

## **Settlement Agreement Adverse Classified Information Security Trend**

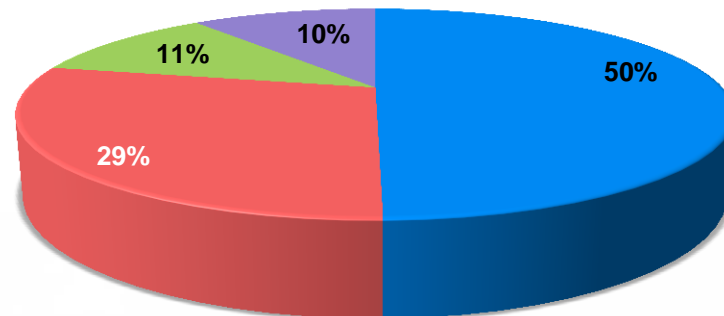
**Presented To  
EFCOG Fall 2011 Workshop  
Enforcement Coordination Working Group  
October 25, 2011**

**Stephen J. Ward  
Division 4000 Technical Deputy  
Sandia Enforcement Coordinator**



# Sandia National Laboratories Mission and People

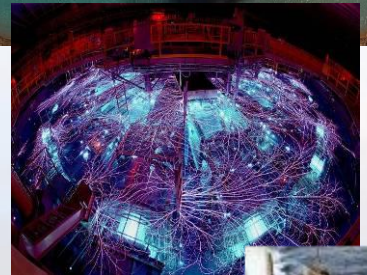
FY11 Operating Revenue  
\$2.4 billion



**On-site workforce: ~ 12,000**

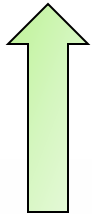
**(Operating Budget)**

- Nuclear Weapons
- Defense Systems & Assessments
- Energy, Climate & Infrastructure Security
- International, Homeland, and Nuclear Security



# Regulatory Structure

Vice President, Infrastructure  
Operations &  
Enforcement Coordinator



Safety Security Regulatory Support  
& Deputy Enforcement Coordinator

DNFSB  
Project Lead



10CFR850/851  
Project Lead  
SME



10CFR830/835  
Project Lead  
SME



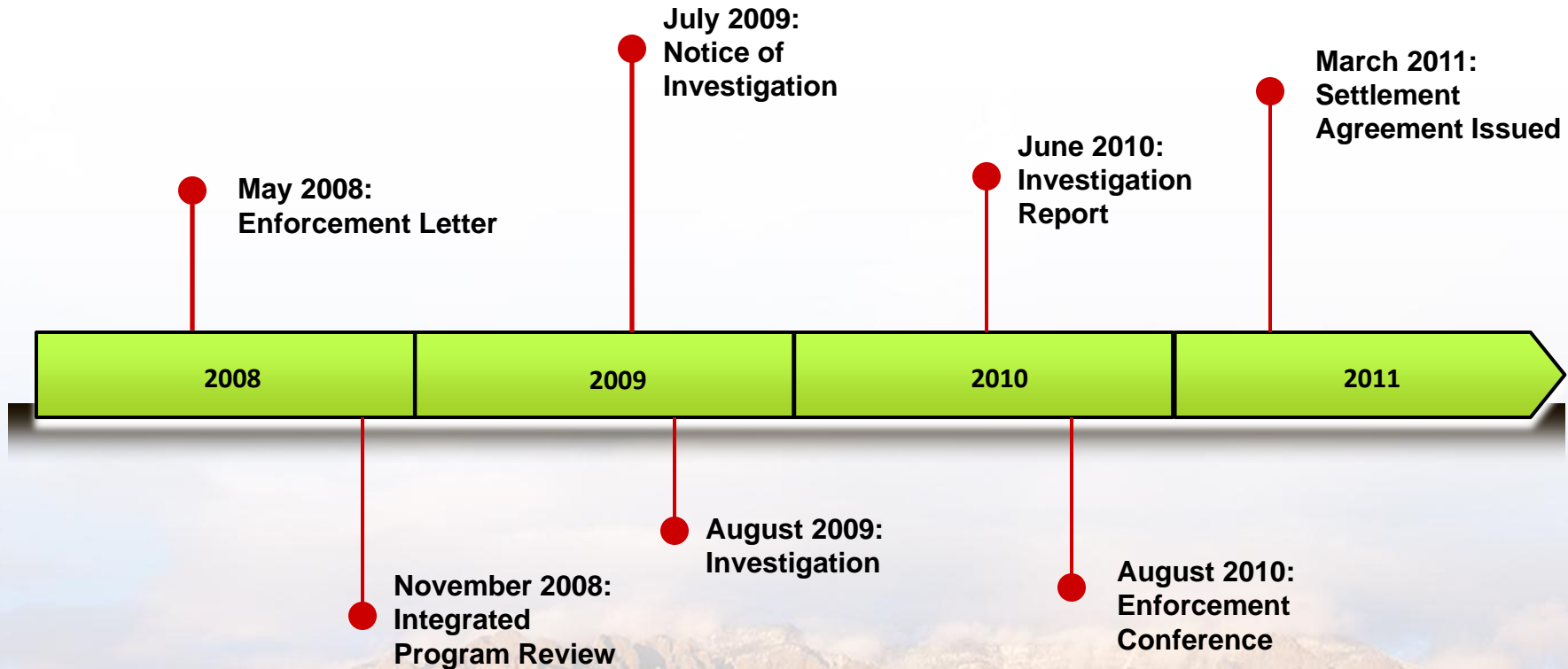
10CFR824  
Project Lead  
SME



# Enforcement Activity Timeline

## “Adverse Classified Information Security Trend”

### Programmatic Enforcement - Not Event



# Settlement Agreement “Adverse Classified Information Security Trend”

- Moving from enforcement to settlement
- Terms of the settlement agreement
- Proceeding costs recovered (80%)
  - Full amount provided for by law (48 C.F.R. 31.205-47)
- Partnerships
  - Sandia Executive Management
  - Lockheed Martin
  - Local Site Office
  - NNSA (NA-70)
  - DOE-IN



- **Triggering issue was overall security performance not a specific event**
- **Programmatic enforcement approach by HS-43**
- **Partnerships with DOE, NNSA, & other customers is critical**
- **Engineering controls**
- **Enforcement process resulted in**
  - **Increased line involvement**
  - **Engagement by executive management**
  - **Improved performance in some areas**