



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

Inspection Report

Unclassified Foreign National Visits
and Assignments at Oak Ridge National
Laboratory

INS-O-13-05

September 2013



Department of Energy
Washington, DC 20585

September 16, 2013

**MEMORANDUM FOR THE MANAGER, OAK RIDGE NATIONAL LABORATORY
SITE OFFICE**

Sandra D. Bruce

FROM: Sandra D. Bruce
Assistant Inspector General
for Inspections
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on "Unclassified Foreign
National Visits and Assignments at Oak Ridge National Laboratory"

BACKGROUND

In support of its research and development mission, the Department of Energy's national laboratories host thousands of foreign national visitors and assignees (foreign nationals) every year for research collaborations and access to scientific user facilities. During calendar year 2012, the Oak Ridge National Laboratory (Oak Ridge), which is managed by UT-Battelle, LLC, hosted approximately 6,400 foreign nationals. Such visits and assignments can be beneficial to the Department but may also create certain security risks.

In October 2010, Department Order 142.3A, *Unclassified Foreign Visits and Assignments Program*, was revised to streamline requirements and re-evaluate processes to expedite foreign nationals' access to the Department's national laboratories. Oak Ridge implemented Department Order 142.3A through its Site Security Plan, which describes the assets that require protection, and the programs, organizations and procedures that provide protection for these assets. The Department Order and Site Security Plan require the Laboratory to assign a host to each foreign national.¹ To address site specific security concerns, host responsibilities are prescribed in a Host Agreement and individual security plan, which is created for each visiting foreign national.² These agreements provide the detailed responsibilities a host must accept prior to Oak Ridge granting site access to a foreign national.

Because of the sensitivity of the Foreign National Visits and Assignments Program, and recently updated Department policy, we initiated this inspection to determine if Oak Ridge had effective procedures to mitigate risks regarding foreign nationals' unauthorized access to sensitive information and national security assets, including technologies and equipment.

RESULTS OF INSPECTION

Our inspection revealed that improvements are needed in the implementation of the Department's Foreign National Visits and Assignments Program at Oak Ridge. We determined that contrary

¹ Hosts are individuals who are assigned the day-to-day management and security of the foreign nationals.

² Individual security plans detail specific requirements to be met by the host for monitoring each type of foreign national.

to Host Agreements and individual security plans, hosts did not always maintain accountability of foreign nationals as required. In addition, we found that Oak Ridge Office of Counterintelligence (Counterintelligence) officials did not ensure that required Counterintelligence consultations had been documented and completed in the Department's Foreign Access Central Tracking System (FACTS) for foreign nationals prior to their visits.³

Host Accountability

We noted that hosts had not always maintained accountability of foreign nationals as specifically required by Host Agreements and individual security plans. For example, contrary to requirements of Host Agreements or individual security plans, hosts:

- Did not maintain contact with foreign nationals during their entire length of stay to ensure the hosts could convey details about each foreign national's work scope and technical competency to Counterintelligence;
- Used escorts instead of delegating alternate hosts; and
- Did not conduct walk-downs of each foreign national's work area to ensure that there was no export controlled equipment or technology in the area.⁴

Therefore, there was no assurance that hosts appropriately monitored foreign nationals' activities as required.

Our review of Host Agreements and individual security plans revealed that assigned hosts are responsible for foreign nationals throughout their entire stay, including any subsequent visits or assignments at other user facilities. Foreign nationals are usually assigned hosts located at the same user facility in which they initially perform work. This allows the hosts to monitor the foreign national's visits while continuing to perform other assigned duties. However, we noted that foreign nationals may also perform work away from the hosts' user facility.

Maintaining Contact with Foreign Nationals

We determined that 7 of the 16 hosts we interviewed did not maintain contact with foreign nationals during their entire stay as required by Host Agreements and individual security plans. During interviews, we were provided examples in which foreign nationals returned to work at different Oak Ridge user facilities than their hosts'. Furthermore, according to hosts, advanced notification of return visits by the foreign nationals was not always provided. Occasionally, the hosts were not made aware of the return visits until after the foreign nationals had arrived on site. In one instance, a foreign national arrived and departed while the host was absent from Oak Ridge. Because the host was not notified in a timely manner, procedures requiring the delegation of an alternate were not followed. The host said that in instances like this, the foreign

³ Counterintelligence consultations are a process by which the approval authority from the local hosting site can request that Counterintelligence field offices evaluate foreign national access in lieu of a required indices check. Typically, Counterintelligence Consultations are conducted when indices checks may not be completed prior to the arrival of a foreign visitor.

⁴ Department Order 142.3A states that escorts are responsible for ensuring that foreign nationals working or traveling within a site are escorted when required.

national should have been directed to the user office and assigned another host. Our review of the Personnel Access System, the Oak Ridge system used to request access to Oak Ridge facilities, found that this foreign national had not been assigned to a different host.

Two additional instances were identified, both occurring in June 2012, in which the assigned host did not monitor foreign nationals because they returned to another Oak Ridge user facility to work. In these instances, the host claimed to be knowledgeable of the other user facilities the foreign nationals were working at and believed they would be properly observed. However, the host did not validate that another host was assigned and appropriate monitoring of the foreign nationals was conducted. Our review of the Oak Ridge Personnel Access System revealed that a new host had not, in fact, been assigned to these foreign nationals. The interviewed hosts expressed concerns that they were unable to fulfill their host requirements because contact could not be maintained with the foreign national.

Use of Escorts

We further determined that contrary to requirements, two programs utilized escorts instead of appointing alternate hosts. For instance, we identified two hosts who had 185 separate foreign nationals assigned to them in fiscal year 2011. In one example, a host was assigned 46 foreign nationals during a single visit. During these assigned periods, the hosts did not monitor the foreign nationals' activities, but used escorts to assist with tours and training. In addition, Oak Ridge officials told us that escorts performed the same duties as the host. Our review of the Site Security Plan found that the escort requirements were not addressed. Further, our review of individual security plans stated that escorts of foreign nationals were not permitted at Oak Ridge. We also noted that Oak Ridge escorts were not required to agree to or sign the Host Agreement and individual security plan executed by the host.

Completion of Hosts Walk-Downs

Hosts from two of the largest user facilities at Oak Ridge reported that they were unable to complete their host responsibilities. Specifically, hosts were unable to conduct walk-downs of the approved buildings and inform building occupants that foreign nationals were present. Hosts informed us that foreign nationals had been provided access to approximately 20 buildings, some with 24-hour access, for over 2 years. This access had been provided so foreign nationals could attend meetings, conferences and have access to a re-tooling laboratory on an as-needed basis. Although Department Order 142.3A does not specifically require that hosts accompany foreign nationals at all times, hosts indicated that because of the unlimited and open access granted to the foreign nationals they were unable to ensure that the requirements dictated in the Host Agreement and individual security plan were met.

Contributing Factors and Impact

Although we did not identify any instances in which export information or other scientific information was inappropriately obtained by a foreign national, the risk that these events could occur is higher than acceptable because of the weaknesses in Oak Ridge's program. The issues we identified with host accountability occurred for a number of reasons:

- Foreign national hosts were not changed, regardless of the facility where work was conducted. Management did not change the hosts because it required a modification of

the Oak Ridge Personnel Access System, which they believed would entail a review process of at least 7 days. However, in discussion with pertinent Department officials, we were told that a host change would not initiate another review process.

- Escort requirements for foreign nationals were not addressed in the Site Security Plan and escorts were not required to agree to or sign the Host Agreement and individual security plans.
- Foreign nationals were provided unaccompanied access to numerous buildings and as such, hosts were unable to ensure that the requirements in the Host Agreement and individual security plan were met.

We found that the Oak Ridge Host Audit Program, which provided management oversight of the Foreign National Visits and Assignments program, had also not been effectively implemented. For example, we received documentation that indicated that the program may not be completely effective because only 8 of 1,400 trained hosts had been audited under this program since 2011. In addition, hosts are expected to continue conducting day-to-day duties while assigned multiple foreign nationals, activities that may require the hosts to be away from their workstations. Hosts reported that they were uncomfortable hosting foreign nationals they were unable to monitor; however, they were told by Oak Ridge managers that performing host functions were required as part of their position.

Collectively, these issues have the potential to increase Oak Ridge's security risk that sensitive information and national security assets could potentially be lost or compromised.

RECOMMENDATIONS AND PATH FORWARD

Based on the observations described in the report, we believe Oak Ridge can take a number of steps to improve the implementation of the Department's Foreign National Visits and Assignments Program. As such, we recommend that the Manager, Oak Ridge National Laboratory Site Office:

1. Direct UT-Battelle, LLC to initiate the required steps to ensure that the Personnel Access System can support re-assigning hosts in a timely manner to ensure that all foreign nationals are monitored as required by Host Agreements and individual security plans;
2. Direct UT-Battelle, LLC to ensure that hosts designate appropriate alternate hosts so a qualified host is always present to fulfill hosting requirements;
3. Ensure that UT-Battelle, LLC defines the role of escorts;
4. Direct UT-Battelle, LLC to re-evaluate whether all foreign nationals to the user facilities should be provided access to multiple buildings on the Oak Ridge campus, and if so, to ensure that the host responsibilities can be adequately met when doing so; and

5. Ensure that UT-Battelle, LLC establishes and implements a robust Host Audit Program so host responsibilities are appropriately reviewed as part of the foreign national process.

Other Matters: Counterintelligence Consultations

We determined that Oak Ridge Counterintelligence was not documenting the use of Counterintelligence Consultations in FACTS as required by Department Order 142.3A. Consultations allow Counterintelligence field offices to conduct evaluations for foreign national access in those instances where indices checks, conducted by the Intelligence Community and coordinated by Headquarters Counterintelligence personnel, would not be completed by the start date of the visit or assignment. We were told by a senior Oak Ridge Counterintelligence official that they had not entered this information into FACTS based on a waiver that was received in an email from Headquarters Counterintelligence in 2005. However, based on our discussion with a Headquarters official from the Office of Health, Safety and Security, the 2005 email may have been misinterpreted and Counterintelligence Consultations should have been entered into FACTS. Subsequently, we discussed this matter with the Oak Ridge Counterintelligence staff and they implemented procedures to correct this issue. We confirmed that the issue had been addressed by accessing FACTS and viewing the information.

MANAGEMENT COMMENTS AND INSPECTOR RESPONSE

The Oak Ridge Site Office concurred with the report recommendations and identified actions it had planned or had already taken to address our recommendations. In response to the report recommendations a "Mass Host Change" tool is now available in the Personnel Access System, which allows for new host(s) to be assigned quickly and requires the new host to accept the Host Agreement/Acknowledgement and associated security plan. UT-Battelle will also process, identify and implement a method of ensuring qualified hosts or qualified escorts are available to fulfill hosting requirements; define specific roles and responsibilities of escorts through procedural requirements; review foreign national access to user facilities and ensure building access is assigned based on the identified need and that host responsibilities to the assigned facilities can be met; and they will identify a process and implement a Host Audit Program to ensure host responsibilities are appropriately reviewed and documented through reports and performance metrics.

We consider management's comments responsive to the report's recommendations.

Attachment

cc: Deputy Secretary
Under Secretary for Science
Chief of Staff
Chief Health, Safety and Security Officer
Manager, Oak Ridge Office

OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE

Because of the sensitivity of the Foreign National Visits and Assignments Program, and the issuance of the updated Department of Energy (Department) Order 142.3A, *Unclassified Foreign Visits and Assignments Program*, we initiated this inspection to determine if Oak Ridge National Laboratory (Oak Ridge) had effective procedures to mitigate risks regarding foreign nationals' unauthorized access to information, technologies or equipment.

SCOPE

We completed the fieldwork for this performance inspection from January 2012 to September 2013, at Oak Ridge National Laboratory in Oak Ridge, Tennessee.

METHODOLOGY

To accomplish the inspection objective, we:

- Reviewed applicable regulations, directives and policies related to unclassified foreign national visits and assignments;
- Reviewed and analyzed information contained in the Department's Foreign Access Central Tracking System and the UT-Battelle Personnel Access System required for documenting foreign national visits and assignments; and
- Interviewed appropriate officials from Headquarters, Oak Ridge and UT-Battelle, LLC.

We conducted this performance-based inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Those 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 provided 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. Also, we assessed the Department's compliance with the *Government Performance and Results Modernization Act of 2010* and determined that the Department had established performance measures, in general, relating to the operation and security of foreign national visitors and assignments. 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.

Management waived the exit conference.

PRIOR REPORT

- Special Report on [*The Department's Unclassified Foreign Visits and Assignments Program*](#) (DOE/IG-0791, March 2008). The objective of this review, due to the sensitivity of the program and the potential for harm, was to determine whether the Department of Energy (Department) had improved the management of its Foreign Visits and Assignments Program. The report determined that the Department had addressed several previously reported issues. However, additional and continuing weaknesses diminished the effectiveness of controls designed to reduce the security risk associated with foreign visits and assignments. In particular, hosts for foreign nationals – individuals responsible for the day-to-day management and security associated with visits or assignments – had not ensured that a number of protective measures were implemented. These problems or programmatic shortcomings caused us to conclude that security risks associated with the Department's Foreign Visits and Assignments Program remain higher than necessary. Contractor operated laboratories had not ensured that hosts were cognizant of their responsibilities and were performing them properly. Those laboratories and the Office of Foreign Visits and Assignments also had not taken sufficient steps to ensure that data in the Foreign Access Central Tracking System was reliable. Problems with recordkeeping and tracking could limit the Department's ability to provide accurate and/or complete foreign national information to law enforcement agencies.

MANAGEMENT COMMENTS



Department of Energy
ORNL Site Office
P.O. Box 2008
Oak Ridge, Tennessee 37831-6269
August 28, 2013

MEMORANDUM FOR SANDRA D. BRUCE
ASSISTANT INSPECTOR GENERAL
FOR INSPECTIONS
IG-36

FROM: JOHNNY O. MOORE, MANAGER
ORNL SITE OFFICE

SUBJECT: DRAFT INSPECTION REPORT ON UNCLASSIFIED FOREIGN
NATIONAL VISITS AND ASSIGNMENTS AT THE OAK RIDGE
NATIONAL LABORATORY (ORNL)

Thank you for the opportunity to review and comment on the subject draft report. With respect to the specific recommendations in the draft report, the ORNL Site Office's (OSO) comments follow below.

Recommendation 1: We recommend that the Manager, OSO, direct UT-Battelle, LLC (UT-Battelle), to initiate the required steps to ensure that the Personnel Access System can support re-assigning hosts in a timely manner to ensure that all foreign nationals are monitored as required by Host Agreements and individual security plans.

Management Response: Concur. A "Mass Host Change" tool is now available in the Personnel Access System, which allows for new host(s) to be assigned quickly and requires the new host to accept the Host Agreement/Acknowledgement and associated security plan. This process was put in place on April 30, 2013.

Recommendation 2: We recommend that the Manager, OSO, direct UT-Battelle to ensure that hosts designate appropriate alternate hosts so a qualified host is always present to fulfill hosting requirements.

Management Response: Concur. UT-Battelle will review the current alternate hosting process and identify and implement a method of ensuring qualified hosts or qualified escorts are available to fulfill hosting requirements. The estimated completion date is September 30, 2014.

Recommendation 3: We recommend that the Manager, OSO, ensure that UT-Battelle defines the role of escorts.

Management Response: Concur. UT-Battelle will review the current escorting process, and define the specific roles and responsibilities of escorts through procedural requirements in the ORNL Standard Base Management System. The estimated completion date is September 30, 2014.

Sandra D. Bruce

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August 28, 2013

SUBJECT: DRAFT INSPECTION REPORT ON UNCLASSIFIED FOREIGN NATIONAL VISITS
AND ASSIGNMENTS AT THE OAK RIDGE NATIONAL LABORATORY (ORNL)

Recommendation 4: We recommend that the Manager, OSO, direct UT-Battelle to re-evaluate whether all foreign nationals to the user facilities should be provided access to multiple buildings on the ORNL campus, and if so, to ensure that the host responsibilities can be adequately met when doing so.

Management Response: Concur. UT-Battelle will review foreign national access to user facilities and ensure building access is assigned based on the identified need and that host responsibilities to the assigned facilities can be met. The estimated completion date is September 30, 2014.

Recommendation 5: We recommend that the Manager, OSO, ensure that UT-Battelle establishes and implements a robust Host Audit Program so host responsibilities are appropriately reviewed as part of the foreign national process.

Management Response: Concur. UT-Battelle will identify a process and implement a Host Audit Program to ensure host responsibilities are appropriately reviewed and documented through reports and performance metrics. The estimated completion date is September 30, 2014.

If there are any questions or additional information is required, please contact me at (865) 576-3536 or Martha J. Kass at (865) 576-0717.

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