



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

Special Inquiry

Alleged Wasteful Spending Regarding
International Travel by the Department
of Energy's Deputy Secretary

INS-SR-13-01

January 2013



Department of Energy
Washington, DC 20585

January 31, 2013

MEMORANDUM FOR THE SECRETARY

FROM: 
Gregory H. Friedman
Inspector General

SUBJECT: INFORMATION: Special Inquiry on "Alleged Wasteful Spending Regarding International Travel by the Department of Energy's Deputy Secretary"

BACKGROUND

The Department of Energy's Deputy Secretary represents the U.S. Government, the Department and the Secretary in many high-level international and ministerial meetings. In this role, the Deputy Secretary receives executive protection while on international travel for security purposes, to reduce the risk of harm and aid mission accomplishment. During such travel, the Deputy Secretary is authorized premium class (first or business class) accommodations, and is usually accompanied by a special agent with law enforcement authority from the Department's Office of Special Operations (OSO), a component of the Office of Health, Safety and Security. During Fiscal Year (FY) 2011 and FY 2012, the Deputy Secretary took 24 international trips using premium class accommodations.

The Office of Inspector General (OIG) received a complaint that, among several issues, alleged mismanagement of the Deputy Secretary's travel. Specifically, it was alleged that the Deputy Secretary "...directed the use of premium class accommodations while on international travel to maintain business class travel status, resulting in wasteful spending." We initiated this inspection to examine the facts and circumstances surrounding this allegation.

The other issues contained in the complaint alleged mismanagement within the OSO in a number of areas unrelated to Secretarial officials. Our review of these allegations remained in process at the time this report was issued.

CONCLUSIONS AND OBSERVATIONS

The allegation that the Deputy Secretary improperly influenced or directed the use of premium class accommodations while on international travel was not substantiated.

Our inspection, however, revealed an administrative issue regarding the OSO's maintenance of documentation prepared to support the need for premium class accommodations. After we brought this issue to their attention, OSO officials initiated steps to address this issue.

Premium Class Travel Authorizations

The complaint alleging that the Deputy Secretary acted improperly regarding the use of premium travel was not substantiated. We determined that OSO officials issued a June 2009 memorandum authorizing the use of premium class accommodations for the Deputy Secretary and the accompanying OSO special agents when traveling internationally. The authorization by OSO was consistent with Title 41 CFR 301-10.123, *Federal Travel Regulations*, which permits agencies to authorize premium class travel for "exceptional security circumstances" if the use of coach-class accommodations would endanger the individual's life or Government property. The exception also extends to special agents accompanying an individual authorized to use other than coach-class accommodations.

OSO officials involved in the process of justifying the need for and approving the use of premium class travel by the Deputy Secretary told us they arrived at their determination independently, based on a security determination, and had not been pressured or influenced by anyone. These officials indicated that they were aware of the requirements of *Federal Travel Regulations* to justify the need for premium class travel. As such, these officials indicated that they had made a security determination that security conditions required the use of first class travel and had prepared the June 2009 memorandum to memorialize the determination and decision. We confirmed that the June 2009 memorandum referenced a security determination and also noted that the rationale for the determination was to provide a safer environment and to prevent unauthorized access to the Deputy Secretary while traveling internationally for official business.

Security Assessment Documentation

Although OSO officials were able to articulate a number of reasons why they had authorized the use of premium class accommodations, they were unable to furnish documentation to support their security determination. Taken together, the *Federal Travel Regulations* and the *Standards for Internal Controls in the Federal Government* require each agency or department to make a security determination, clearly document all transactions and other significant events, and ensure that the documentation is readily available for examination.

We were told by senior OSO officials that they used a security assessment from the Department's Office of Intelligence and Counterintelligence (IN), as well as other sources, in developing their security and safety determination for premium class accommodations. Although supporting documentation was not available for the 2009 security determination, we confirmed that in FY 2012, IN completed an intelligence and counterintelligence threat assessment regarding the Deputy Secretary.

OSO officials told us that they recognized the need to maintain documentation supporting security determinations and had initiated steps to address this issue. For that reason, we are

making no recommendations in this regard. We do, however, suggest that management closely monitor its processes to ensure that such determinations are properly supported by security assessments.

Attachment

cc: Deputy Secretary
Chief of Staff
Chief Financial Officer
Chief Health, Safety and Security Officer
General Counsel

OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE

The objective of this inspection was to determine the facts and circumstances surrounding the allegation that the Deputy Secretary directed the use of premium class accommodations while on international travel to maintain business class travel status, resulting in wasteful spending.

SCOPE

The allegation-based inspection was performed from October through December 2012 at Department of Energy Headquarters in Washington, D.C.

METHODOLOGY

To accomplish the inspection objective, we:

- Reviewed applicable regulations, directives, and policies related to Federal travel regulations;
- Conducted interviews with Federal and contractor personnel; and
- Reviewed travel documents, including individual travel records, and other relevant documentation.

We conducted this allegation-based inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. These 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 provides 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. Finally, we relied on computer-processed data, to some extent, to satisfy our objective. We confirmed the validity of such data, when appropriate, by reviewing source documents and conducting interviews.

An exit conference was held on December 6, 2012.

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