



**OFFICE OF INSPECTOR GENERAL**

U.S. Department of Energy

# INSPECTION REPORT

DOE-OIG-19-50

September 2019

**REVIEW OF OFFICE OF INTELLIGENCE  
ALLEGATIONS**



**Department of Energy**  
Washington, DC 20585

September 25, 2019

MEMORANDUM FOR THE DIRECTOR, OFFICE OF INTELLIGENCE AND  
COUNTERINTELLIGENCE

A handwritten signature in black ink, appearing to read "Jennifer L. Quinones".

FROM: Jennifer L. Quinones  
Assistant Inspector General  
for Audits and Inspections  
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on "Review of Office of  
Intelligence Allegations"

BACKGROUND

The Department of Energy's Office of Intelligence and Counterintelligence (Intelligence) is responsible for all intelligence and counterintelligence activities throughout the Department, including nearly 30 intelligence and counterintelligence offices nationwide. Intelligence contributes to national security by leveraging the Department's scientific and technological expertise in support of policymakers, as well as national security missions in defense, homeland security, cyber security, intelligence, and energy security.

The Office of Inspector General received allegations that: (1) Intelligence management possibly violated internal and intelligence community policies regarding the handling of a thumb drive; and (2) Intelligence management may not have reported a missing classified hard drive at a field site. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

RESULTS OF INSPECTION

We did not substantiate the allegations. Regarding the potential mishandling of a thumb drive, we found that Intelligence management had not violated policies. At the time of our review, the information on the thumb drive had not been uploaded or assessed. Concerning the second allegation, we verified that an internal investigation was conducted at the time the hard drive was discovered missing, and a report was subsequently issued. We reviewed the report, which concluded that based on available evidence, the matter was likely to have been an administrative error and that the hard drive had been destroyed without proper documentation.

## **Thumb Drive**

We did not substantiate the allegation that Intelligence management possibly violated internal and intelligence community policies regarding the handling of a thumb drive. Based on discussions with Intelligence officials and observations of Intelligence's processes, we concluded that Intelligence management had not violated policies because at the time of our review, the information on the thumb drive had not been uploaded or assessed. Specifically, we were told that the thumb drive had been received by an Intelligence employee from a laboratory employee returning from overseas. The thumb drive was given to a senior Intelligence cyber security official who, in accordance with their policies, attempted to read the thumb drive's contents but was unsuccessful. Then, a senior Counterintelligence official was notified and took possession of, and secured, the thumb drive. The senior Intelligence cyber security official reported potential concerns regarding the handling of the thumb drive to the Intelligence Director.

According to senior Intelligence officials, two Intelligence offices (Counterintelligence and Cyber) disagreed on which organization had primary responsibility for the process of reviewing the thumb drive's contents. As a result, the senior Counterintelligence official halted the review of all removable media, including the thumb drive, until the Intelligence Director makes a decision regarding Intelligence's removable media process. Further, we reviewed Intelligence's removable media receipt, showing that the thumb drive was received, and physically verified that, at the time of our review, the thumb drive was secured.

## **Missing Hard Drive**

We did not substantiate the allegation that Intelligence management failed to report a missing hard drive that may have contained classified information at a field site. We determined that an investigation was conducted a short time after the hard drive was discovered to be missing, and we reviewed the report that documented the results of the investigation. The report concluded that based on available evidence, the matter was likely to have been an administrative error and that the hard drive had been destroyed without proper documentation. We were told by a senior Counterintelligence official that three removable hard drives used for processing classified information were reported missing at the field site. We were also told that based on concerns in the intelligence community at that time, a senior Counterintelligence official made the decision to conduct a counterintelligence investigation which, in this case, included representatives from counterintelligence, cyber security, and other local site personnel.

As part of the investigation, a wall-to-wall inventory was conducted, and two of the three removable hard drives reported missing were subsequently discovered stored in the same physical location where the computers had previously been used; however, the third hard drive was not found. The report indicated that the site's inventory system was outdated and that it was likely that the hard drive had been destroyed but not properly documented. We were told by a site official that the site replaced the inventory system.

## **PATH FORWARD**

Based on discussions with a senior Intelligence official, we were told that the Intelligence Director is in the process of reviewing roles and responsibilities to clearly define functions for his divisions. As a result of management's ongoing actions, we are not making any recommendations or suggestions.

Attachment

cc: Deputy Secretary  
Chief of Staff

## OBJECTIVE, SCOPE, AND METHODOLOGY

### OBJECTIVE

The Office of Inspector General received two allegations that: (1) Office of Intelligence and Counterintelligence (Intelligence) management possibly violated internal and intelligence community policies regarding the handling of a thumb drive; and (2) Intelligence management may not have reported a missing classified hard drive at a field site. We initiated this inspection to determine the facts and circumstances surrounding the allegations.

### SCOPE

We conducted this inspection from February through August 2019 at Department of Energy Headquarters. The inspection was limited to a review of the facts and circumstances surrounding the two allegations. This inspection was conducted under Office of Inspector General project number S19IS007.

### METHODOLOGY

To accomplish our objective, we:

- Researched and evaluated Department-related criteria;
- Researched and evaluated external-related criteria;
- Researched and reviewed prior external oversight and Office of Inspector General reports;
- Visually observed and were told aspects of Intelligence's processes and practices related to removable media;
- Interviewed Intelligence officials; and
- Reviewed and analyzed applicable Intelligence documentation.

We conducted this 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 would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our inspection. We did not rely on computer-processed data as part of this inspection.

An exit conference with an Intelligence official was held on September 10, 2019.

## **FEEDBACK**

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

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