



## Department of Energy

Washington, DC 20585

May 9, 2003

The Honorable John T. Conway  
Chairman  
Defense Nuclear Facilities Safety Board  
625 Indiana Avenue, NW  
Suite 700  
Washington, DC 20004-2901

Dear Mr. Chairman:

On April 23, 2003, I met with Defense Nuclear Facilities Safety Board (DNFSB) General Counsel and other DNFSB staff in response to his inquiry of April 22, 2003, concerning Independent Oversight and Performance Assurance (OA) responsibilities and activities pertaining to management of the suspect/counterfeit items (S/CI) program within the Department of Energy and, specifically, those related to the ongoing investigation of aluminum parts heat-treated by Temperform USA. Consistent with the Deputy Secretary's March 31, 2003, direction regarding increased oversight attention to the DNFSB concerns with crosscutting implications, OA will be conducting a special study to assess the effectiveness of the Department's efforts to address the S/CI crosscutting issue. The special study will be conducted in two phases encompassing both the Department's headquarters and field elements of the S/CI program.

The first phase will include evaluating whether the Department has established appropriate policy and program elements to ensure sustained and effective response to S/CI information. Department policy for S/CI policy and directives will be evaluated for adequacy. The study will determine if responsibilities, authority, and accountability for S/CI actions have been clearly assigned and established. Established processes and proposed actions will be evaluated to verify that appropriate mechanisms to assure the timeliness and adequacy of communication of S/CI information to field organizations are in place. Where breakdowns in the process have occurred, such as those related to Temperform, the study will evaluate the sequence of events and proposed corrective actions for adequacy in addressing the causes and preventing recurrence.

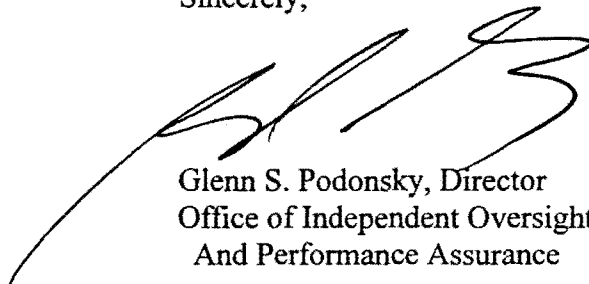
The second phase will evaluate the adequacy of S/CI processes and their implementation at a cross section of sites. The processes will be evaluated to Department requirements and guidance. Performance will be evaluated by reviewing the disposition of S/CI information. The sample of sites will include both those under the direction of the Under Secretary for Nuclear Security and Under Secretary for Energy, Science and Environment.

The results of the special study will be documented in a comprehensive report that will include opportunities for improving S/CI processes and their implementation and findings for weaknesses requiring submittal of approved corrective action plans.



I will continue to keep you informed of our progress in this area. I have directed Pat Worthington, Director of OA's Office of Environment, Safety and Health Evaluations to lead this effort and to develop a detailed plan and lines of inquiry for the special review. She will coordinate with your staff and appropriate organizations within DOE as that plan is developed and implemented.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Podonsky', written over the typed name.

Glenn S. Podonsky, Director  
Office of Independent Oversight  
And Performance Assurance

cc:

M. Whitaker, S-3.1  
B. Cook, EH-1  
L. Brooks, NA-1  
J. Roberson, EM-1  
M. Kilpatrick, OA-1  
P. Worthington, OA-50