



Security Enforcement Program Update and Case Review

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Overview



- Security Enforcement Program Update
- Regulatory Assistance Reviews
- Security Incident Trends
- Case Review



Security Enforcement Program Update



- FY 2011 Screened and Scored 312 Initial Security Incident Notifications and 164 Final Inquiry Reports
- Support the Energy Facility Contractors Group Safeguards & Security Working Group
 - Self-assessment guide
 - Causal analysis guide
 - Incidents of security concern workshop



Regulatory Assistance Reviews CY 2011



- Regulatory Assistance Reviews
 - Los Alamos National Laboratory
 - Paducah Plant
 - Idaho National Laboratory

- Regulatory Assistance Follow-up Reviews
 - Lawrence Livermore National Laboratory
 - Y-12 National Security Complex



Regulatory Assistance Reviews CY 2012



- Regulatory Assistance Reviews
 - Portsmouth Plant
 - Kansas City Plant
 - Savannah River Site

- Regulatory Assistance Follow-up Reviews
 - Paducah Plant
 - Idaho National Laboratory



Review Results Improvements



- Increased Senior Management Attention to the Overall Security Program
- Routine Communications with Management Concerning Security Incidents/Events
- Reduction of Classified Holdings – Smaller Security Footprint
- Improved Partnership Between Enforcement Coordinators and Security Organizations
- Increased use of Centralized Issues Management Systems
- Proactive Lessons Learned Activities



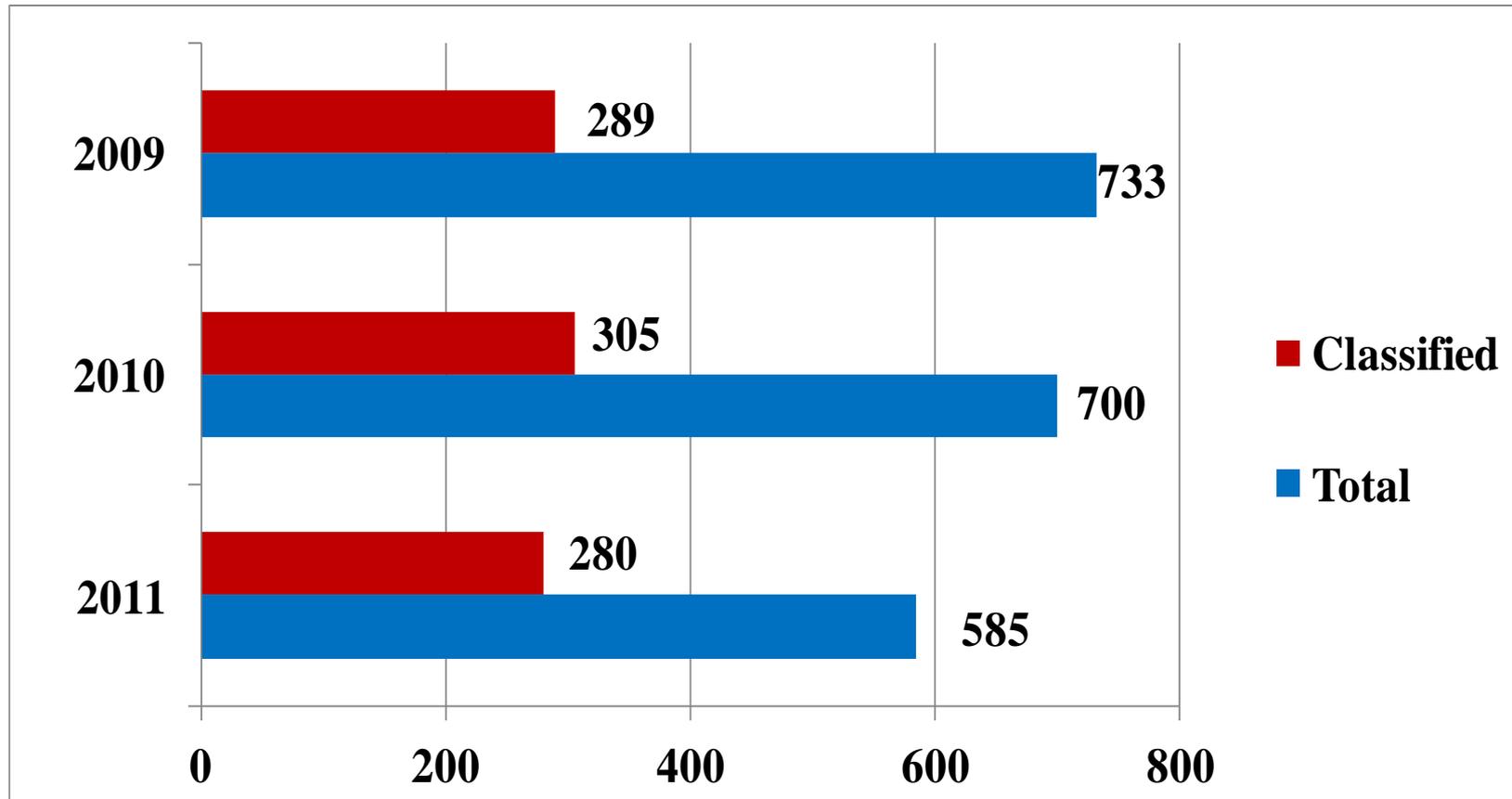
Review Results Challenges



- Awareness of 10 C.F.R Part 824 Requirements
- Effectiveness of Self-Assessment Programs
- Availability of Accurate and Timely Trending Data
- Formal Regulatory Screening of Security Assessment Results, Incidents and Trends
- Restrictive Criteria for Conducting Formal Causal Analysis
- Willingness to Self-Report Programmatic, Recurring and Willful/Intentional Occurrences – Transparency

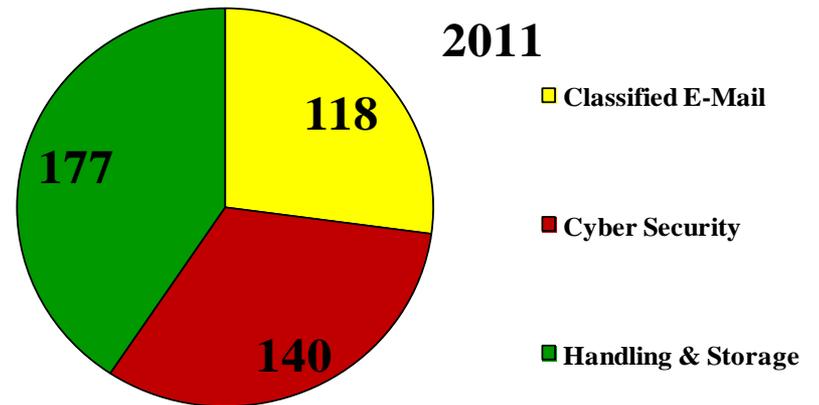
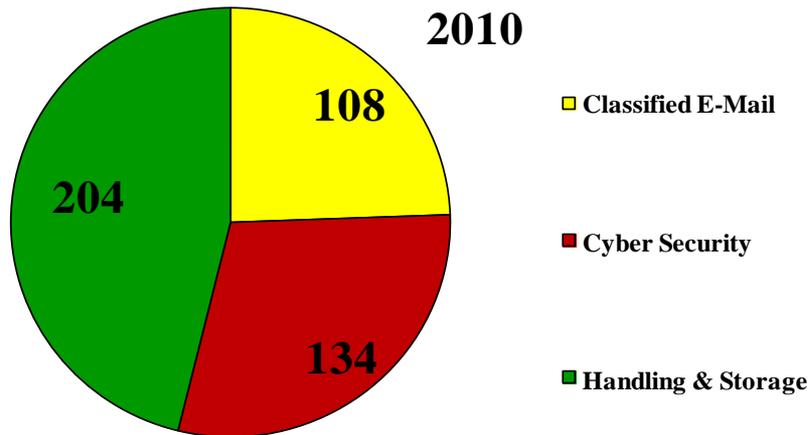
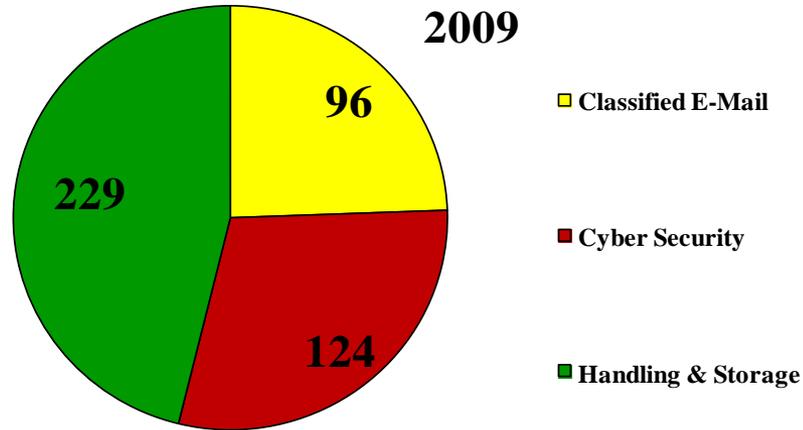


Security Incident Trends



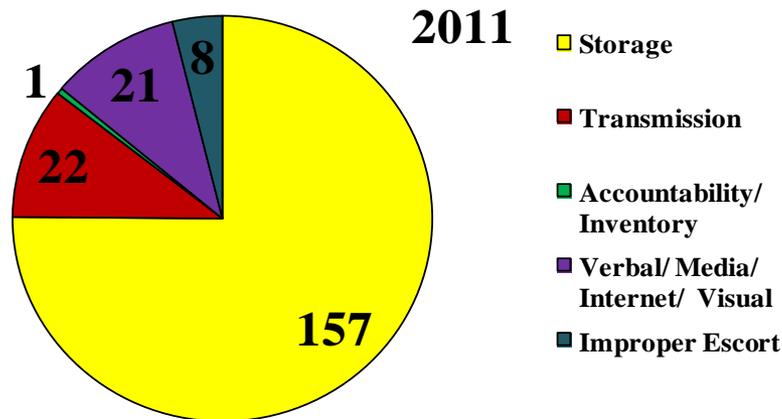
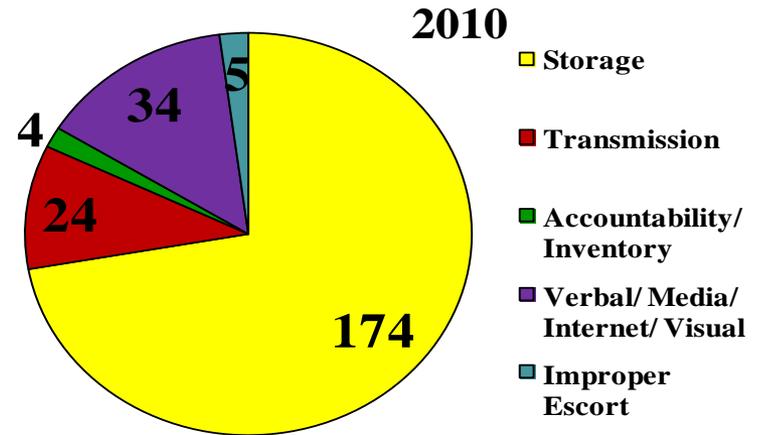
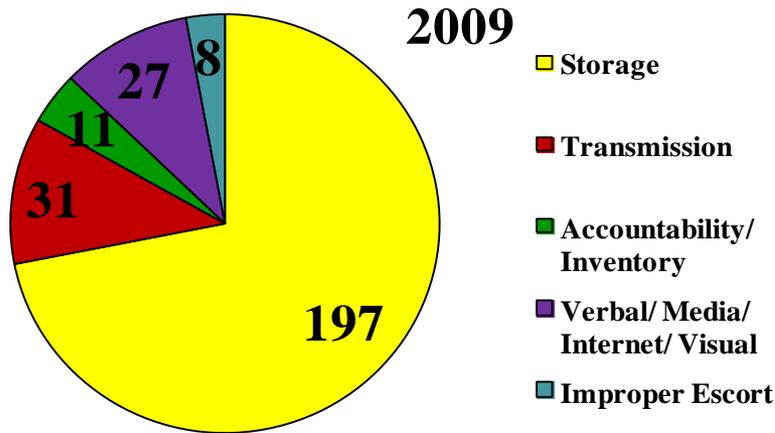


2009 – 2011 Incident Data Comparison



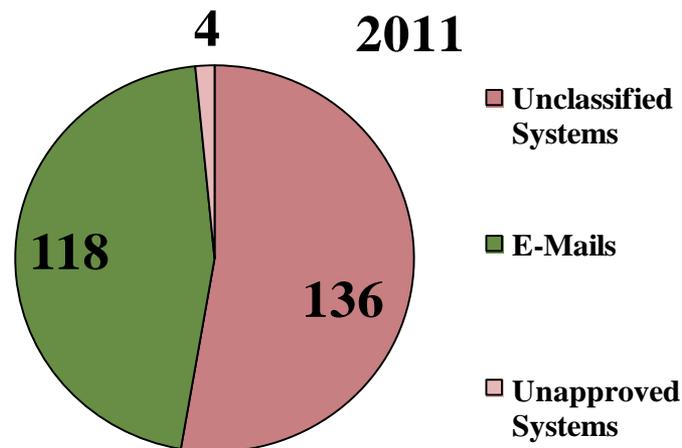
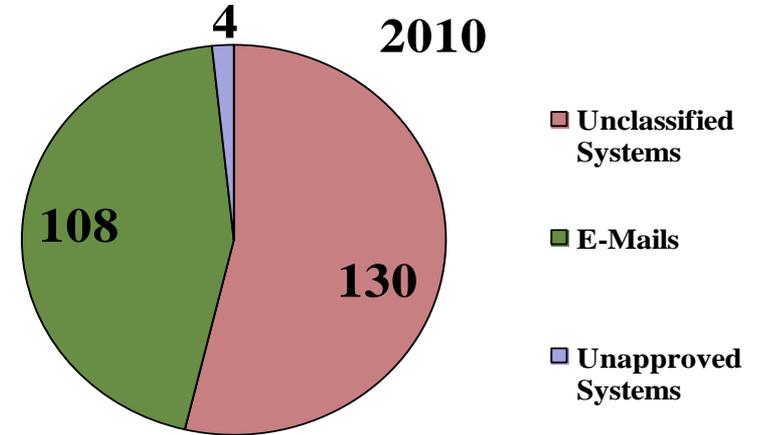
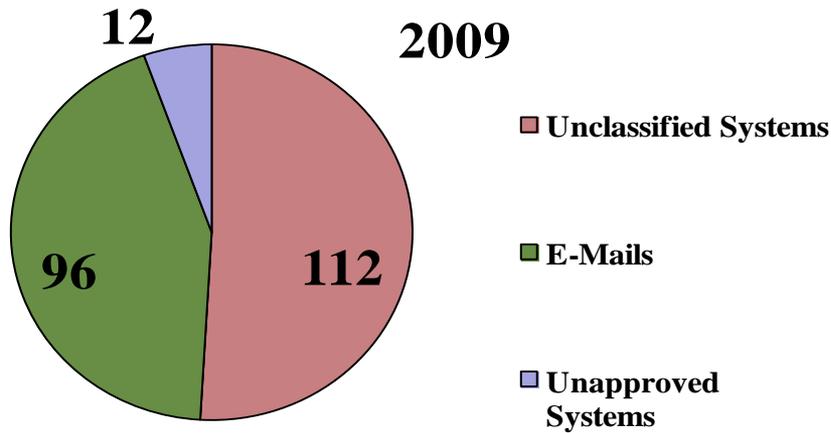


Handling & Storage





Cyber Related Incidents





Security Enforcement Case Review CY 2011



- Idaho National Laboratory Classified Information Security Incident – Battelle Energy Alliance, LLC
 - Preliminary Notice of Violation and Final Notice of Violation

- Sandia National Laboratories Adverse Classified Information Security Trend – Sandia Corporation
 - Settlement Agreement



Case Review Battelle Energy Alliance



- Introduction of Classified Information into an Unapproved System
- Enforcement Outcome
 - Preliminary Notice of Violation issued February 25, 2011
 - Final Notice of Violation issued April 18, 2011
 - Three Severity Level I Violations and One Severity Level II Violation – Base Civil Penalty \$700,000
 - Mitigation for Corrective Actions – 50% for two violations and 25% for two violations – Total Civil Penalty – \$425,000



Case Review Sandia Corporation



- Adverse Classified Information Security Trend – CY 2007, 2008 and 2009
- Enforcement Outcome
 - Settlement Agreement issued March 24, 2011
 - Completion of Sandia Security Improvement Plan – October 2011
 - NNSA and Office of Security Enforcement review of evidence packages – November 2011
 - Closure letter issued February 23, 2012



Questions?