



Memorandum from the Office of the Inspector General

December 13, 2012

David G. Jolley, WT 2D-K

REQUEST FOR FINAL ACTION – EVALUATION 2012-14506 – REVIEW OF PHYSICAL ASSAULTS RISK

As part of a series of reviews to evaluate the Tennessee Valley Authority’s (TVA) actions to address key risks, we evaluated TVA’s physical assaults risk. Physical assaults risk was identified in the 2011 Enterprise Risk Management Program. The results of our review are shown in the table below.

Risk: Physical Assaults Risk		
Risk Information	Mitigations	Our Assessment
<p><u>Definition:</u> Physical assaults on TVA employees, visitors, and the public on or about TVA property.</p> <p><u>Probability:</u> Virtually certain.</p> <p><u>Consequences:</u> Minor.</p> <p><u>Risk Owner:</u> Vice President of Security and Emergency Management.</p>	<ul style="list-style-type: none"> • A comprehensive physical security plan (ongoing). • A Security Awareness Program (complete). • Communication, infrastructure, and equipment (ongoing). • Security from Murray Guard Services (complete). 	<p>The mitigations are generally designed appropriately to address the risk. Two of the actions have been implemented and two have not. TVA identified one design gap. Workplace-violence incidents were not always reported to Security and Emergency Management. This prevents TVA from recognizing emerging patterns and identifying possible training that could lower the risk.</p>
<p><u>Recommendation:</u> Create a procedure detailing workplace-violence incidents that should be reported to TVA Security and Emergency Management along with a uniform way of submitting that information.</p>		

TVA management agreed with our findings and recommendation.

BACKGROUND

In 2011, physical assaults risk was identified by TVA’s Enterprise Risk Management¹ (ERM) program. According to TVA, ERM is a systematic process to facilitate business unit identification of risk, consistency in their analysis and communication throughout TVA

¹ The Vice President, Security and Emergency Management, is the risk owner for Physical Assaults.

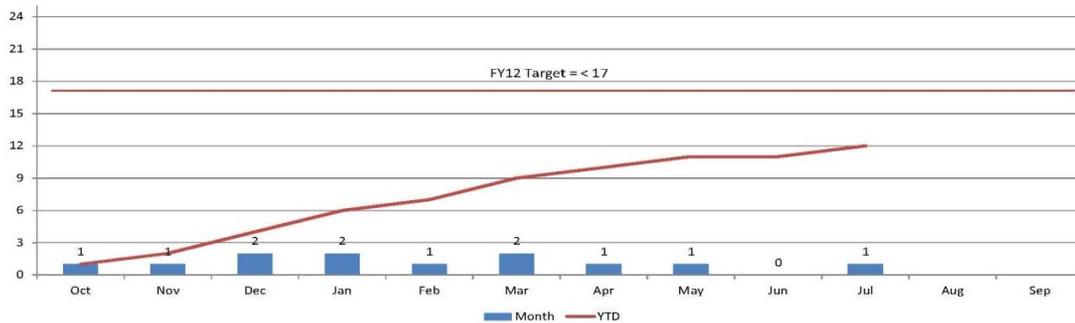
such that a company can determine whether or not the risks should be avoided, accepted, or mitigated with a risk management plan. TVA also stated that ERM is an ongoing and evolving process that protects the value of the enterprise and realizes opportunities for the stakeholders by promoting the efficient and effective management of risk.

Physical assaults risk was one of the sub-risks listed on the July 13, 2011, updated risk map under the TVA employees Safety Enterprise level risk. The risk covers assaults, visitors, and the public on or about TVA property. Physical assaults taking place on or about TVA property could impact TVA’s ability to provide a safe environment for its employees, its liability to employees, and damage to its reputation. According to TVA’s risk map,² physical assaults risk’s probability was “virtually certain,” and the impact of such risk was considered “minor.”

Since fiscal year (FY) 2011, ERM has evolved, and physical assaults risk has been replaced with workplace violence as shown in the fourth quarter of the 2011 ERM draft.³ The “Physical Security Performance 2009: Metrics, Benchmarks, and ROI” study performed by the Institute of Management and Administration stated companies reported one significant workplace-violence incident per 1,538 employees. TVA’s total population including contractors is approximately 26,000. Therefore, TVA could be expected to have as many as 16.9 incidents per year. Workplace violence can be any act of physical violence, harassment, intimidation, or other threatening, disruptive behavior that occurs at the work site. The graph below shows as of July 11, 2012, TVA has had 12 workplace-violence incidents this FY.

Number of Workplace Violence Investigations of Incidents Trending October 1, 2011 – July 11, 2012

FY2012	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Month	1	1	2	2	1	2	1	1	0	1		
YTD	1	2	4	6	7	9	10	11	11	12		



* Inappropriate communications cases added as part of "workplace violence" classification 01/04/12

Target
FY2012 < 17

² A risk map is a two-dimensional, graphical tool used to illustrate point estimates of risk.
³ Each mention of the ERM throughout this report refers to the draft version.

According to the Federal Bureau of Investigation, specialists have come to the conclusion that workplace violence falls into four broad categories:

1. Violent acts by criminals who have no other connection with the workplace but enter to commit robbery or another crime.
2. Violence directed at employees by customers, clients, patients, students, inmates, or to whomever an organization provides services.
3. Violence against coworkers, supervisors, or managers by a present or former employee.
4. Violence committed in the workplace by someone who does not work there but has a personal relationship with an employee, e.g., an abusive or domestic partner.

In 2008, the U.S. Bureau of Labor Statistics reported more than two million American workers experienced some instance of workplace violence each year. Every day there are an average of 2 people killed and 87 injured as a result of a workplace-violence incident. The cost to American businesses from workplace violence is estimated at \$120 billion a year. The average jury award, in subsequent liability cases where the employer failed to take proactive, preventative measures under the 1996 Occupational Safety and Health Administration guidelines, is \$3.1 million per person, per incident.

OBJECTIVE, SCOPE, AND METHODOLOGY

As part of a series of reviews designed to evaluate TVA's actions in addressing key risk, we initiated an evaluation of TVA's physical assaults risk. The objective of our review was to evaluate TVA employee, contractor, and visitor physical assaults risk identifying opportunities to improve mitigation strategies and assess whether mitigation strategies are designed appropriately to address the identified risk. The scope of the evaluation included physical assaults risks identified to date and mitigation plans for those risks. We considered ongoing activities and efforts to mitigate physical assaults risks conducted in FYs 2010 and 2011. To achieve our objective, we:

- Identified and reviewed applicable policies related to physical assaults risks.
- Reviewed law enforcement information related to workplace violence.
- Interviewed applicable TVA personnel including risk owners and program managers.

This review was conducted in accordance with the *Quality Standards for Inspection and Evaluation*.

FINDINGS

Our review found that TVA has implemented or is implementing actions to reduce the risk of physical assaults on TVA employees, contractors, and visitors. The mitigations were generally designed appropriately to address the risk. However, TVA identified that workplace-violence incidents are not always reported to TVA Security and Emergency

Management. This prevents TVA from recognizing emerging patterns and identifying possible training that could lower the risk of similar future incidents.

Physical assaults risk were seen on TVA's 2010 ERM with a probability of occurrence rated as "virtually certain" and consequences rated as "minor."⁴ Three of the five action items for TVA's 2010 mitigation strategy for physical assaults were unapproved and unfunded; the risk reappeared on TVA's 2011 ERM. In 2011, TVA developed a mitigation strategy in order to reduce the risk that included (1) creating a comprehensive physical security plan, (2) expanding employee education, (3) replacing communication infrastructure and equipment, and (4) implementing a guard program.

Comprehensive Security Plan

The comprehensive security plan is an ongoing project that includes a risk assessment of facilities, project planning for mitigation to include budget and a prioritized implementation plan, and life-cycle replacement plans. Currently, there are five employees assigned to assess the risk of TVA facilities that will identify gaps in physical security. These assessments ensure the correct amount of physical security is in place. The project planning for mitigation and prioritized implementation plan has been completed and is awaiting budget approval. The life-cycle replacement plan is currently under development and is expected to be completed in FY 2013.

Expanding Employee Education

TVA also planned to reduce the physical assaults risk by expanding employee education through the Security Awareness Program. The Security Awareness Program had an initial completion date of August 31, 2012. However, due to reorganization within TVA, the completion date was changed to September 2012. TVA successfully reached the completion-date goal by releasing a new awareness program on September 11, 2012. According to the Program Manager, Security Awareness and Development, the goal of the Security Awareness Program is to make people more aware of security and to take ownership of security. TVA personnel stated that with the completion of the Security Awareness Program:

- Potential victims may gain knowledge to prevent an incident from occurring.
- Potential victims will know what actions to take in the event an incident does occur.
- People who consider committing a violent act or other crime may refrain because they will be aware of the consequences.

Replacing Communication Infrastructure

The replacement of communication infrastructure and equipment was scheduled to be completed at the end of FY 2013. The replacement of communication infrastructure and equipment has been rescoped because TVA Police officers are no longer used. However, the rescoping did not impact the expected completion date. According to TVA personnel, the implementation of the replacement of communication and infrastructure equipment will be complete by September 30, 2013. TVA personnel stated communication

⁴ The rankings of "virtually certain" and "minor" from the 2011 ERM draft were applied to the 2010 ERM draft due to the 2010 ERM axis not being labeled.

infrastructure and equipment may not reduce physical assaults, but it will help ensure there was an efficient response to an assault.

Implementing a Guard Program

In February 2012, TVA announced the end of uniformed patrols. TVA contracted with Murray Guard Services to provide security. From March 2012 to May 2012, Murray Guard Services began providing security at TVA facilities. According to TVA personnel, prior to the implementation of the guard program, there was not any uniformity across TVA plants. The Vice President, TVA Police and Physical Security,⁵ stated that by focusing more of TVA's non-nuclear security resources on its critical infrastructure, TVA will be in a better position to address the new and increasingly sophisticated threats facing the energy industry. Also, TVA's realignment will better protect its employees and improve security at its power assets.

In addition to the mitigation plans for physical assaults, TVA has also created a Standard Program and Process (SPP) entitled Physical Security Standards. The SPP addresses the physical security standards needed to protect all TVA non-nuclear assets and people. This SPP also establishes TVA's physical security standards program that is designed to:

- Deter Threats – Establish a program for determining risk through security surveys, needs assessments and risk, and vulnerability assessments.
- Mitigate Vulnerabilities – Establish standards and provide management and oversight for the selection, funding, implementation, and use of physical security counter measures.
- Minimize Negative Consequences – Prioritize, recommend, and approve all security programs.

This procedure shall address the physical security standards needed for protection of TVA assets, including physical access to cyber assets.

TVA has also identified a way to use tracking information that could possibly prevent reoccurring or future workplace-violence incidents by delivering training for specific trending events. TVA personnel stated that TVA is moving toward security awareness and that the tracking information will translate into safety education. However, according to TVA personnel, the lack of reporting workplace-violence incidents is impacting the accuracy of information that reduces the likelihood of identifying trends. Other TVA personnel stated that because of the different avenues employees have to report workplace-violence incidents, not all of the information reaches the TVA Security and Emergency Management.

⁵ In its continued effort to improve the quality of service provided to TVA, TVA Police and Physical Security became TVA Security and Emergency Management in March, 2012.

RECOMMENDATIONS

We recommend the Vice President, Security and Emergency Management, create a procedure for individuals who receive workplace-violence incident reports detailing which workplace-violence incidents should be reported to TVA Security and Emergency Management along with a uniform way of submitting that information.

TVA Management's Comments – In response to our recommendation, TVA stated multiple reporting options contribute to the confusion of what, how, and where to report workplace-violence incidents. To address these shortcomings Security and Emergency Management revised the Work Place Violence SPP in late 2012, which states all employees and contractors are responsible for notifying their manager/supervisor whenever they experience or observe violent, threatening, or other disruptive behaviors in the TVA workplace. This does not ensure that reported incidents reach either Security and Emergency Management or Human Resources for proper follow up and tracking. To remedy this, Security and Emergency Management is working with Human Resources to develop a Workplace Violence Incident Report Form. See the Appendix for management's complete response.

Auditor's Response – The OIG concurs with planned and completed action.

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Please notify us within one year from the date of this memorandum when final action is complete. Information contained in this report may be subject to public disclosure. Please advise us of any sensitive information in this report that you recommend be withheld.

If you have any questions or wish to discuss our observations, please contact Michael L. Lane, Auditor, at (423) 785-4816 or Greg Stinson, Director, Evaluations, at (865) 633-7367. We appreciate the courtesy and cooperation received from your staff during the evaluation.



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OIG File No: 2012-14506

December 4, 2012

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RESPONSE TO DRAFT EVALUATION 2012-14506 - REVIEW OF PHYSICAL ASSAULT
RISKS

This responds to your memorandum dated November 8, 2012, recommending that a procedure be created "detailing workplace violence incidents that should be reported to TVA Security & Emergency Management (S&EM) along with a uniform way of submitting that information."

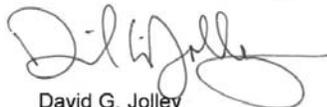
S&EM acknowledges that multiple avenues exist for reporting incidents of workplace violence at TVA including the Monitoring & Notification Center, traditional chain of command, Human Resources (HR) representatives, Employee Assistance, Fitness for Duty, Employee Concerns, the OIG Empowerline, and the outside E911 system.

These multiple options provide employees and contractors with many choices and contribute to their confusion about what to report, how to report it, and where to report it. To address these shortcomings, S&EM revised the Workplace Violence Prevention SPP in late 2012 with concurrences from the Office of General Counsel, Property and Natural Resources, and HR.

The notification process specified in the procedure focuses on the employee/supervisor relationship requiring ". . . All employees and contractors are responsible for notifying their manager/supervisor whenever they experience or observe violent, threatening, or other disruptive behaviors in the TVA workplace."

This process ensures management involvement in the situation; however, it does not ensure that reported incidents reach either S&EM or HR for proper follow-up and tracking. To remedy this, S&EM is working with HR to develop a Workplace Violence Incident Report form.

The Workplace Violence Incident Report form will ensure a prompt, thorough and standardized response to each event. In addition to the above actions, S&EM is committed to employing its Security Awareness Program to further employee knowledge and involvement in the Workplace Violence Prevention program. Should you have any questions or further recommendations concerning this response, please contact Steve Fisher at 865-632-4071.



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