Department of Energy
Washington, DC 20585

May 15, 2008

Dr. Mike Anastasio
President
Los Alamos National Security, LLC
Los Alamos National Laboratory
P.O. Box 1663
Los Alamos, New Mexico 87545

Dear Dr. Anastasio:

In our recent dialogue with you and members of your staff, we discussed our reasons for sending this enforcement letter to Los Alamos National Security, LLC (LANS); the purpose of this letter; and our concerns about the protection of classified information at the Los Alamos National Laboratory (LANL). Accordingly, this is not a formal enforcement action and imposes no requirements. We appreciate the laboratory's perspectives and your ongoing efforts to address these concerns.

Our concerns stem from an Office of Enforcement analysis of 2007 security incidents across the Department of Energy (DOE), as reported in the Safeguards and Security Information Management System. The analysis consisted of reviewing each incident to determine whether the circumstances indicate a potential deficiency in the protection of classified information, such as classified e-mails sent by unapproved methods, failure to properly implement classified cyber security requirements, introduction of controlled articles into security areas where classified information was being processed or discussed, or improper handling and storage of classified information. The Office of Enforcement considered the classification level and category of the information involved, the approximate size of the site's classified holdings, and the number of employees possessing security clearances that could potentially process/handle classified information in determining the appropriate perspective and significance of reportable incidents.

Based on our analysis of the 2007 incidents at LANL and corrective action plans, the Office of Enforcement concludes that the number of events involving classified e-mails sent by unapproved methods raises questions about the effectiveness of LANS causal analysis process and corrective actions to prevent recurrence.

The Department's enforcement program has used enforcement letters for potential nuclear safety violations for a decade. Enforcement letters will be used in the security enforcement program in a similar manner with the overarching goal of promoting

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improvements and correcting deficient conditions before a significant event or violation occurs. Additional information on the enforcement process and enforcement letters can be found in the *DOE Enforcement Process Overview*, dated December 2007, which can be found on the Office of Health, Safety and Security's website under the Office of Enforcement at: http://www.hss.energy.gov/Enforce/EPO_1207.pdf.

The Office of Enforcement and the National Nuclear Security Administration recognize that the enforcement program is relatively new to the security community. Therefore, the Office of Enforcement is taking a number of steps to assist contractors in understanding and better implementing DOE's expectations for self-identifying noncompliances, reporting and categorizing incidents appropriately, determining the extent of conditions, trending incidents of security concern, implementing corrective actions that address the root causes of incidents, and assessing the effectiveness of corrective actions.

As one of these steps, the Office of Enforcement will conduct a series of program reviews of contractor regulatory compliance processes at major DOE sites. To reduce the impact on DOE sites, these program reviews will be integrated to address classified information security, nuclear safety, and worker safety and health during a single site visit. The first set of integrated program reviews will be performed at selected DOE sites in 2008. The Office of Enforcement hopes to perform an integrated program review at LANL in 2009; we will notify you of the specific date when the schedule for 2009 is developed. We will coordinate our review with other Office of Health, Safety and Security activities. For your information, the *DOE Enforcement Process Overview* document, mentioned above, contains our protocols for conducting these reviews.

No response to this letter is required. Should you have any questions, please contact me at (301) 903-2178 or have your staff contact Mr. Steve Crowe, Director, Office of Security Enforcement, at (301) 903-0107.

Sincerely,

Arnold E. Guevara
Director
Office of Enforcement
Office of Health, Safety and Security

cc: See attached list

SUBJ: To Mike Anastasio, Los Alamos National Security, LLC
From Arnold Guevara, Office of Enforcement, re: Enforcement Letter

cc: Paul Sowa, LANS
Marji Gavett, LANL
All Enforcement Coordinators
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DOE and NNSA S&S Security Directors