



U.S. Department of Energy
Office of Inspector General
Office of Audits and Inspections

INSPECTION REPORT

**Government-Owned Firearms Inventory at
the Nevada National Security Site**

INS-L-15-01

December 2014



Department of Energy
Washington, DC 20585

December 3, 2014

MEMORANDUM FOR THE MANAGER, NEVADA FIELD OFFICE

Marilyn Richardson

FROM: Marilyn E. Richardson
Acting Assistant Inspector General
for the Office of Inspections
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on "Government-Owned Firearms Inventory at the Nevada National Security Site"

BACKGROUND

The Department of Energy's (Department) Nevada National Security Site (NNSS) is managed and operated by National Security Technologies, LLC (NSTec) for the National Nuclear Security Administration (NNSA). The Nevada Field Office is responsible for administering the contract between the Department and NSTec. The mission of NNSS includes supporting the nuclear stockpile stewardship program, providing emergency response capability and training, and contributing to key nonproliferation and arms control initiatives. To accomplish its mission, NNSS has a protective force provided by WSI Nevada (WSI-NV) to ensure the physical protection of national safeguards and security interests. The protective force is equipped with various types of firearms for security operations at NNSS. WSI-NV is also responsible for ensuring proper accountability and control of all its assigned property used in the performance of the protective force contract with the Department.

Given the importance of maintenance and accountability of the protective force's firearms, we initiated this inspection to determine whether NNSS properly managed and maintained its Government-owned firearms inventory.

RESULTS OF INSPECTION

Nothing came to our attention to indicate that NNSS had not implemented effective internal controls to appropriately account for, manage and maintain its Government-owned firearms inventory. We found that NNSS had (1) 100 percent accuracy in their firearms inventory and no firearms losses within the past 3 years; (2) developed and implemented an adequate inventory process to track and account for its firearms to include storage and security; (3) performed required routine maintenance on its firearms; (4) implemented an effective process to address the loss of firearms; and (5) adequately monitored, controlled, and disposed of its excess firearms.

Inventory and Storage

Our testing revealed that NNSS had an adequate record inventory system and inventory process to track and account for its firearms. Department Order 580.1A, *Department of Energy Personal Property Management Program*, stipulates that a property system of record must be maintained for accountable personal property, such as firearms, to include property control numbers (item unique identification), manufacturers, models, serial numbers, and locations. In addition, Department Order 580.1A requires that firearms must be inventoried at least annually with a target inventory accuracy of 100 percent. Further, Department Order 473.3, *Protection Program Operations*, notes that an inventory listing firearm type, manufacturer, and serial number must be conducted monthly.

We determined that NNSS (1) used an electronic database, called the Sunflower Assets Database (Sunflower), to track and account for its property and (2) conducted daily, monthly, and annual physical inventories of its firearms. We further determined that in December 2013, NNSS conducted its annual inventory and achieved its target inventory accuracy of 100 percent as required. In addition, we conducted a 100 percent physical inventory of firearms and verified the property's unique item identification number, serial number, and location of each firearm as specified on the Sunflower inventory list. We also surveyed various locations and determined that there were no additional firearms not listed on the Sunflower inventory list.

NNSS firearms were also adequately stored and secured. Department Order 473.3 stipulates that firearms may be stored in a vault-type room if an intrusion detection system is installed to detect penetration and the alarm response capability is such that unauthorized removal is unlikely. We confirmed that NNSS stored its firearms in secured buildings and armories, to include a vault-type room. In addition, we were told by a WSI-NV official that these locations had intrusion detection systems and alarm response capabilities, and they were only accessible to authorized personnel.

Routine Maintenance

We found that NNSS performed required routine maintenance on its firearms. Department Order 473.3 and WSI-NV's Training Standard Procedures-11, *Weapons Functional Assurance Program*, stipulate that all firearms must be inspected and receive routine maintenance at least every 6 months by a Department-certified armorer; only certain firearms are inspected and receive routine maintenance on an annual basis.

NNSS used an internal NNSS/WSI-NV firearm database to track the history of maintenance or repairs for all firearms. Our review of a judgmental sample of maintenance records for each firearm type revealed that the required maintenance was performed on each firearm every 6 months to ensure firearms remained in serviceable condition. A WSI-NV official told us that maintenance for certain firearms are only performed annually if not used; however, if these firearms are used for training purposes multiple times throughout the year, then additional maintenance is done after each use. Our judgmental sample of these firearm maintenance records revealed that the required maintenance was performed annually.

In addition, according to WSI-NV's Training Standard Procedures-11, maintenance is not performed on other firearms such as those in long-term storage until those firearms are required for and certified for duty use; excess firearms no longer needed for duty use do not receive maintenance.

Loss of Firearms Process

While our review did not reveal any losses of firearms over the past 3 years, we determined that NNSA had effective processes in place to address the loss of firearms. Department Order 580.1A specifies that loss, damage, or destruction of Department personal property is to be promptly reported to the NNSA Organizational Property Management Officer or individual as delegated by the Contracting Officer, and as appropriate, to law enforcement organizations. Also, the NNSA/WSI-NV *Property Custodian Handbook* states that an investigation will be conducted to document the circumstances surrounding the loss of firearms.

Our review revealed that the process for the loss of a firearm included the immediate notification of WSI-NV's management, the Nevada Field Office, and the NNSA Organizational Property Management Officer to initiate an investigation. We were told by a WSI-NV official that the results of the investigation would be documented and reported to NNSA's Contracting Officer in Albuquerque, New Mexico, for a final determination.

Excess Process

We found that NNSA adequately monitored, controlled, and disposed of its excess firearms. Department Guide 580.1-1, *Department of Energy Personal Property Management Guide*, states that Department organizations and contractors should promptly identify excess items and make them available for use elsewhere. Further, Title 41 Code of Federal Regulations 101, *Federal Property Management Regulations, subchapter H – Utilization and Disposal*, stipulates that firearms may be transferred only to those Federal agencies authorized to acquire firearms for official use.

Our review of NNSA's policies and procedures, and interviews with WSI-NV officials, revealed that the procedures for excessing firearms include identifying firearms no longer needed to support the WSI-NV mission, submitting the list of firearms to WSI-NV and the Nevada Field Office for approval, and presenting the list of firearms to the NNSA Organizational Property Management Officer for advertisement to appropriate Department sites and Federal agencies. If Department sites or Federal agencies do not have an interest in the firearms, WSI-NV and the NNSA Organizational Property Management Officer collaborate to determine the final disposition of the firearms, such as reallocation or disposal.

We found that WSI-NV had 184 firearms that were identified and approved for excess in fiscal year 2014. In addition, the NNSA Organizational Property Management Officer had advertised these firearms to other Department sites, but no Department site had expressed interest in them. Subsequently, these firearms were offered to other Federal agencies. We confirmed that one Federal agency expressed interest in 82 of the 184 firearms, which were transferred to this Federal agency in May 2014 as required. Department Guide 580.1-1 states that excess

firearms no longer required within the Department are reported to the General Service Administration for Federal agency screening and made available for Federal agency use only. A WSI-NV official told us that the final disposition of 89 of the remaining 102 firearms will be destroyed by the end of calendar year 2014. The remaining 13 firearms have been identified for transfer to another Federal agency; however, we learned that any firearms that are not transferred will be destroyed by the end of calendar year 2014.

Impact and Path Forward

Because NNSS has effective inventory and storage processes for its Government-owned firearms, the risks of loss, theft, and the unauthorized removal of firearms appear to be minimal. Further, the routine maintenance of firearms provides assurances that firearms are serviceable and will assist the protective force with carrying out its mission. Finally, the process for excessing firearms appears to allow for an accurate accountability of firearms and the efficient transfer of firearms to other Federal agencies.

We are not making any recommendations, so a formal response is not required. We appreciate the cooperation of your staff during our inspection.

Attachments

cc: Deputy Secretary
Administrator, National Nuclear Security Administration
Chief of Staff

OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE

The objective of this inspection was to determine whether the Department of Energy's (Department) Nevada National Security Site (NNSS) was properly managing and maintaining its firearms inventory.

SCOPE

The inspection was conducted at the NNSS and the North Las Vegas Site located in Mercury and Las Vegas, Nevada. The inspection was performed from May 2014 to December 2014 and focused on a review of the site's firearms inventory and records from fiscal year 2011 to 2014. The inspection was conducted under Office of Inspector General Project Number S14IS009.

METHODOLOGY

To accomplish our objective, we:

- Reviewed and analyzed Federal, Department, and NNSS criteria, policies, and procedures relating to firearms inventory.
- Coordinated and met with WSI-NV and Nevada Field Office officials for a presentation on NNSS' firearms inventory.
- Interviewed key personnel from WSI-NV, Nevada Field Office and NSTec.
- Conducted a 100 percent physical inventory to identify and account for all firearms at NNSS and the North Las Vegas site.
- Obtained and analyzed a judgmental sample of firearm inventory and maintenance records from the Sunflower Assets Database and the NNSS/WSI-NV firearm database.

This inspection was conducted 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. Also, we assessed NNSS' compliance with the *Government Performance and Results Modernization Act of 2010* and found that performance measures had, in general,

been established and were adequate. 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. Finally, we relied on computer-processed data, to some extent, to satisfy our objective. We confirmed the validity of such data, when appropriate, by conducting interviews and analyzing source documents.

National Nuclear Security Administration management waived the exit conference.

PRIOR REPORTS

- Audit Report on [Management Controls over the Department's Excess Weapons Inventories and Selected Sensitive Equipment used by Protective Force](#), (OAS-M-09-01, January 2009). The report concluded that the Department of Energy (Department) was not always properly managing its inventories of excess weapons and selected sensitive equipment. In addition, Office of Inspector General (OIG) identified issues with the retention of unneeded weapons at many locations and with the identification and tracking of sensitive items.
- Audit Report on [Accountability of Sensitive and High Risk Property at the Nevada Site Office](#), (OAS-L-08-08, March 2008). The report concluded that although Nevada and its contractors generally adhered to the requirements for sensitive and high risk property established in Title 41 Code of Federal Regulations 109, Department of Energy Property Management Regulations, OIG found instances of noncompliance with requirements, and Nevada had not fully implemented inventory controls over the Department's Common Operating Environment program computer equipment.
- Inspection Report on [Unauthorized Handguns on the Nevada Test Site](#), (DOE/IG-0674, February 2005). The report concluded that the Department's policies and procedures relating to firearms were systematically violated by Office of Secure Transportation-affiliated personnel. OIG identified issues regarding controls over firearms and instances where unauthorized firearms were introduced into controlled security areas.
- Inspection Report on [Firearms Internal Controls at the Lawrence Livermore National Laboratory](#), (DOE/IG-0621, September 2003). The report concluded that internal controls over Livermore's administration of the firearms inventory were unsatisfactory, and OIG identified weaknesses that increased the vulnerability of firearms to loss, abuse, and theft.

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 OIGReports@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.