



OFFICE OF INSPECTOR GENERAL  
U.S. Department of Energy

# AUDIT REPORT

DOE-OIG-20-38

April 2020

**THE CHILD DEVELOPMENT CENTER AT  
ARGONNE NATIONAL LABORATORY**



**Department of Energy**  
Washington, DC 20585

April 28, 2020

MEMORANDUM FOR THE MANAGER, ARGONNE SITE OFFICE

A handwritten signature in black ink, appearing to read "Jack Rouch", with a long horizontal line extending to the right.

FROM: Jack Rouch  
Deputy Assistant Inspector General  
for Audits and Inspections, Central  
Office of Inspector General

SUBJECT: INFORMATION: Audit Report on “The Child Development Center at  
Argonne National Laboratory”

BACKGROUND

The Department of Energy contracts with UChicago Argonne, LLC for the management and operation of the Argonne National Laboratory (Argonne). As the management and operating contractor, UChicago Argonne, LLC contracted with Bright Horizons Children’s Centers, LLC (Bright Horizons) for the operation of the Argonne Child Development Center located at Argonne. The Argonne Child Development Center provides childcare services and educational development to children of the employees and contractors of Argonne, the Department of Energy, and the University of Chicago. As a subcontract of Argonne, various Argonne officials<sup>1</sup> are responsible for the oversight of the Bright Horizons contract.

Bright Horizons is expected to adhere to all applicable laws and regulations, such as the *Crime Control Act of 1990 (Crime Control Act)*, and the requirements set forth in its contract with UChicago Argonne, LLC. The *Crime Control Act* requires every childcare facility operated by, or under contract with, the Federal Government to ensure that all existing and newly-hired employees undergo criminal background checks. The contract between Bright Horizons and UChicago Argonne, LLC implements the *Crime Control Act* by specifically requiring Bright Horizons to perform a criminal history background check that includes fingerprinting on all prospective Argonne Child Development Center employees. Additionally, Bright Horizons is required to screen prospective employees for potential child abuse and neglect in accordance with the State of Illinois Daycare Center Regulations. Further, Bright Horizons is to perform credit and driving record checks on prospective employees, be licensed by the State of Illinois, meet all requirements of the licensing regulations, and be accredited by the National Association for the Education of Young Children (NAEYC).

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<sup>1</sup> These included various officials working for the Argonne management and operating contractor, UChicago Argonne, LLC.

According to NAEYC's *Early Learning Program Accreditation Standards and Assessment Items*, hiring procedures should ensure that all employees have passed a criminal record check and are clear of any history of substantiated child abuse or neglect. Further, according to Bright Horizons' website, it conducts a comprehensive background check on all prospective employees and frequent visitors. The background check consists of a county criminal record check for the past 7 years, which is performed in all counties where the person has lived, worked, or attended school. In addition to the county criminal search, a sex offender search and a social security verification trace are also conducted. Finally, Bright Horizons established a 15-hour annual training requirement in accordance with its contract, which states that personnel shall be staffed and trained in compliance with the State of Illinois Day Care and part-time Scheduling for School Age Children Licensing Regulations.

We initiated this audit to determine whether the Argonne Child Development Center was managed in accordance with the *Crime Control Act* and the requirements of UChicago Argonne, LLC's contract with Bright Horizons.

## RESULTS OF AUDIT

We found that although the Argonne Child Development Center had conducted background checks on all 23 of its employees, these background checks were not conducted in accordance with the *Crime Control Act* or UChicago Argonne, LLC's contract with Bright Horizons. Specifically, we identified that fingerprint checks, credit checks, and driving record checks had not been conducted on any of the 23 Argonne Child Development Center employees. Further, we found that checks for potential child abuse and neglect were not conducted for 21 employees. These issues occurred because of confusion as to whether the Argonne Child Development Center was exempt from certain background check requirements and the applicability of contract requirements to employee job descriptions. Our review of training records noted that all 23 Argonne Child Development Center employees met the required 15 hours of annual training. Argonne officials informed us that as a result of our audit, fingerprint-based background checks, as well as child abuse and neglect checks, were performed on the employees onboard as of May 2019 and no issues were found. However, Argonne officials noted that these checks were not conducted on employees that had left the Argonne Child Development Center by May 2019.

During our review, we performed limited work related to the security of the Argonne Child Development Center. In particular, we reviewed the center's physical security plan and discussed security camera feeds, safety walkthroughs, and duress alarms with the Argonne National Laboratory Security Deputy Director. However, nothing came to our attention to warrant any additional review of the Argonne Child Development Center's physical security.

### **Background Checks**

For our review, an Argonne official provided a list of 23 individuals that were employed at the Argonne Child Development Center in October 2018. Our review of the 23 listed employees found that UChicago Argonne, LLC had not ensured that Bright Horizons completed background checks on employees in accordance with the *Crime Control Act* or the requirements of the contract. We reviewed background checks conducted by Bright Horizons to confirm that these

checks were based on fingerprints, that potential child abuse and neglect checks were conducted, that criminal histories and personal references were checked, and that verifications of previous employment and education were completed in accordance with the *Crime Control Act* and the requirements of UChicago Argonne, LLC's contract with Bright Horizons.

We found that none of the 23 background checks conducted on Argonne Child Development Center employees were based on fingerprints. According to the Bright Horizons' Director, background checks included social security numbers and searches of state and national criminal databases. However, the *Crime Control Act* states that a background check shall be based on a set of the employee's fingerprints obtained by a law enforcement officer and on other identifying information. A fingerprint-based background check returns more accurate and complete results than a non-biometric, name-based check. Fingerprint checks eliminate the risk associated with background checks in which an individual may have a common name, may use an alias, or may indicate a false date of birth, any of which could adversely affect the results of a non-biometric background check.

Further, we found that checks for potential child abuse and neglect were not conducted for 21 of the 23 employees. These checks were not conducted because Argonne officials believed that these were requirements of the State of Illinois and that the Argonne Child Development Center was exempt from these requirements because the center resides on Federal property. However, the contract requires the Argonne Child Development Center to follow Illinois regulations, which require child abuse and neglect checks, and a NAEYC certification. NAEYC states that hiring procedures should ensure that all employees are clear of any substantiated history of child abuse or neglect.

Once we informed Argonne officials about the requirements of the *Crime Control Act*, they made the determination to require Bright Horizons to perform background checks based on fingerprints, as well as child abuse and neglect checks, for all Argonne Child Development Center employees. Argonne officials informed us that background checks based on fingerprints, as well as child abuse and neglect checks, were performed on the employees onboard as of May 2019. According to Argonne officials, no issues were reported from these checks. However, Argonne officials noted that these checks were not conducted on employees that had left the Argonne Child Development Center by May 2019. As a result, we found that 10 of the 23 employees that were on board at the time of our work in October 2018 never received fingerprint-based background checks and 8 of the 23 never received child abuse and neglect checks.

Further, we found that credit and driving record checks had not been conducted on any of the 23 Argonne Child Development Center employees as required by the contract. Argonne officials indicated that credit checks were not performed because the employee's job responsibilities were unrelated to financial management and that obtaining credit information from employees may violate the *Illinois Employee Credit Privacy Act*. Additionally, driving record checks were not performed because the Argonne Child Development Center does not use buses to transport children and driving is not part of any Argonne Child Development Center employee's job description. However, Argonne officials informed us that direction would be given to Bright

Horizons to include driving record pre-employment checks as a matter of safety on campus and to revise operating procedures to reflect this change. According to Argonne officials, driving record checks were performed on employees on-board as of May 2019 and no issues were reported.

### **Training Requirements**

Our review of training records noted that all 23 Argonne Child Development Center employees met the required 15 hours of annual training. Specifically, we reviewed employee training certificates for calendar years 2016 through 2018 and found that all 23 Bright Horizons employees had met the 15-hour annual training requirement.

### **Improved Child Development Center Operations**

As a result of the issues we identified, individuals were employed by Bright Horizons at the Argonne Child Development Center without complete background checks. Complete background checks increase the assurance that individuals' backgrounds are free from derogatory or noteworthy information. Hiring personnel without complete background checks may put children at risk.

### **RECOMMENDATIONS**

To address the issues noted in this report and to help improve Argonne Child Development Center operations, we recommend that the Manager, Argonne Site Office direct Argonne to:

1. Ensure that background checks based on fingerprints are completed on all Argonne Child Development Center employees as required by the *Crime Control Act* and the requirements of UChicago Argonne, LLC's contract with Bright Horizons;
2. Ensure that child abuse and neglect checks, and driving record checks are completed on all Argonne Child Development Center employees in accordance with UChicago Argonne, LLC's contract with Bright Horizons; and
3. Determine whether UChicago Argonne, LLC's contract with Bright Horizons needs to be amended to delete the requirement for obtaining credit checks on prospective employees.

### **MANAGEMENT RESPONSE**

Management concurred with the report's recommendations and indicated that corrective actions had been taken to address the issues identified in the report. For example, management indicated that it had conducted background checks based on fingerprint analysis, child abuse and neglect checks, and driving records checks for all current staff as of May 2019 with no reported issues. These checks have also been incorporated into the pre-employment screening process for applicants. Further, management indicated that it had reviewed and modified UChicago Argonne LLC's contract with Bright Horizons on February 4, 2020, to delete the requirement for obtaining a credit check as part of the applicant's pre-employment screening process.

## AUDITOR COMMENTS

Management's comments and indicated corrective actions already taken are responsive to our recommendations.

Management's comments are included in Attachment 3.

Attachments

cc: Chief of Staff  
Under Secretary for Science

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **OBJECTIVE**

We conducted this audit to determine whether the Argonne Child Development Center was managed in accordance with the *Crime Control Act of 1990* and the requirements of UChicago Argonne, LLC's contract with Bright Horizons Children's Centers, LLC.

### **SCOPE**

The audit was conducted from July 2018 through October 2019 at Argonne National Laboratory (Argonne) in Lemont, Illinois. Our scope included the Child Development Center at Argonne. The audit was conducted under Office of Inspector General project number A18GT027B. This report is one in a series of reports that will be issued on childcare centers operated on behalf of the Department of Energy.

### **METHODOLOGY**

To accomplish our audit objective, we:

- Researched appropriate laws, regulations, and policies;
- Reviewed Argonne's subcontract with Bright Horizons Children's Centers, LLC;
- Reviewed Illinois state licensing requirements, where applicable;
- Identified and interviewed key personnel involved in the program;
- Reviewed the process of hiring Argonne Child Development Center staff;
- Determined whether background checks were completed within the established timeframes and in accordance with applicable laws, regulations, guidelines, and contract terms;
- Reviewed background checks to confirm fingerprinting was performed, potential child abuse and neglect checks were conducted, previous employment was verified, criminal histories and personal references were checked, and education was verified;
- Identified staff training requirements and reviewed staff training records to determine whether they obtained the minimum hour requirements and whether training was received in Cardiopulmonary Resuscitation; and
- Interviewed the Argonne Deputy Director and reviewed the physical security plan.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. Accordingly, we assessed significant internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit 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 audit. We did not rely on computer-processed information to perform fieldwork, as it did not materially support the findings, conclusions, or recommendations. Therefore, a reliability assessment was not performed.

Management waived the exit conference on March 27, 2020.



**PRIOR REPORT**

- Audit Report on [\*The Children's Center at Fermi National Accelerator Laboratory\*](#) (DOE-OIG-20-35, March 2020). The audit found that Fermi had not managed its Children's Center in compliance with all applicable requirements. Specifically, background checks on Fermi's Children's Center employees were not always completed in accordance with applicable laws, the contract, policies, and procedures. The audit also found that Fermi had not ensured that all Children's Center employees met the minimum 20-hour training requirement. Additionally, some employees had not met the required CPR, First Aid, Bloodborne Pathogens, and Child Abuse trainings. The audit report made five recommendations to help improve Fermi Children's Center operations. Management concurred with the report's recommendations and indicated that corrective actions have been taken to address the issues identified in the report.
- Audit Report on [\*Compliance with the Memorandum of Agreement Between the U.S. Department of Energy and the Energy Child Development Centers, Inc.\*](#) (OAS-M-14-04, April 2014). The Office of Inspector General contracted with an independent certified public accounting firm, Lopez and Company, LLP (Lopez), to determine if Energy Child Development Centers, Inc. (ECDC) met the reporting and performance requirements of its December 16, 2002, Memorandum of Agreement with the Department of Energy for the period of December 16, 2002, through December 31, 2011. Lopez concluded that ECDC did not meet the reporting and performance compliance requirements of the Memorandum of Agreement. Due to a lack of documentation maintained by ECDC, Lopez was unable to make a determination of ECDC's compliance with 8 of 13 major risk areas. For the remaining key processes, Lopez concluded that ECDC did not materially comply with reporting and performance requirements. As a result, the Department of Energy terminated the Memorandum of Agreement with ECDC.

## MANAGEMENT COMMENTS



## Department of Energy

Argonne Site Office  
9800 South Cass Avenue  
Lemont, Illinois 60439

MAR 12 2020

MEMORANDUM FOR: JACK ROUCH  
DEPUTY ASSISTANT INSPECTOR GENERAL  
FOR AUDITS AND INSPECTIONS, CENTRAL  
OFFICE OF INSPECTOR GENERAL, IG 301

FROM: JOANNA LIVENGOOD *Joanna M. Livengood*  
MANAGER  
ARGONNE SITE OFFICE

SUBJECT: MANAGEMENT RESPONSE TO DRAFT AUDIT REPORT ON, "THE  
CHILD DEVELOPMENT CENTER AT ARGONNE NATIONAL  
LABORATORY"

The Department of Energy (DOE) Argonne Site Office (ASO) concurs with the recommendations detailed in the Draft Audit Report dated February 2020, entitled, "The Child Development Center at Argonne National Laboratory". ASO has reviewed the draft report and provides the following Management Response below.

**Management Response**

**Recommendation 1.** Ensure that background checks based on fingerprints are completed on all Argonne Child Development Center employees as required by the *Crime Control Act* and the requirements of UChicago Argonne, LLC's contract with Bright Horizons;

The Argonne Site Office concurs with this recommendation. The Site Office Manager directed UChicago Argonne, LLC to take appropriate actions to address this recommendation. Background checks based on fingerprint analysis were completed for all current staff on 05/02/19, with no reported issues. As of 05/02/2019, background checks based on fingerprint analysis have been incorporated into the pre-employment process for applicants.

**Recommendation 2.** Ensure that child abuse and neglect checks, and driving record checks are completed on all Argonne Child Development Center employees in accordance with UChicago Argonne, LLC's contract with Bright Horizons; and

The Argonne Site Office concurs with this recommendation. The Site Office Manager directed UChicago Argonne, LLC to take appropriate action to address this recommendation. Child abuse, neglect, and driving record checks were completed on current staff on 05/28/19, with no reported issues. As of 05/28/2019, child abuse, neglect, and driving record checks have been incorporated into the pre-employment process for applicants.

**Recommendation 3.** Determine whether UChicago Argonne, LLC's contract with Bright Horizons needs to be amended to delete the requirement for obtaining credit checks on prospective employees.

The Argonne Site Office concurs with this recommendation. The Site Office Manager directed UChicago Argonne, LLC to take appropriate action to address this recommendation. UChicago Argonne, LLC's contract with Bright Horizon was reviewed and modified on 02/04/2020, deleting the requirement of obtaining a credit check as part of the applicants pre-employment screening process.

A component of the Office of Science

Jack Rouch

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If you should have any questions or comments, please feel free to contact John Kasproicz at 630-252-2621.

cc: J. Kasproicz, ASO-DOE  
T. Pooler, ORO-FS-101  
J. Venneri, DOE-HQ-F240-SC  
A. Filak, ANL-OTD

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