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## Feds Audit LANL Budget

**By John Arnold***Journal Northern Bureau*

SANTA FE— A federal audit has validated the findings of two Los Alamos National Laboratory whistle-blowers, their attorney said Monday.

A report issued by the Department of Energy's Office of Inspector General found weaknesses in the lab's internal financial controls.

The report's authors also agreed with internal LANL audits that questioned millions of dollars in costs— from shipping charges to meals and travel expenses— incurred by the former lab manager, University of California.

"This is money that UC should give back to DOE," said Lynne Bernabei, an attorney representing whistle-blowers Tommy Hook and Chuck Montaña.

Federal auditors examined LANL financial controls that were in place during fiscal year 2003, the same year allegations of fraud and financial mismanagement led to a congressional inquiry.

The Inspector General's audit was issued in December but was recently released to Montaña under a Freedom of Information Act request.

Montaña and Hook, former internal auditors at the lab, accuse lab managers of retaliating against them for uncovering financial mismanagement. The lawsuit is pending.

The National Nuclear Security Administration, the federal agency that oversees lab operations for DOE, generally agreed with the Inspector General's findings. But the agency pointed out in a written response that 2003 was a "particularly difficult time for the Laboratory."

"While some work may have been suspect, NNSA believes that significant progress has been made in the financial operation of the Laboratory, eliminating or mitigating internal control weaknesses that were previously identified," wrote Richard Speidel, director of policy and internal controls management at NNSA.

Hook and Montaña were part of a team of internal auditors that assessed the lab's procurement activities and internal financial controls. Hook said he received the assignment in response to the 2003 congressional hearings.

The team questioned whether UC should have been reimbursed for \$1.4 million in shipping costs between fiscal years 2000 and 2003. It also questioned \$800,000 in overpayments to lab vendors, according to the Inspector General's audit.

Hook and Montaña claimed that the lab and UC tried to stifle their findings.

"The DOE (Inspector General's) report is basically a confirmation that (UC has) never dealt with these problems, and they still have millions of dollars in unallowable costs that their internal people, Chuck and Tommy, were finding,"

Bernabei said.

The audit backed internal reviews that questioned nearly \$1 million in meals, travel expenses, payroll overpayments and subcontractor expenses.

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