



An Overview
Title 10 Code of Federal Regulations Part 824

Steve Crowe
Office of Enforcement
Office of Health, Safety and Security



Purpose

Title 10 Code of Federal Regulations (CFR) Part 824

- Procedural Rules for the Assessment of Civil Penalties for Classified Information Security Violations
- Requires Contracts Contain Procurement Clause Reducing Fees or Amounts Paid to Contractors in the Event of Security Violations.



Subject to Civil Penalty



Violation Protection Requirement in Rules or Department Security Policies

- 10 CFR 1016, *Safeguards of Restricted Data*
- 10 CFR 1045, *Nuclear Classification and Declassification*
- Failure to Satisfy Compliance Order
- DOE M 470.4-1, -2, -3, -4, -5, and -6
- DOE M 205.1-4 *National Security System Manual*



Civil Penalty



Severity Levels Base Civil Penalties

- Level I \$100,000
- Level II \$ 50,000
- Level III \$ 10,000

Note: Maximum Civil Penalty Per Violation Per Day



Examples of Noncompliances



Security Incident Reported Per DOE M 470.4-1

- Inquiry/Investigation Conducted Discloses Violation of Classified Information Requirements

Findings or Issues Identified During Inspections/Appraisals

- Independent Oversight (HS-60)
- Local Security Surveys
- IG or GAO Reports



Factors to be Considered



- Prompt Identification/Reporting of the Incident
- Isolated Event or Systemic Problem
- Serious Breakdown of Management Controls
- Effective Corrective Actions



Enforcement Process



- Identification of Violations of Classified Information Security Requirements
- Inquiry/Investigation Conducted
- Enforcement Conference
- Compliance Order
- Enforcement Letter or PNOV



Enforcement Process (*cont'd*)



- Contractor has 30 days to Respond to PNOV
- No Response, PNOV becomes Final Order
- Contractor must respond if FNOV issued
- Agree to Pay Fine or Request Hearing per 10 CFR 824.8



Closing Comments



- Ensure Contracts Contain Current Departmental Directives
- Evaluate Existing Security Self Assessment Program
- Review Effectiveness of Contractors Corrective Actions Process
- Integrate Security Organizations into Existing Enforcement Program



Contact Information

Steve Crowe, Acting Director
Office of Security Enforcement, HS-43

steve.crowe@hq.doe.gov

301-903-9663