE OIG Hotline telephone number in common areas of buildings. Third, we found that the M&O contractors were either incorrectly publishing or not publishing the DOE OIG Hotline number in telephone books and in newsletters under the contractors' cognizance. Fourth, we did find, however, that the applicable M&O contractor had notified the OIG of alleged incidents of fraud, waste, and abuse which had been referred to Federal, State, or local law enforcement entities.

Annual Notification

We found that the SRS M&O contractors were not annually notifying their employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, directly to the OIG. Paragraph 6.c.(1) of DOE Order 2030.4B, specifically states that:

"Contractors . . . are required to notify their employees annually of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities. The annual notification shall include the provision that, notwithstanding the above, DOE contractor employees should, when appropriate, report directly to the IG any information concerning wrongdoing by DOE employees, contractors, subcontractors, grantees, or other recipients of DOE financial assistance, or their employees."

WSRC

The responsible WSRC point of contact told us that WSRC was not providing the required annual notification to their employees. The manager said that his department was in the process of drafting WSRC Management Policy (MP) 1.20 entitled "Reporting Fraud, Waste and Abuse" which would identify the requirements of DOE Order 2030.4B and the parties responsible for implementation of those requirements. However, the policy had not been a priority, resulting in the policy not yet being approved and published. We reviewed the draft policy and noted that Requirement 2 states: "WSRC will notify its employees during new employee orientation and at least annually of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement to appropriate authorities." However, DOE Order 2030.4A, rather than 2030.4B was referenced in the draft policy.

WSI

The responsible WSI point of contact told us that WSI was not providing the required annual notification to their employees. The WSI point of contact had initially told us that WSI employees were provided the notification during annual Mandatory Core Training. However, WSI reviewed the training curriculum and determined that the annual notification was not included in the curriculum.

UGRF

The responsible UGRF point of contact told us that UGRF was not providing the required annual notification to their employees.

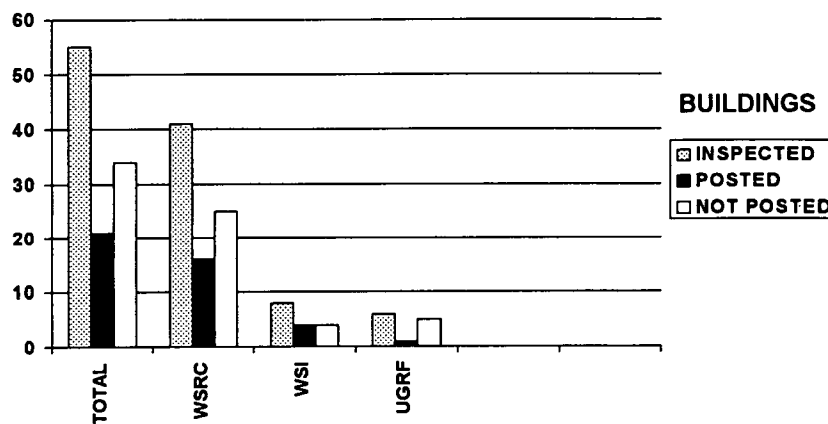
Displaying the OIG Hotline Telephone Number in Buildings

We found that SRS M&O contractors were not adequately displaying and publishing the DOE OIG Hotline telephone number in common areas of buildings. Paragraph 6.c.(2) of DOE Order 2030.4B states that:

"Contractors . . . are required to display and publish the DOE IG hotline telephone number in common areas of buildings, such as cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies."

We performed physical inspections of 55 SRS buildings, both on-site and off-site. As shown below, we found that more than half of the buildings inspected were not displaying the OIG Hotline telephone number.

Results of Physical Inspections



WSRC

Both the WSRC point of contact, who is responsible for DOE Order 2030.4B compliance, and the WSRC manager responsible for sign postings told us that WSRC was generally not complying with the requirements of Paragraph 6.c.(2). As discussed below, our physical inspections confirmed this lack of compliance. The WSRC point of contact told us that WSRC does not currently have procedures implementing DOE Order 2030.4B, but the requirements were contained in WSRC draft policy MP 1.20. We noted that Requirement 3 of the draft policy states "WSRC will display and publish in common areas of buildings (e.g., cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies) the Inspector General (IG) telephone hotline number." According to the draft policy, WSRC public relations will, in the future, be responsible for complying with the requirements.

We conducted physical inspections of 41 WSRC-occupied buildings, both on SRS and in local communities. We found that 25 of those buildings were not displaying the OIG Hotline number. During these physical inspections, we primarily chose the main buildings which contained administrative-type offices, and those buildings which contained cafeteria facilities. When possible, we

contacted the applicable building managers who showed us the locations of building bulletin boards and who verified whether or not the OIG Hotline number was posted in their buildings.

WSI

The WSI point of contact, who is responsible for DOE Order 2030.4B compliance, told us that WSI was generally complying with the requirement to display the OIG Hotline number. This manager also said that the OIG Hotline number was posted in major WSI buildings and all "zone" offices and provided us with copies of the two posters that WSI used to display the number. (The zone offices are the prominent WSI buildings that house the zone lieutenant offices and employee lockers.) However, our physical inspections of eight WSI buildings at SRS found that four buildings were not displaying the OIG Hotline number. We inspected the WSI administration buildings and zone offices located throughout SRS. When possible, the applicable zone lieutenants showed us the locations of building bulletin boards and verified whether or not the OIG Hotline number was posted in their buildings.

UGRF

The UGRF point of contact, who is responsible for DOE Order 2030.4B compliance, told us that UGRF was generally complying with the requirement to display the OIG Hotline number. This official further stated that the OIG Hotline number was posted in their three main buildings at SRS and showed us the postings in the UGRF SREL administration building, where the official's office is located. Two of the postings in their building were the OIG Hotline posters "STOP FRAUD MISMANAGEMENT WASTE." However, the other posting was DOE Notice 2320.2, "ENVIRONMENTAL HOTLINE," dated March 6, 1992, which had expired on March 6, 1993.

The results of our physical inspections showed only minor compliance by UGRF with the requirement to display the OIG Hotline number. We conducted physical inspections of six UGRF buildings located on SRS. We found that five of those buildings were not displaying the OIG Hotline number. The SREL Administration Building was the only inspected building displaying the OIG Hotline number. When possible, we contacted the applicable building managers who showed us the locations of building bulletin boards and who verified whether or not the OIG Hotline number was posted in the building.

Publishing the OIG Hotline Telephone Number

We found that the SRS M&O contractors were either incorrectly publishing or not publishing the DOE OIG Hotline number in telephone books and newsletters under their cognizance. Paragraph 6.c. (3) of DOE Order 2030.4B states that:

"Contractors . . . are required to publish the DOE IG hotline telephone number in telephone books and newsletters under the contractor's cognizance."

WSRC

We determined that WSRC maintained a current SRS Telephone Directory on computer and published 11 newsletters, none displayed the OIG Hotline telephone number. Additionally, we determined that the SRS hard copy directory, which is published by WSRC, mislabeled the OIG Hotline number.

We reviewed the hard copy telephone directory published for SRS by WSRC and found that the OIG Hotline number was mislabeled as an Environmental Hotline number in the Savannah River Field Operations Telephone Directory. We believe this to be misleading for those individuals needing to contact the OIG Hotline regarding matters other than environmental violations. At the time of our inspection, the hard copy telephone directory in use was dated August 1992.

The responsible WSRC manager showed us the current computer site directory and the OIG Hotline telephone number was not listed. The manager said that he had ultimate responsibility for printing the OIG Hotline Number in the telephone directory and WSRC newsletters, but another WSRC official had direct responsibility for the newsletters.

The WSRC official directly responsible for newsletters told us she was unaware of the DOE requirement to publish the OIG Hotline telephone number in newsletters. The WSRC official provided us with copies of 11 newsletters published by WSRC, to include the primary newsletter, "SRS NEWS." We reviewed the newsletters and none of the newsletters displayed the OIG Hotline telephone number.

The responsible WSRC manager told us that the requirement to publish the DOE OIG Hotline telephone number is contained in WSRC draft policy MP 1.20. Requirement 4 of MP 1.20 states: "WSRC will publish the DOE IG hotline telephone number in telephone books and newsletters under WSRC cognizance."

Subsequent to our inspection, a May 1996, DOE-SR Telephone Directory was published listing the correct title for the OIG Hotline telephone number.

WSI

We found that WSI's telephone directory and monthly newsletter do not publish the OIG Hotline telephone number. The responsible WSI manager provided us with copies of the WSI telephone directory and the WSI monthly newsletter

entitled "SENTINEL." A review of the directory and newsletters found none had the OIG Hotline telephone number listed.

UGRF

We found that UGRF produces a newsletter which does not publish the OIG Hotline telephone number. The responsible official told us that the SREL newsletter had not, to date, included the OIG Hotline telephone number. UGRF was not publishing a telephone directory for SREL.

Notification of the OIG

We concluded that procedures and agreements were in place governing the notification of the OIG in cases of fraud, waste, and abuse which have been referred to Federal, State, or local law enforcement entities. Paragraph 6.c. (4) of DOE Order 2030.4B states: "All alleged incidents of fraud, waste, and abuse which have been referred to Federal, State, or local law enforcement entities are also reported to the IG."

The WSI statement of work in WSI's contract with DOE states that WSI is responsible for performing the law enforcement functions at SRS. The responsible WSI official told us WSI may refer investigations to outside law enforcement entities and written procedures exist to direct that activity.

Employees of DOE-SR Security Management Division (SMD) told us WSI has notified them of investigations regarding fraud, waste, or abuse and SMD then notified the OIG and outside agencies, if necessary. We interviewed the Regional Inspector General for Investigations and she stated that SMD and WSI have kept the OIG informed of WSI's activities.

The responsible WSI official told us WSI may refer investigations to outside law enforcement entities per WSI-SRS Procedure 3-5905, revision 12, dated February 15, 1995. This WSI-SRS Procedure reflects that the DOE Chief of the Protection Branch, Security Management Division is responsible for: (1) acting as a liaison between DOE-SR, contractors, sub-contractors, and outside law enforcement agencies and/or personnel; (2) referring all thefts of government property valued over \$2,000 to the Federal Bureau of Investigation (FBI) and to the DOE-SR Office of Inspector General Resident Investigator; (3) referring completed WSI-SRS investigations of thefts of government property valued over \$250 but less than \$2,000, where an arrest has been made to the OIG; and (4) when a member of the WSI Law Enforcement Section is faced with an immediate arrest situation for theft of government property, notifying the SMD point of contact as soon as possible after the arrest.

The WSI official told us WSI follows the above procedure and has referred one case of fraud, waste, and abuse to the FBI and two cases to the OIG. We were told by employees of SMD that WSI notified them of investigations regarding fraud, waste, or abuse; and SMD then notified the OIG and outside agencies, if necessary. An employee with the DOE-SR Protection Team, SMD, told us that WSI had procedures which require the notification of the OIG or SMD. The employee stated that he was the point of contact for SMD and all referrals by WSI to outside law enforcement agencies have gone through him. The employee notified the OIG of any referrals to "outside" agencies to include the FBI. The employee told us WSI has only referred one case to an "outside" agency and that was the FBI. The employee said that he notified the OIG Regional Inspector General for Investigations (RIGI) of that referral.

We interviewed the RIGI and she told us SMD and WSI keep the OIG informed of WSI's activities. The RIGI was aware of one case that was referred to an "outside" agency, the FBI. The RIGI was made aware of that referral by SMD. The RIGI said that DOE-SR and the OIG operate under a Memorandum of Understanding (MOU) and she provided a copy of that Memorandum. The MOU states:

"It is the policy of DOE to . . . ensure the prompt reporting of actual or suspected criminal violations, losses of matter or r or [sic] SNM [Special Nuclear Material], and incidents of security concern."

Compliance Assessment of DOE Order 2030.4B

The M&O contractors at SRS, once provided with a new DOE order, are responsible for performing a compliance assessment. This involves reviewing the order and preparing an assessment which reflects whether the contractor (1) is in compliance; (2) is working to be in compliance; (3) is not in compliance due to financial restraints and the estimated cost for compliance; or (4) does not believe the order pertains to them. We found that WSRC was required by internal procedures to complete a compliance assessment of DOE Order 2030.4B, but completed it only in draft form. We also found that WSI completed a finalized compliance assessment; and, UGRF agreed DOE Order 2030.4B was applicable, but did not complete a formal compliance assessment.

WSRC

The contractor point of contact responsible for ensuring compliance with DOE Orders and Notices reviews the order or notice upon receipt and forwards the information to the contractor organization. Subsequently, the contractor organization prepares a compliance assessment. WSRC completed a draft compliance assessment for DOE Order 2030.4A. They provided us with a copy of the draft compliance assessment, entitled "DOE ORDER 2030.4A

COMPLIANCE PACKAGE.” WSRC additionally provided us with a copy of a letter, dated October 29, 1992, stating:

“DOE Order 2030.4B does not reflect any new requirements or significant changes from those identified in the referenced reports [referencing the June 1, 1991, draft]. Therefore, no further action is required. . . . a WSRC policy has been drafted which adequately covers the requirements of DOE Order 2030.4B. This policy will be signed and distributed as rapidly as possible.”

However, no final form of the draft compliance assessment with an effective date was provided. Subsequent to our inspection, WSRC did provide us with a copy of Management Policy, MP 1.20, Rev. 1, with an effective date of April 15, 1996. MP 1.20 references DOE Order 2030.4B and addresses the requirements of the Order; however, it does not indicate that a compliance assessment of the Order was ever completed.

WSI

WSI provided us with a copy of their compliance assessment of DOE Order 2030.4B, which showed that the Order is applicable to WSI.

UGRF

UGRF provided us a copy of a letter from SREL to DOE agreeing that DOE Order 2030.4B was applicable to SREL. However, they did not complete a formal compliance assessment. Rather than doing a compliance assessment, UGRF met the intent of the assessment process when they signed a letter on March 13, 1995, agreeing DOE Order 2030.4B was applicable to UGRF.

VI. CONCLUSIONS

In summary, our conclusions were as follows:

We concluded that the three M&O contractors are not in compliance with the requirement to provide annual notification of employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, directly to the OIG.

We concluded that the three M&O contractors are not adequately displaying and publishing the DOE OIG Hotline telephone number in common areas of buildings. We found during a physical inspection of contractor buildings, that less than half of the buildings were displaying the OIG Hotline telephone number.

We concluded that the three M&O contractors are not adequately complying with the requirement to display and publish the DOE OIG Hotline telephone number in telephone books and newsletters.

We concluded that procedures and agreements are in place governing notification of the OIG in cases of fraud, waste, and abuse which have been referred to Federal, State, or local law enforcement entities. We further concluded that these procedures and agreements are being followed.

We concluded that all three M&O contractors agreed that DOE Order 2030.4B was applicable. However, after reviewing the M&O contractor requirement to complete a compliance assessment of DOE Order 2030.4B, we found WSI was the only M&O contractor to actually complete a compliance assessment.

VII. RECOMMENDATIONS

We recommend that the Manager, Savannah River Operations Office:

1. Ensure that M&O contractors are annually notifying employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement in DOE programs, operations, funds, or contracts to appropriate authorities and, when appropriate, report directly to the OIG any information concerning wrongdoing by DOE employees, contractors, subcontractors, grantees, or other recipients of DOE financial assistance, or their employees.
2. Ensure that M&O contractors are displaying and publishing the DOE OIG Hotline number in common areas of buildings, such as cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies.
3. Ensure that M&O contractors are publishing the DOE OIG Hotline telephone number in telephone books and newsletters under the contractor's cognizance.

VIII. MANAGEMENT COMMENTS

In a memorandum dated February 21, 1997, Savannah River Operations Office officials concurred with the facts and recommendations of this report. The following are their comments and corrective actions:

Recommendation 1. DOE-SR officials stated:

"Since the time this inspection was started Westinghouse Savannah River Site (WSRC) has issued Management Policy 1.20, Reporting Fraud Waste and Abuse. The policy requires WSRC to annually notify its employees of their duty to report allegations of fraud, waste, abuse, corruption, or mismanagement to appropriate authorities. The WSRC Public Relations Department is responsible for this annual notification."

Recommendation 2. DOE-SR officials stated:

"The new WSRC policy requires WSRC Public Relations Department to display the OIG Hotline telephone number in common areas of buildings (e.g., cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies). Recently, the Property Management Department for WSRC posted over 220 pamphlets and posters provided by the OIG in main buildings and common areas. The OIG requested pamphlets and posters be displayed in all buildings on site but could not provide the over 900 posters requested to accomplish this task. WSRC with agreement from the OIG selected the buildings with the most employees and areas with the greatest exposure to display the posters provided."

Inspector Comments:

A DOE-SR official subsequently agreed to request additional posters from the OIG in order to display the DOE OIG hotline telephone number in common areas of DOE-SR buildings, such as cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies.

Recommendation 3. DOE-SR officials stated:

"As stated in the report, WSRC issued a new DOE-SR telephone directory in May 1996, which correctly listed the OIG Hotline telephone number. In addition, since January 1996, the WSRC monthly newsletter 'SRS News' has been providing the telephone number in each issue."

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