

United States Senate

WASHINGTON, DC 20510

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ON INVESTIGATIONS

May 8, 2008

The Honorable Samuel W. Bodman
Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Bodman:

Organizations and functions under your direction are categorized as high risk programs by the Government Accountability Office (GAO). While limited progress in addressing identified problems pertaining to contract management within the Department of Energy (DOE) has been made, these programs were designated as being at high risk in 1990 and continue to be so today.

I am writing to express my concern that these programs continue to be designated as high risk after 18 years. In fact, in May 2007 GAO again cited additional concerns and reiterated the lack of progress in improving project management and oversight. One project has reportedly experienced significant schedule and technical problems and the estimated cost more than tripled to \$230 million. It is evident that taxpayers are not receiving full value for funds expended by DOE and contract requirements are not being properly managed. Please provide me with documents detailing the thresholds for contract cost and schedule overruns that trigger executive management review and any DOE policies in place to ensure award fees are managed and expended appropriately.

It is well understood that institutional change is often complex and takes both time and resources to transform these often unwieldy programs. However, strategic planning and budgeting can yield staggering results with disciplined management and oversight. As Secretary, you are uniquely positioned to guide this process.

The DOE currently has 60 reports with multiple issues identified by the GAO that remain outstanding. What actions has DOE taken to address these issues and achieve removal from the GAO high risk list in January 2009? Your prompt response is greatly appreciated.

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Please do not hesitate to contact me or Sheldon Shoemaker of my staff at (202) 228-6476 if you would like to discuss these concerns or other matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

CLAIRE McCASKILL
United States Senator