



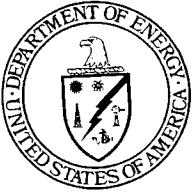
U.S. Department of Energy
Office of Inspector General
Office of Inspections and Special Inquiries

Inspection Report

Unauthorized Handguns on the Nevada Test Site

DOE/IG-0674

February 2005



Department of Energy

Washington, DC 20585

February 11, 2005

MEMORANDUM FOR THE SECRETARY

FROM:

Greg Friedman
Gregory H. Friedman
Inspector General

SUBJECT:

INFORMATION: Inspection Report on "Unauthorized Handguns on the Nevada Test Site"

BACKGROUND

The Office of Inspector General received information alleging that National Nuclear Security Administration (NNSA) and contractor personnel improperly transported Government and privately owned handguns onto the Nevada Test Site. This reportedly was done in conjunction with a training exercise involving NNSA's Office of Secure Transportation (OST) that was held at the Test Site. Although the primary function of the Test Site is to support defense systems, it is also used by OST for training exercises.

Interviews confirmed that an OST Federal employee and an employee of Wackenhut Services, Inc., an OST contractor, brought Government and privately owned handguns onto the Test Site. We determined that the Government owned handguns were 2 of 19 firearms that were relocated from the OST armory at Fort Chaffee, Arkansas, to the Department of Energy's (DOE's) National Training Center armory in Albuquerque, New Mexico, in June 2001. Therefore, the objectives of our inspection were to determine if: (1) the Federal and contractor employees violated DOE policy when they brought Government and privately owned handguns onto the Test Site; and (2) internal controls were adequate for the control and accountability of the 19 OST firearms stored at the National Training Center.

In a 2004 inspection, we substantiated a related allegation involving contractor employees transporting handguns on board an NNSA flight from Albuquerque to Nevada. Our report on this subject is entitled "Unauthorized Handguns on National Nuclear Security Administration Aircraft" (DOE/IG-0654, July 2004).

RESULTS OF INSPECTION

We concluded that DOE policies and procedures relating to firearms were systematically violated by OST-affiliated personnel. In both the current inspection and the 2004 inspection referenced above, we identified issues regarding controls over firearms and instances where unauthorized firearms were introduced into controlled security areas. Specific to this inspection, we found that:

- The OST Federal employee and the Wackenhut employee brought two Government owned and two privately owned handguns onto the Test Site without proper authorization.



- The OST Federal employee took his personal weapon to the Test Site to have a Wackenhut employee perform repairs on it, an apparent violation of the Federal Standards of Ethical Conduct for Employees of the Executive Branch.
- The two Government handguns were signed out of the National Training Center armory without following either National Training Center or OST armory requirements for the issuance of firearms. Further, the two handguns were passed among several individuals, including a private citizen with no formal tie to DOE, without following chain-of-custody requirements; and the two handguns were stored off-site without authorization.
- OST had not identified which policies and procedures were to apply to the 19 OST firearms relocated to the National Training Center armory in June 2001. We believe this resulted in a loss of weapon accountability, inconsistent with fundamental procedures for managing Federal firearms inventories.

We made several recommendations to NNSA that were designed to enhance safeguards and security and weapon controls, as well as to ensure appropriate action was taken with respect to the employees involved in this matter.

MANAGEMENT REACTION

In responding to a draft of this report, NNSA concurred with our recommendations and indicated that NNSA will work with the Office of Security and Safety Performance Assurance to achieve a level of assurance that Federal and contractor employees are complying with established policies. However, NNSA contended that, since the issues identified in both reports occurred at the same time during the same exercise, there was no indication of “systemic” weaknesses.

In general, management’s comments were responsive to our findings and recommendations. Regarding NNSA’s comment about systemic weaknesses, given the nature of the findings disclosed during both inspections, we believe our characterization of the violations as “systematic” is accurate and appropriate. Our position on this matter is more fully described on page 7 of the report.

Management’s comments are provided in their entirety in Appendix B of the report.

Attachment

cc: Administrator, National Nuclear Security Administration
 Under Secretary for Energy, Science and Environment
 Director, Office of Security and Safety Performance Assurance
 Director, Policy and Internal Controls Management
 Director, Office of Program Liaison and Financial Analysis

UNAUTHORIZED HANDGUNS ON THE NEVADA TEST SITE

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Overview

INTRODUCTION AND OBJECTIVES

Within the Department of Energy (DOE), the National Nuclear Security Administration's (NNSA's) Office of Secure Transportation (OST) is responsible for providing the safe and secure transport of nuclear weapons, special nuclear materials, and weapons components between DOE production facilities and Department of Defense facilities via surface and air modes of transportation. OST uses the Department's Nevada Test Site (NTS), which is located near Las Vegas, Nevada, for various training and related exercises. The NNSA's Nevada Site Office is responsible for the management of the NTS.

The Office of Inspector General (OIG) received allegations from an OST official related to the transport of handguns by OST-affiliated personnel between Albuquerque, New Mexico, and Nevada, in conjunction with a Joint Training Exercise involving OST that was held at the NTS. One allegation involved two contractor employees transporting privately owned and Government owned handguns on board an NNSA flight from Albuquerque to Las Vegas in October 2003. We addressed this allegation in our report entitled "Unauthorized Handguns on National Nuclear Security Administration Aircraft" (DOE/IG-0654, July 2004).

We were also informed that two individuals may have improperly transported Government and privately owned handguns onto the NTS. One of the individuals was an OST Federal employee, and the other was an employee of Wackenhut Services, Inc., an OST contractor providing support personnel to handle logistical aspects of the exercise.

Interviews confirmed that the Federal employee and the Wackenhut employee brought Government and privately owned handguns onto the NTS. We determined that the Government owned handguns involved were 2 of 19 OST firearms that were relocated from the OST armory at Fort Chaffee, Arkansas, to the DOE National Training Center (NTC) armory in Albuquerque in June 2001. The firearms were relocated to the NTC to enable OST firearms instructors to perform required weapons certifications.

The objectives of our inspection were to determine if: (1) the Federal and contractor employees violated DOE policy when they brought Government and privately owned handguns onto the NTS; and (2) internal controls were adequate for the control and accountability of the 19 OST firearms stored at the NTC.

**OBSERVATIONS
AND CONCLUSIONS**

Based on the findings in this inspection and our inspection on “Unauthorized Handguns on National Nuclear Security Administration Aircraft,” we concluded that DOE policies and procedures relating to firearms were systematically violated by OST-affiliated personnel. In both inspections, we identified issues regarding controls over firearms and instances where unauthorized firearms were introduced into controlled security areas. Specific to this inspection, we found that:

- The OST Federal employee and the Wackenhut employee brought two Government owned and two privately owned handguns onto the NTS without proper authorization.
- Although both the OST Fort Chaffee armory and the NTC armory have internal control policies and procedures, OST had not identified the policies and procedures that were to apply to the 19 firearms relocated to the NTC armory in June 2001, which remained OST firearms.
- The two Government handguns were signed out of the NTC armory without following either NTC or OST armory requirements for the issuance of firearms; the two handguns were passed among several individuals, including a private citizen with no formal tie to DOE, without following chain-of-custody requirements; and the two handguns were stored off-site without authorization.

Details of Findings

HANDGUNS ON THE NEVADA TEST SITE

We found that the OST Federal employee and the Wackenhut employee brought two Government owned and two privately owned handguns onto the NTS without proper authorization. Access to the NTS is controlled by armed Wackenhut security police officers, and the access point is posted with a list of prohibited articles that require prior authorization for admittance, which includes firearms. We determined that the posting was predicated on 10 CFR Part 860, TRESPASSING ON DEPARTMENT OF ENERGY PROPERTY, which states that “Unauthorized carrying, transporting, or otherwise introducing or causing to be introduced any dangerous weapon . . . into or upon any facility, installation or real property subject to this part, is prohibited.”

The Federal employee told us that he had declared his privately owned handgun to a security police officer at the NTS access point prior to transporting it, along with ammunition, onsite in his personal vehicle. We interviewed the 18 Wackenhut NTS security personnel who were on duty during the time frame that the Federal employee carried his privately owned handgun onto the NTS, and no one recalled the employee declaring the weapon. Further, despite existing requirements, there was no documentation authorizing the weapon to be taken onsite. The Wackenhut employee told us that he carried his privately owned handgun and the two Government owned handguns, along with ammunition, onsite in his briefcase, acknowledging that he did not declare the handguns to the NTS security police officers.

In pursuing why the Federal employee brought his personal weapon to the NTS, we determined that he had arranged for a Wackenhut employee at NTS to perform repairs on the weapon. We concluded that, in so doing, the Federal employee may have violated the Federal Standards of Ethical Conduct for Employees of the Executive Branch, which is found at 5 CFR Part 2635. 5 CFR Part 2635 states that “An employee shall not use . . . his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce another person, including a subordinate, to provide any benefit” It also states that “An employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.” According to the standards, Government property specifically includes intangible interests that are purchased with Government funds, including the services of contractor personnel. In this case,

a Wackenhut employee, working under a contract that provided support services to OST, repaired the privately owned weapon at a Government facility.

PROPERTY CONTROLS We found that although both the OST Fort Chaffee armory and the NTC armory have internal control policies and procedures, OST had not identified the policies and procedures that were to apply to the 19 firearms relocated to the NTC armory in June 2001, which remained OST firearms.

The DOE Property Management Regulations (DOE-PMR) defines firearms as sensitive items that are susceptible to being appropriated for personal use or that can be readily converted to cash. The DOE-PMR requires that property managers establish standard practices for the control of sensitive items that include inventory procedures and reporting requirements; the use of receipts or custody documents at the time of assignment or change of custody; and policies and procedures regarding the issuance and return of firearms under all circumstances.

Both the OST Fort Chaffee armory and the NTC armory have standard operating procedures governing their respective armories and the accountability of firearms. However, when the 19 OST firearms were relocated to the NTC, OST did not specify the policies and procedures that would apply to the firearms or which organization would be responsible for such things as required firearm inventories and accountability documentation.

In our view, this resulted in a lack of control over the 19 firearms and exposed these weapons to possible theft, loss, or misuse. For example, required monthly inventories of the firearms were not always performed after they were relocated to the NTC in June 2001. We identified a 55-day period between September and November 2003 when no inventories were performed. It was during this 55-day period that the Wackenhut employee transported the two Government owned handguns to the NTS.

**ISSUANCE OF
FIREARMS**

We found that the two Government owned handguns were signed out of the NTC armory without following either NTC or OST armory requirements for the issuance of firearms. Also, the two handguns were passed among several individuals, including a private citizen with no formal tie to DOE, over a 25-day period without following chain-of-custody requirements. Further, the two handguns were stored off-site without authorization.

Policy

According to the DOE-PMR, property managers are required to establish extraordinary procedural and physical controls to protect sensitive items, including the use of receipts or custody documents at the time of assignment or at the time of any change of custody. Any change in custody is to be promptly reported to the property management team. In addition, DOE Manual 473.2-2, "Protective Force Program Manual," states that offsite storage of firearms must be specified and authorized by the head of the field element.

NTC policy states that any weapon leaving the armory will be logged on a "Property Issuance Form" and that all weapons leaving the complex overnight "must be formally loaned." The formal loaning of a weapon requires the use of a "Personnel Property Loan Agreement," wherein the borrower agrees that the property shall not be transferred to a third party.

OST policy states that firearms will be issued to special agents and instructors using a "weapons card" that identifies the weapon by type, serial number, and stock number. Further, if a firearm is to be used for "a class outside [OST]," the firearm will be issued on an OST hand receipt, "Equipment Issue Receipt." OST policy also states that these firearms must be returned to the armory and not stored at a private residence; any exception requires prior written approval from the property manager.

Violations of Policy

We determined that on October 9, 2003, a Wackenhut employee signed out the two Government owned handguns from the NTC armory using a "Weapons/Equipment Issuance Form." However, neither a "Personnel Property Loan Agreement" nor a "weapons card" was utilized.

When the Wackenhut employee signed out the two handguns from the NTC, he identified the reason for issuance as a "class." However, we determined that no classes were scheduled or conducted as part of the exercise at the NTS. Further, the Wackenhut employee immediately passed the handguns to a second Wackenhut employee.

The second Wackenhut employee kept the two handguns in his possession for five days prior to transporting them on an NNSA aircraft to Nevada. Once in Nevada, he took the handguns onto the NTS. He told us that he transferred custody to an NTS armorer. However, the NTS armorer told us that he did not have a record of

storing the weapons, nor did he recall storing them. The second Wackenhut employee told us that after he received the handguns back from the armorer, he passed the handguns to a third Wackenhut employee, who transported the Government owned handguns, as well as the second Wackenhut employee's privately owned handgun, back to Albuquerque, New Mexico, in an OST vehicle.

When the third Wackenhut employee arrived in the Albuquerque area around 3:30 a.m. on November 1, 2003, he met his spouse at a truck stop outside Albuquerque, where he passed the two Government owned handguns and one privately owned handgun to her. He told us that he was concerned about transporting the handguns onto Kirtland Air Force Base without the proper custody documentation. We were told the Wackenhut employee's spouse stored the handguns in her private vehicle, which she then parked in the garage at her home. The next day, the third Wackenhut employee passed the handguns to the Wackenhut employee who had taken them to Nevada, and he returned the handguns to the NTC armory.

At no time when the Government owned handguns were being passed among the individuals was a receipt of custody executed by any of the individuals involved, nor was an exception to policy approved. Further, we did not find any authorization by the head of a field element allowing offsite storage of the two Government owned handguns over the 25-day period they were signed out of the NTC armory, nor was the transfer of the handguns to a private citizen authorized.

RECOMMENDATIONS

We recommend that the Assistant Deputy Administrator for Secure Transportation, in coordination with the Director, Nuclear Safeguards and Security Program:

1. Ensure that all Federal and contractor employees comply with DOE policy on the introduction of prohibited articles into security areas.
2. Develop and implement policies and procedures for the management and control of the weapons relocated from the Fort Chaffee armory to the NTC armory.

-
3. Ensure that all Federal and contractor employees comply with DOE policy regarding the issuance, handling, and custody of firearms.
 4. Ensure that Wackenhut takes appropriate action with regard to the Wackenhut employees who did not adhere to established requirements regarding the handling of the two Government owned handguns and the repair of the privately owned handgun.
 5. Take appropriate action with regard to the Federal employee who violated DOE policy when he brought an unauthorized privately owned handgun onto the NTS and then had a contractor employee repair it.
 6. Ensure that DOE is not bearing the cost of the repairs made to the Federal employee's privately owned handgun.

**MANAGEMENT
COMMENTS**

In comments on our draft report, management concurred with our recommendations and identified corresponding corrective actions. However, NNSA also stated that "Since the issues identified in both reports occurred at the same time during the same exercise, there is no indication of systemic weaknesses."

**INSPECTOR
COMMENTS**

In general, management's comments were responsive to our findings and recommendations. Regarding NNSA's comment about systemic weaknesses, we note that our conclusion was that firearms policies and procedures were systematically violated. Given the number and type of abuses regarding firearms that occurred, we continue to believe that DOE policies and procedures relating to firearms were systematically violated by OST-affiliated personnel. Specifically, (1) Government owned and privately owned handguns were introduced onto two DOE facilities without proper authorization; (2) Government owned and privately owned handguns were transported onboard an NNSA aircraft without authorization; (3) Government owned handguns were signed out of an NNSA armory without following armory requirements for the issuance of firearms; (4) Government owned handguns changed custody several times without required change of custody documentation; (5) a non-DOE affiliated person was given custody of Government owned handguns; and (6) Government owned handguns were stored off-site without authorization.

Appendix A

SCOPE AND METHODOLOGY

We performed the fieldwork for this inspection between December 2003 and September 2004. We interviewed Federal and contractor personnel having property management, firearms accountability and maintenance, and firearms utilization responsibilities. In addition, we interviewed the personnel alleged to be involved with this complaint. We also reviewed documentation pertaining to firearms controls, accountability, and issuance, as well as criteria for the control of sensitive items.

This inspection was conducted in accordance with the “Quality Standards for Inspections” issued by the President’s Council on Integrity and Efficiency.

Appendix B

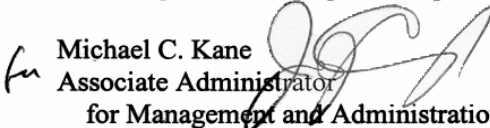


Department of Energy
National Nuclear Security Administration
Washington, DC 20585



FEB 04 2005

MEMORANDUM FOR Alfred K. Walter
Assistant Inspector General
for Inspections and Special Inquiries

FROM: Michael C. Kane 
Associate Administrator
for Management and Administration

SUBJECT: Comments to IG Draft Inspection Report on Unauthorized Handguns

The National Nuclear Security Administration (NNSA) appreciates the opportunity to have reviewed the Inspector General's (IG) draft inspection report, S04IS018, "Unauthorized Handguns on the Nevada Test Site." We understand that the IG received allegations related to the questionable transport of handguns during a Joint Training Exercise conducted at the Nevada Test Site. The Inspection that the IG has conducted has generated two reports, the first related to the transportation of handguns on NNSA aircraft and, this report related to contractor employees transporting privately owned handguns.

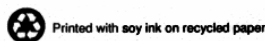
NNSA appreciates the work that the IG did related to both of these reports. Since the issues identified in both reports occurred at the same time during the same exercise, there is no indication of systemic weaknesses. NNSA will work, as appropriate, with the Office of Security and Safety Performance Assurance to achieve a level of assurance that Federal and contractor employees are complying with established policies.

I want to assure you that the corrective actions implemented after the issuance of the first report are on track and all actions are expected to be completed by the end of March, 2005. The corrective actions related to this report are attached.

Should you have any questions related to this response, please contact Richard Speidel, Director, Policy and Internal Controls Management. He may be contacted at 202-586-5009.

Attachment

cc: Dr. Everet Beckner, Deputy Administrator for Defense Programs
Steven Hafner, Assistant Deputy Administrator for Secure Transportation
William Desmond, Associate Administrator for Defense Nuclear Security
Robert Braden, Senior Procurement Executive
Karen Boardman, Director, Service Center



Appendix B

**Comments to
IG's Draft Inspection Report, S04IS018
"Unauthorized Handguns on the Nevada Test Site"**

Management comments and corrective actions to the draft report.

RECOMMENDATIONS

Recommendation 1.

Ensure that all Federal and Contractor employees comply with DOE policy on the introduction of prohibited articles into security areas.

Management Comment

Concur

For this report, Federal and contractor employees have access to all policies, are provided briefings on policies, and are disciplined appropriately when they do not comply. Wackenhut Services Inc. (WSI) has also published a detailed policy to provide guidance on privately-owned weapons. For the NNSA complex, NNSA will work, as appropriate, with the Office of Security and Safety Performance Assurance to achieve a level of assurance that Federal and contractor employees are complying with established policies.

Recommendation 2.

Develop and implement policies and procedures for the management and control of the weapons relocated from the Fort Chaffee armory to the National Training Center (NTC) armory.

Management Comment.

Concur

Procedures are in place to govern the management and control of Office of Secure Transportation (OST) weapons stored at the NTC.

- The WSI armorer assigned to support the OST Special Programs Division (SPD) is responsible for the OST weapons which are stored at the NTC, both for property accountability and scheduled maintenance.
- The weapons are stored per a Memorandum of Understanding (MOU) between NTC and OST.
- NTC signs the weapons out on a Weapons Issuance Form, similar to a hand receipt, in accordance with DOE and NTC policy.

Appendix B

The armorers at NTC perform daily inventories on the weapons. The WSI SPD armorer performs the monthly and semiannual inventories.

Recommendation 3.

Ensure that all Federal and contractor employees comply with DOE policy regarding the issuance, handling, and custody of firearms.

Management Comment

Concur

As stated in our response to Recommendation 2, the processes, procedures, and policies are in place for the issuance of firearms.

Recommendation 4.

Ensure that WSI takes appropriate action with regard to the WSI employees who did not adhere to established requirements regarding the handling of the two government-owned handguns and the repair of the privately-owned handgun.

Management Comment

Concur

OST has been assured by the WSI site manager that the WSI employees have received appropriate disciplinary action.

Recommendation 5.

Take appropriate action with regard to the Federal employee who violated DOE policy when he brought an unauthorized privately-owned handgun onto the NTS and then had a contractor employee repair it.

Management Comment

Concur

With regard to the Federal employee who brought his personally-owned weapon onto NTS, he maintains that he informed the WSI guard on duty at the NTS entry point that he was bringing his weapon onto NTS. There is no way to prove or disprove the validity of this statement, nor the denial of the 18 WSI security personnel that one of them allowed the employee access with his personal weapon.

Appendix B

The Federal employee admitted that he brought his weapon to the NTS to have repairs made by a WSI armory employee. The Federal employee did not direct, coerce, or use his government position to gain a benefit from the contractor. Rather, it was a prearranged offer from the contractor to the government employee as a no-cost favor to repair the weapon. The Federal employee's supervisor disciplined the employee on this incident that could be construed as a violation of the Federal Standards of Ethical Conduct for Employees of the Executive Branch.

Recommendation 6.

Ensure that DOE is not bearing the cost of the repairs made to the Federal employee's privately-owned handgun.

Management Comment

Concur

There was no measurable cost for the repair of the weapon. The barrel was out of alignment; it was repaired by hitting the barrel on a brick to knock it back into alignment. The procedure only took a couple of minutes and no parts or tools were used. As a result of these incidents, WSI published a detailed policy on privately-owned firearms. An employee must receive the General Manager's approval before he or she can transport a privately-owned weapon under any circumstances while on an official trip. Subsequent to these incidents, the WSI armorer assigned to SPD became an approved position. This greatly enhances control over the OST weapons at NTC. Additionally, OST SOP T-1 was revised to direct that when an arms room is not open to allow an employee to turn in a weapon, the employee should contact the OST duty officer for guidance.

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