

MEMORANDUM FOR THE SECRETARY

FROM: Gregory H. Friedman
Inspector General

SUBJECT: INFORMATION: Inspection Report on “Concerns Regarding Academic Programs at the Bonneville Power Administration and the Savannah River Operations Office”

BACKGROUND

The Office of Inspector General initiated a review at two U.S. Department of Energy (DOE) sites in response to allegations involving improper education and tuition reimbursement of Federal employees.

It was alleged that two Bonneville Power Administration (BPA) employees were having their college education paid with Federal funds because they were relatives of BPA officials. Separately, it was alleged that a Savannah River Operations Office (SRO) official used his or her position to establish a master’s degree program paid in full with Federal funds. The courses were allegedly being taught in a location convenient to the Savannah River Site (SRS) to accommodate the official’s participation in the program.

RESULTS OF INSPECTION

We found that the two BPA employees received Federal funds for their college tuitions as part of an established student training program. The employees complied with BPA policies and procedures, and, as required, reported they were relatives of BPA officials. During the inspection, however, we found that student employee training was not being fully documented in the established management information system as required by BPA procedures.

With regard to issues raised concerning SRO activities, we did not substantiate any inappropriate influence by Department officials in establishing the master’s degree program or in placing the program at a location convenient to SRS. SRO entered into a sole-source contract with the University of Georgia to provide master’s degree-level courses in response to the DOE-SRS 5-Year Staffing Plan, which forecasts significant attrition in many critical business professional skill areas such as contracts management, human resource management and financial management. During the inspection, however, we found that: (1) SRO officials lacked documentation for selecting the University of Georgia as the sole-source contractor; (2) the costs associated with the sole-source contract appeared excessive when

compared to courses provided by local accredited universities; and (3) SRO officials did not execute continued service agreements as required by the DOE Federal Employee Training Manual. We were recently informed that SRO terminated the sole source contract with the University of Georgia.

MANAGEMENT REACTION

Management concurred with our recommendations and has initiated corrective actions. Management's comments are provided in their entirety in Appendix B of the report.

Attachment

cc: Deputy Secretary
Administrator, Bonneville Power Administration
Under Secretary for Energy, Science and Environment
Assistant Secretary for Environmental Management
Manager, Savannah River Operations Office
Associate Administrator for Management and Administration
Director, Office of Management, Budget, and Evaluation/Chief Financial Officer