



## **POLICY FLASH 2010-71**

DATE: July 20, 2010

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61  
Office of Procurement and Assistance Management

SUBJECT: DOE Office of Inspector General Audit Report “The Department of Energy’s Management of Contractor Fines, Penalties and Legal Costs”

SUMMARY: Please review the attached DOE Office of Inspector General Audit Report “The Department of Energy’s Management of Contractor Fines, Penalties and Legal Costs,” especially Recommendation 2.a. That Recommendation requires the Senior Procurement Executive, in conjunction with the field site Counsels, to review high-value (which you should define as above \$500K) outside law firm invoices for the period identified in the report to ensure no unallowable costs were reimbursed.

While we recognize that field site Counsel will already have reviewed the invoices as part of the normal administration of the Department's management of its legal costs, due to the DOE Office of Inspector General's discovery of some anomalies in the Department's administration, further review is prudent.

Please coordinate with your field site Counsel, determine the number of high-value invoices the review entails at your site, and provide that number to Michael Righi ([michael.righi@hq.doe.gov](mailto:michael.righi@hq.doe.gov)) and Anne Broker ([anne.broker@hq.doe.gov](mailto:anne.broker@hq.doe.gov)). Please provide a negative response if you have no high-value invoices. Then review, in conjunction with your field site Counsel, your high-value invoices for the period identified in the report to ensure no unallowable costs were reimbursed. Please provide the results of your review to Michael Righi and Anne Broker by August 31, 2010.

This Flash and its attachments will be available online within a day, at the following website:  
[http://www.management.energy.gov/policy\\_guidance/policy\\_flashes.htm](http://www.management.energy.gov/policy_guidance/policy_flashes.htm).

Questions should be directed to Michael Righi at (202) 287-1337 or [Michael.Righi@hq.doe.gov](mailto:Michael.Righi@hq.doe.gov).

A handwritten signature in black ink, appearing to read "Melissa D. Rider". The signature is fluid and cursive, with a large loop at the end.

Melissa D. Rider  
Director  
Office of Procurement and  
Assistance Policy

Attachment