

Hanford Clip Show

Written by Nick Sanders

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It's called a "clip show" in the television biz. According to Wikipedia—

A clip show is an episode of a television series that consists primarily of excerpts from previous episodes. Most clip shows feature the format of a frame story in which cast members recall past events from past installments of the show, depicted with a clip of the event presented as a flashback. Clip shows are also known as cheaters, particularly in the field of animation. Clip shows are often played before series finales or once syndication becomes highly likely. Other times, however, clip shows are simply produced for budgetary reasons (i.e. to avoid additional costs from shooting in a certain setting, or from casting actors to appear in new material).

In other words, there isn't much new in a clip show. If you've watched the series, you've already seen all the flashback bits. That doesn't keep the networks from churning them out, though.

Similarly, auditors churn out "clip show" audit reports from time to time. Most of us have seen them, particularly with respect to business system "reviews." Instead of performing a lot of new work, the auditors simply piece together snippets of previous reports—as if those reports were somehow appropriate evidence to reach a new conclusion. A good example of a "clip show" Estimating System review report would be one that pieced together findings from forward priced proposal audits conducted over the past year or two. Never mind that the contractor has already corrected the process or people problems that led to those findings; they are presented once again as if they are evidence of a currently deficient business system.

"Clip show" audit reports are an unfortunate fact of life in the compliance environment. So long as all the reviewers sign off on them, they are considered to be just as valid as an opinion based on current and valid evidence. There's no sense getting upset about them; that's just the way it is.

Recently, the Department of Energy Office of Inspector General [published](#) a "clip show" audit report regarding the DOE's site in Hanford, Washington. In fairness, the DOE OIG clearly labeled it as such. No, they didn't call it a "clip show;" they called it a "compilation." In fact, they called it "Compilation of Challenges and Previously Reported Key Findings at the Hanford Site for Fiscal Years 2012-2018."

Hey, at least they were honest about it.

Why did the DOE OIG feel compelled to issue the compilation of previously issued reports, each one previously issued over the past six years? According to the report itself: “The Office of Inspector General’s objective is to highlight management challenges and key findings that were identified in its previous audits, inspections, and investigations related to the Hanford Site.” Our interpretation of that sentence is that the OIG feels their previous reports weren’t taken seriously enough, and they are making another attempt to get somebody’s attention.

Our interpretation may be supported by the words of the report. It states:

The Hanford Site has been plagued with mismanagement, poor internal controls, and fraudulent activities, resulting in monetary impacts totaling hundreds of millions of dollars by the various contractors involved at the site. As many of the weaknesses continue, without more aggressive oversight of contractors and subcontractors, millions of dollars will continue to be at risk for inappropriate charges and potential fraudulent activities. We are hopeful that the consolidated summary of the previously issued significant Office of Inspector General findings from FYs 2012–2018 provided in this report will serve as evidence of systemic internal control weaknesses and fraudulent activities and ultimately result in the Department strengthening its oversight of Federal operations and contractors.

Although we recognize that the Department has implemented improvements in response to prior Office of Inspector General findings, weaknesses continue with the management of contractors and subcontractors at a level that, in our opinion, results in an unacceptable level of risk of inappropriate charges to the Government.

The compilation report then continues with about 35 pages of “flashback” audit findings and press releases relating to various Hanford contractors, subcontractors, employees, and vendors. It’s great reading if you want to see the kind of (illegal) shenanigans that fraudsters can commit; but perhaps not so great reading if you are one of the entities or individuals mentioned within the body of the report. If you are a DOE employee charged with contractor oversight/compliance, we suspect it’s very depressing reading indeed.

What’s the value of such a report? Well, it can serve to highlight historical compliance challenges and, to the extent those challenges have not been resolved, it can serve as an additional spur to action. As the DOE OIG stated in the report summary—

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It will be interesting to see if anything changes. Will Congresspeople express concern or even anger with the situation? Will DOE invest more money and personnel to Hanford contractor oversight? Will the prime contractors invest more money and personnel into their operations?

Our experience tells us that the answers to the foregoing questions probably will be “no.” Nobody cares about investing in controls and oversight unless forced to by litigation and/or settlement terms. For example, we don’t see Congress appropriating another \$100 million for Hanford contractor oversight; nor do we see DOE moving \$100 million from Savannah River to Hanford for the same reason. And until somebody puts money where mouth currently is, we don’t see much impetus to significant change in the control environment.

Sorry to be so cynical, but there it is.

In the meantime, we get OIG reports that provide a compilation of audit findings, like flashbacks in a clipshow. If you’ve never seen the show before, then they might look like new findings. But if you’ve been watching for a while, then you’ve seen it all before.