



Department of Energy
Washington, DC 20585

August 4, 2016

The Honorable John McCain
United States Senate
Washington, DC 20510

Dear Senator McCain:

Thank you for the July 18, 2016, letter from you and Senator Flake that we received on July 26th, regarding your concerns about allegations of fraud, waste, and abuse in the Desert Southwest Region (DSW) of the Western Area Power Administration (WAPA).

At present, we cannot comment on some of the matters to which you refer because they are the subject of an active criminal investigation. We can, however, tell you that, earlier this year, we undertook preliminary field work for an audit of DSW's procurement department. During the initial visit, we learned that, based on the work of its internal audit group, DSW was in the beginning stages of making changes to its procurement practices. Based on this information, we determined it would be a more efficient use of resources to delay our comprehensive audit until after DSW implements its corrective actions. In the meantime, we are conducting an audit of DSW's construction contracts.

We are devoting significant resources to oversight of WAPA, and supporting efforts to hold individuals accountable for their criminal activity. While the results of our work will not be public for some time, we will be happy to brief you or your staff about them as these matters develop.

Please feel free to contact me if you have any questions. Your staff is welcome to contact my Counsel, Virginia Grebasch (Virginia.Grebasch@hq.doe.gov), at 202-586-4393.

Sincerely,

A handwritten signature in black ink, appearing to read "Rickey Hass", is positioned above the printed name.

Rickey R. Hass
Acting Inspector General