

Sandia's Very Expensive Lesson

Don't let this happen to you....

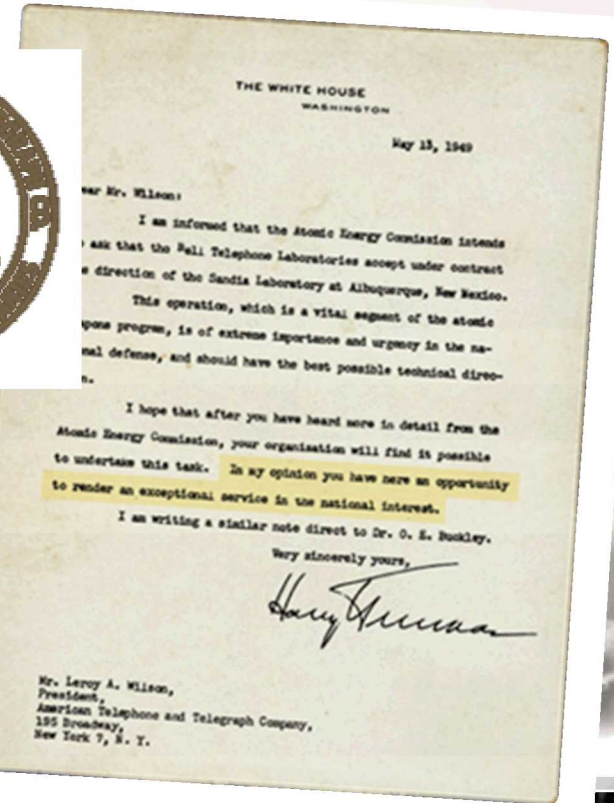
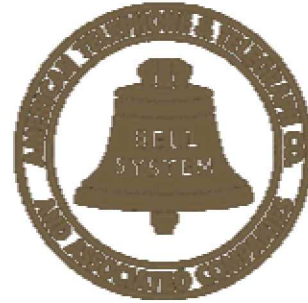
Gabriel G. King
Manager & Enforcement Coordinator
Dept. 4024, Safety & Security Regulatory Support



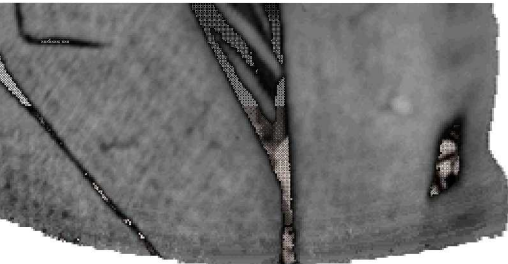
Sandia's History

Exceptional service in the national interest

- July 1945: Los Alamos creates Z Division
- Nonnuclear code engineering
- November 1, 1946: Sandia Laboratory established



to undertake this task. In my opinion you have here an opportunity to render an exceptional service in the national interest.



Sandia's Mission Areas

**Reduce
Global
Chemical
& Biological
Dangers**

**Secure &
Sustainable
Energy Future**

**National
Security Space
Innovations**

**Global
Nuclear
Assurance and
Security**

Cyberspace

**Synergistic
Defense
Products**



Nuclear Weapons



LABS' FOUNDATION

Two Phases to the Incident

Historical Phase

1997 to 2011

- Delivered to internal and external audiences
- Presentation existed on numerous media types

Near-Term Phase

2011 to 2012

- Delivered only to class participants
- Presentation existed on organization server
- Discovered by new program manager

How Could This Not Have Been Caught?

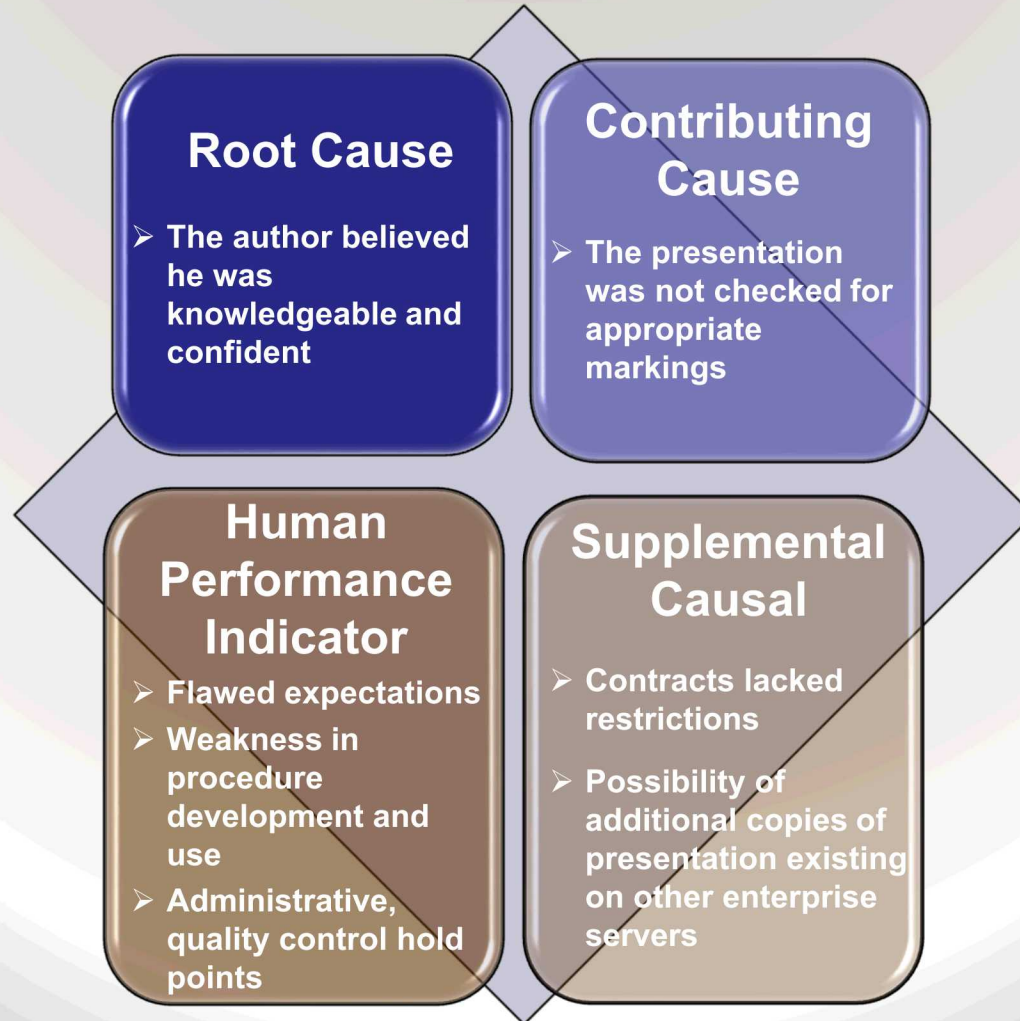
Presentation was viewed by multiple DCs at Sandia and DOE/NNSA

- There have been differing professional opinions over the interpretation and application of Gen 16 between the experts
- The number of slides determined to contain classified information varied from as few as 11 to a high of 21

“Halo” Effect

- Difficult to find a DC with knowledge about the non-DOE subject area
- Classification of presentation was never challenged until the addition of DOE Information in 2012

Causal Analysis & Supplemental Causal



Review of all presentations on the organization's unclassified servers

- ✓ 700+ presentation reviewed
- ✓ Only other presentations by the author were discovered to be classified
- ✓ No other presentations were classified

Enterprise-wide search of presentations authored by the organization

- ✓ 146 million files in 187 terabytes of data
 - 31 additional copies of presentation were identified
 - All variations of the subject presentation
- ✓ Isolated incident
- ✓ Subject presentation was parent to all other versions

Summary of Violations

**Self-
Assessment**

**Security
Incident
Inquiry**

**Causal
Analysis /
Corrective
Action**

**Classified
Cyber
Security**

**Information
Protection**

**Classification
(+multiplier)**

Response to PNOV

**Sandia
challenged severity
levels**

- Burden of proof
“...*adverse impact to national security*...”
- Information in public domain for three decades
- Confusion surrounding a Damage Assessment
- Challenge supported by Legal and Executive Mgt

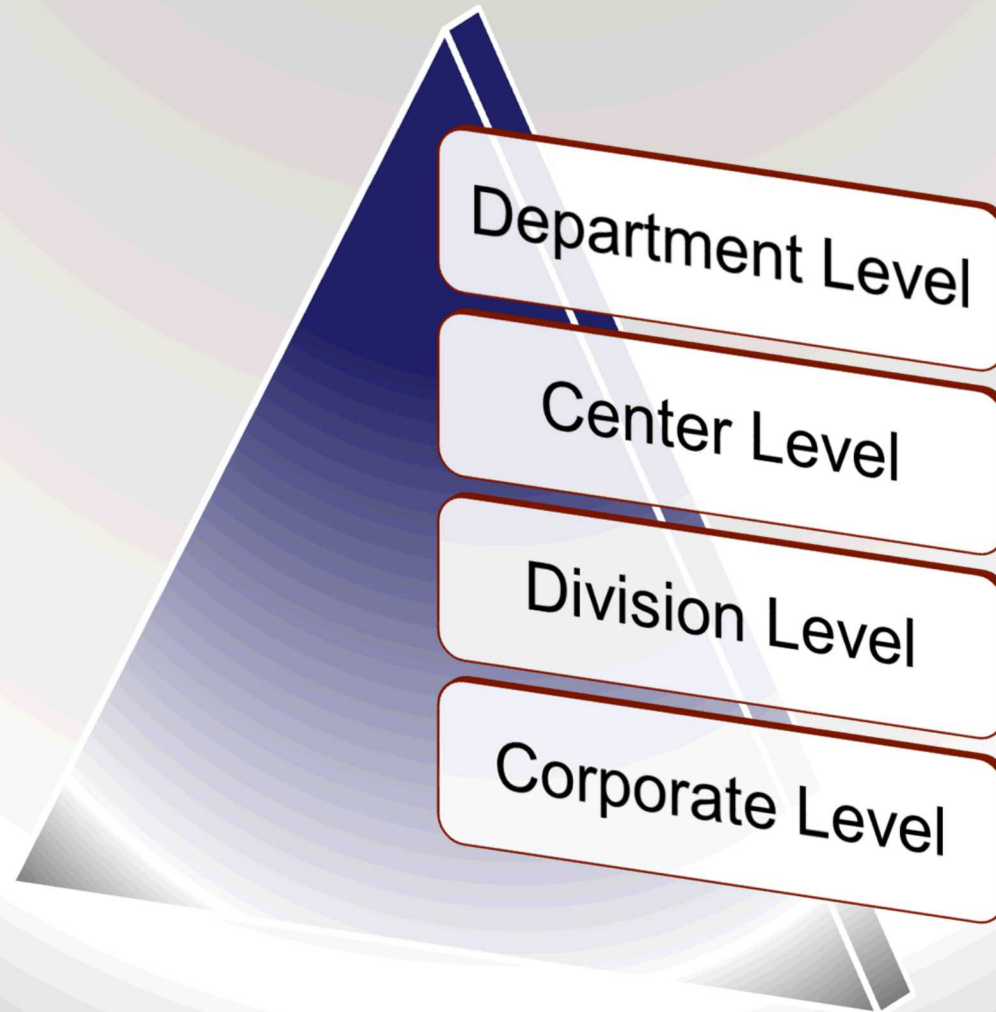
**OSE
responded to Sandia’s
challenge with a FNOV**

- “Sandia assertion that because this classified information was in open sources, its unauthorized disclosure could not adversely impact national security...”

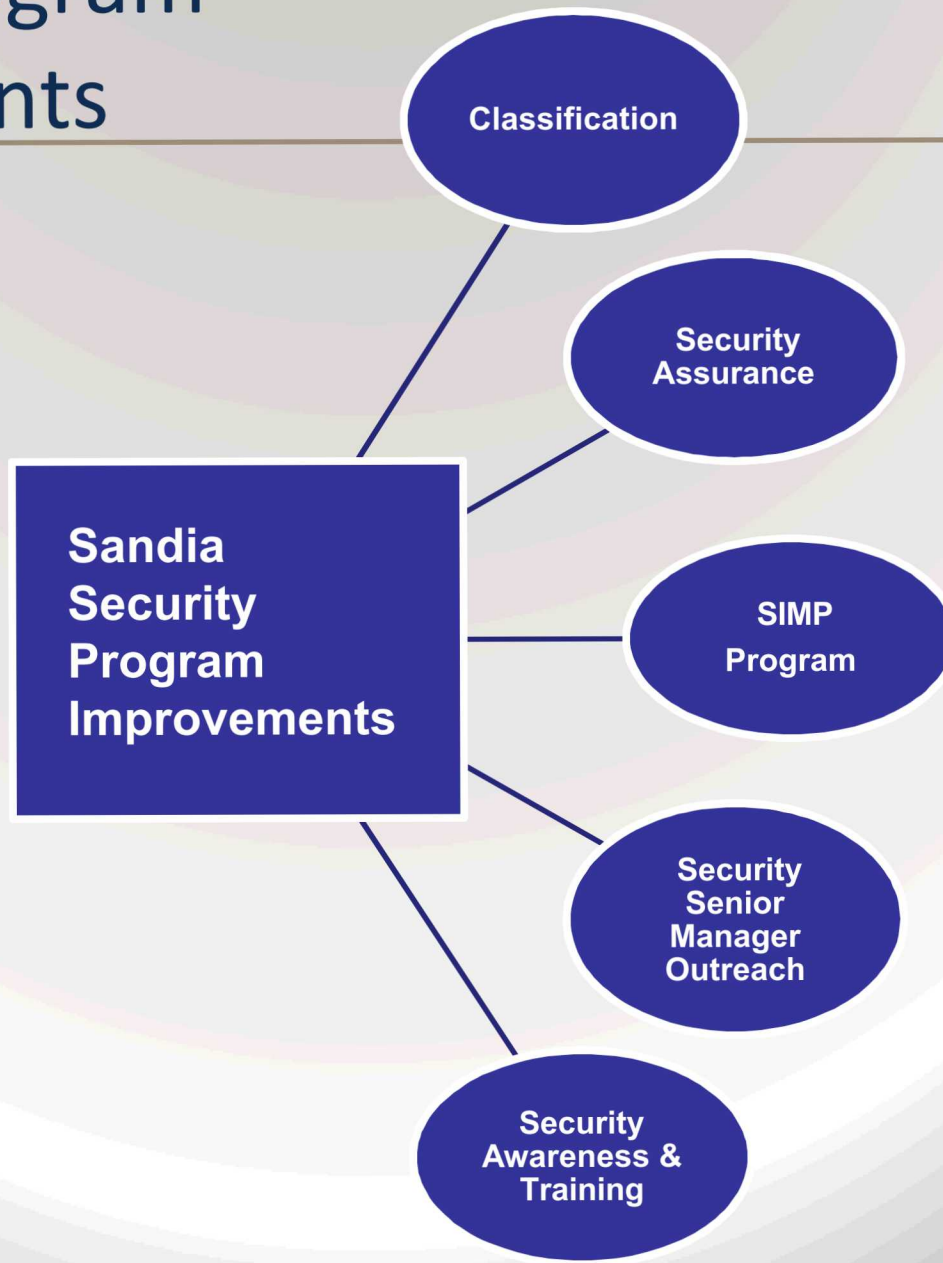
**Sandia
accepted FNOV**

- What went wrong?
 - Change in leadership
 - Strategy not fully implemented

Post-Event Learning & Actions



Security Program Improvements



**Sandia
is continuing to work the corporate issue of
lack of classification review**

What did this cost?

The Center for Public Integrity
Winner of the 2014 Pulitzer Prize

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LOCAL NEWS
ALBUQUERQUE
SANDIA JOURNAL

Up in Arms
Nuclear weapons labs hit with sizable fines for new violations
A classified material was...
lab official's public...
By Patrick Maloney

Knowledge

\$577,500

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The photo, shows the exterior of the Center for National Security and Arms Control at Sandia National Laboratory in Albuquerque, N.M. Eric

Federal investigators say that Los Alamos National Security LLC, the corporate consortium that manages Los Alamos National Laboratory, was unable to account for an unspecified piece of classified matter that was last logged in at Los Alamos in 2007, shortly before it was supposed to be shipped to the Energy Department's Nevada National Security Site for disposal. Personnel at the Nevada site did not determine until five years later that the missing material had never been shipped from Los Alamos, a government says. Associated Press

Email this article
over nearly a decade.

In notices published last week by the Energy Department, the National Nuclear Security Administration provided only general information about

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The Obama administration levied fines totaling nearly a million dollars this week against two of the nation's nuclear weapons laboratories, mostly for failing to keep track of classified materials and for repeatedly disclosing information related to nuclear weapons design in public presentations stretching over nearly a decade.

In notices published by the Energy Department on June 5, the National Nuclear Security Administration provided only general information about the materials and data that got loose but said the breaches were among the most serious such infractions, and could have an "adverse impact on national security."

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years, and
s National