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oral presentations, which are likely to be held next week, using the same questions as the first round of orals. With a new COO, it's a certainty that the B&W team will redo orals, but the decision was not as clear cut for the other teams. "In general, if you get a second bite at the apple you always want to take that chance but you've got to plan on doing better than you did the first time," one official said. "If you felt like you did well the first attempt do you want to take the risk of going up in front of the evaluation board again." Compounding the issue is the fact that none of the original questions for orals dealt with security largely because protective force management was not part of the contract. "I'm sure all three teams are looking at which questions were related to security and can you elaborate enough to make it worth your while," the official said.

### **Sandia RFI Deadline Passes**

The deadline for companies interested in bidding for the NNSA's Sandia National Laboratories and Kansas City Plant contracts to respond to a Request for Information about consolidating the two contracts also passed this week. In the RFI, the NNSA said it wanted feedback from industry about merging management of the Sandia contract, or just Sandia's non-nuclear production mission, with management of the Kansas City Plant. Two companies have publicly expressed interest in the Sandia contract—incumbent Lockheed Martin and Fluor—but a host of other companies are expected to compete for the contract, including Bechtel, URS, Babcock & Wilcox, Northrop Grumman, Battelle, Jacobs Engineering, and SAIC. Kansas City Plant incumbent contractor Honeywell Federal Manufacturing & Technologies also has signaled its intention to pursue the Kansas City Plant contract and responded to the RFI.

—Todd Jacobson

### **CHEATING CHARGES SURFACE AGAINST WSI DURING POST-BREACH INSPECTION**

Still reeling from an unprecedented security breach in late July, Y-12 protective force contractor WSI-Oak Ridge is under fire again, this time over allegations that a senior manager provided illicit copies of testing and inspection materials to guards in advance of testing last week by the Department of Energy's Office of Health, Safety and Security. Prompted by the latest incident, Y-12 management and operating contractor B&W Y-12 notified WSI Aug. 31 that it would terminate its contract for default if "actions are not taken to address all of the issues to date," and the senior WSI official has been suspended, according to a senior DOE official. *NW&M Monitor* has learned that the official involved in the cheating allegations is protec-

tive force manager John Garrity, who was promoted after a July 28 security breach led to a house-cleaning at WSI. WSI spokeswoman Courtney Henry said Garrity had been "administratively reassigned" as a result of the incident and has been replaced by protective force chief Billy Mullins.

Bill Eckroade, the principal deputy chief for Mission Support Operations at HSS and the head of the Y-12 investigation, said that federal officials discovered sensitive testing materials in a protective force vehicle during inspection activities Aug. 29. He said the materials included knowledge tests that were to be given to randomly selected guards the following day, the answer key to those tests, as well as forms detailing interview questions that would be use in on-post inspection activities known as "post-checks." The knowledge tests and "post-checks" are part of an exhaustive review of security at the site ordered by Energy Secretary Steven Chu that began last week. "We reported our concerns about having these sensitive materials out in the field where they could be accessed by the protective force members we are testing. That would certainly bias the test," Eckroade told *NW&M Monitor*. "We are very concerned about why they were there." Eckroade said the protective force manager, who had been sent encrypted versions of the materials to validate the questions and help tailor the tests to Y-12, said the materials were planned for use as a training guide. "We aren't sure how they were used but finding them in places they clearly are not supposed to be is an indicator they were used, or could have been used, inappropriately," Eckroade said.

### **WSI Conducting Its Own Investigation**

In a statement, Henry said WSI is conducting its own investigation into the allegation, but urged patience with the process. "WSI Oak Ridge is conducting a full investigation after test questions associated with the current HSS inspection were released to employees who could have been administered the test during the inspection," Henry said. "The investigation is underway to determine if this act was intended to advantage participants, or, if it was an unintentional act as part of overall knowledge testing for the security police officers." Henry said it was "premature to deny due process and speculate on the potential outcomes." She added: "We appreciate the cooperation from B&W, NNSA and DOE as we gather the vital information. With over 50 continuous years of support to DOE, WSI recognizes the importance of basic test integrity, and we stand ready to fully support the continuation of the revised material necessary to restart and conclude the HSS inspection."

Eckroade said HSS postponed the knowledge tests when the materials were found and will redo the “post-checks” because its inspection activities were compromised. New questions will be generated and different guards will be picked for the knowledge tests, and the criteria and interviews for the “post-checks” will be changed, he said. The information will also be more closely held. “It certainly raised concerns with us for the protocol of sharing sensitive test information and so we’re going to make sure as we do our knowledge tests and post-check interview forms we’re going to more tightly control how they’re shared,” he said.

Eckroade expressed some disbelief that the training documents were distributed to guards. “It’s a tight community. You know if you’re getting inspected by HSS you are going to have knowledge tests. This is sensitive information; you don’t go then train to the test. You can do preparation materials on your own but you don’t train to the test. Clearly that was inappropriate to the extent that they were used, which we’re not sure.” He said the incident will cause some delays in the inspection, but won’t threaten the targeted completion date of Sept. 28. “Our responsibility is to run a good inspection. When we find barriers to a good inspection we get those barriers out of the way,” Eckroade said. “We think we’ve been effective at getting this barrier out of the way. It’s going to cost us some extra time. It’s been an inefficiency on the review but we will catch up and we’re confident we can have the necessary data.”

### **B&W Issues ‘Cure’ Notice to WSI**

The incident prompted B&W Y-12, which is managing WSI’s contract after it was shifted under its control last month, to increase pressure on WSI to make improvements after the security breach. B&W Y-12 said it had already issued a “show cause” notice to WSI-Oak Ridge on Aug. 11—one day after the M&O contractor received its own “show cause” notice from the NNSA—and it issued a “cure” notice to WSI Aug. 31 after the latest incident, notifying WSI “that its contract would be terminated for default if actions are not taken to address all of the issues to date.” B&W Y-12 President and General Manager Chuck Spencer said that the M&O contractor has already taken “dramatic actions and [is] making major security improvements at the site,” which management and contractual changes as well as enhanced training of protective force officers, increased security patrols, added security barriers, repairs to fencing and security cameras, and a new system for prioritizing maintenance repairs. “

Moving forward, B&W Y-12 management continues to carefully examine the circumstances that led to the security incursion and make effective improvements that are

identified through ongoing internal review processes,” Spencer said in a statement. “We are committed to applying lessons learned to all of our operations in order to maintain the highest levels of performance in security, safety and quality.”

—Todd Jacobson

### **OMB PUSHES FOR ‘ANOMALY’ IN CR FOR NNSA WEAPONS PROGRAM, USEC**

The Obama Administration is pushing to boost funding for the National Nuclear Security Administration’s weapons program and USEC’s research and development program for its American Centrifuge enrichment project in the Fiscal Year 2013 Continuing Resolution being developed in Congress. The two programs were included in a list of “anomalies” recently sent to Congress by the White House Office of Management and Budget. While most federal programs—and the bulk of the Department of Energy—would be funded at Fiscal Year 2012 levels under what is expected to be a six-month stopgap funding measure, the White House is pushing for Congress to allow the NNSA’s weapons program to spend at the level of its FY 2013 request—approximately \$7.6 billion, \$344 million more than in FY 2012—while \$100 million would keep the ACP project afloat for the first half of FY 2013.

In its justification for the anomalies, OMB said that the spending increase for the weapons program would fund commitments made as part of the New START Treaty with Russia and in the Nuclear Posture Review to modernize the nation’s nuclear weapons complex and arsenal. NNSA spokesman Josh McConaha declined to comment this week on the CR. If the NNSA were constrained to FY 2012 funding levels during the first half of FY 2013, several major programs tied to the agency’s modernization efforts would be impacted. In particular, the NNSA requested significant increases for the B61 life extension program as well as other warhead refurbishment work, and accelerated construction on the Uranium Processing Facility.

### **‘Momentum’ For Anomaly**

Congressional aides say widespread support for the NNSA’s weapons program request has increased confidence that the Congress will sign off on the anomaly. House and Senate appropriators have largely supported the Administration’s \$7.6 billion request, with both the House and Senate Energy and Water Appropriations subcommittee’s matching what the NNSA asked for. Historically, Congress has also supported anomalies in stopgap funding measures for NNSA’s weapons program—at least since promises about modernization during debate in 2010 on