



Department of Energy

Washington, DC 20585

November 5, 2015

JM Chronology 11/10/15
JM RECEIVED
OUT FOR REVIEW 11/20/15
DRB DISCUSSION 12/17/15

MEMORANDUM FOR: INGRID KOLB
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THROUGH: KEVIN T. HAGERTY
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FROM: RICKEY R. HASS
ACTING INSPECTOR GENERAL

SUBJECT: Notice of Intent to Revise DOE Order 221.1A, "Reporting Fraud, Waste and Abuse to the Office of Inspector General"

PURPOSE: The order sets forth requirements and responsibilities for reporting fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement to the U.S. Department of Energy's (DOE) Office of Inspector General (OIG).

BACKGROUND: The OIG seeks to uncover fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement relating to DOE programs, operations, facilities, contracts, and information technology systems. Authority to conduct such activities is derived from the *Inspector General Act of 1978* (IG Act), as amended. Specifically, the IG Act grants authority to the OIG to:

1. Conduct and supervise audits and investigations relating to programs and operations within their respective departments and agencies;
2. Provide leadership and coordination and recommend policies for activities designed to (a) promote economy, efficiency, and effectiveness in the administration of, and (b) prevent and detect fraud, waste and abuse in, such programs and operations; and
3. Provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

The IG Act requires each such IG to appoint an assistant inspector general for audits, with responsibility for supervising the performance of auditing activities relating to programs and operations of the establishment, and an assistant inspector general for investigations, with responsibility to supervise the performance of investigative activities, including criminal investigations, relating to their agencies' programs and operations.

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JUSTIFICATION: DOE Order 221.1A, “Reporting Fraud, Waste and Abuse to the Office of Inspector General,” is necessary to ensure DOE employees, program officials and managers, as well as employees of major facilities contractors, understand their obligation to report fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement to the DOE OIG.

There are no valid external, consensus or other “Standards” (e.g., ISO, VPP, etc.) available which can be used in place of this directive.

It is necessary to update the current version of this directive due to a lack of consistent application and understanding of its provisions. DOE employees, program officials and managers, as well as employees of major facilities contractors, have indicated to OIG personnel that the directive, as currently written, is not sufficiently clear with respect to suspected or actual violations of law that must be reported. Additionally, certain facilities, organizations and contractors have indicated the order is not sufficiently clear with respect to who is covered by the directive. It is expected that an update to the directive will resolve these areas of uncertainty.

Additionally, the OIG will be updating the directive to cover critical topics that are not addressed in the current version. This includes, for instance, a discussion of a complainant’s right to remain anonymous; an explanation of the OIG’s confidentiality policy; and a list of actions the OIG may take in response to an allegations of fraud, waste, abuse, and mismanagement.

IMPACT: The proposed directive does not duplicate existing laws, regulations or national standards and it does not create undue burden on the Department. The impact of this directive will be to ensure DOE employees, program officials and managers, as well as employees of major facilities contractors, have clear guidance on what to report to the OIG and when to report it. This will facilitate the OIG’s ability to carry out its statutory mandates.

The directive does not mandate any specific recurring actions or work products. Rather, it outlines a general obligation to take certain steps to report fraud, waste, abuse and mismanagement and to not take reprisal actions against employees. For instance, the directive requires that the DOE OIG hotline telephone number is displayed in common areas under their responsibility, such as cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies; and published in telephone books and employee newsletters under their responsibility. It also requires that DOE managers ensure that reprisals are not taken against employees who report fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement. With requirements such as this, it is difficult to assign a projected cost in order to implement the directive.

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The OIG intends to provide a copy of the revised directive for RevCom review no later than January 31, 2016.

<u>Standard Schedule for Directives Development</u>	<u>Days</u>
Draft Development	Up to 60 days
Review and Comment (RevCom)	30
Comment Resolution	30
Final Review	30
Total	150

(NOTE: The standard schedule of up to 150 days will be used unless otherwise specified by the Directives Review Board.)

 12-18-2015