May 22, 2006

MEMORANDUM TO: Chairman Diaz

Commissioner McGaffigan Commissioner Merrifield Commissioner Jaczko Commissioner Lyons

FROM: Luis A. Reves /RA/

Executive Director for Operations

SUBJECT: ANNUAL REPORT OF THE NRC ENFORCEMENT PROGRAM

Attached is the 11<sup>th</sup> Annual Report of the NRC's Enforcement Program. This report was prepared by the Office of Enforcement (OE) in accordance with a Commission approved recommendation from a 1995 enforcement program review.<sup>1</sup>

The 2005 Annual Report contains information regarding enforcement activities that occurred during the 2005 Calendar Year. OE is changing to a calendar year time frame to provide a report that is more appropriately aligned with the annual reports of other related programs such as the Allegation Program that is provided on a calendar year basis. Enforcement activities that occurred during Fiscal Year (FY) 2005 will also be provided for comparison purposes.

This report contains information about the enforcement program including significant policy changes, new initiatives, staff guidance, and implementation issues that have had an impact on the agency's enforcement program. Various statistical tables and figures are also provided. The appendices of this report provide summaries of cases involving significant enforcement actions. In this year's report, the case summaries span from October 1, 2004 (the beginning of the first quarter of FY 2005) to December 31, 2005 (the end of CY 2005).

Consistent with NRC's strategic goal of openness, the report will be available to the public; therefore, information regarding sensitive security-related information below the level of Safeguards Information and Classified Information has not been included.

CONTACT: Maria E. Schwartz, OE

415-1888

<sup>&</sup>lt;sup>1</sup>Recommendation II.G-2 of NUREG-1525, "Assessment of the NRC Enforcement Program" and SECY 95-084 - Assessment of the NRC Enforcement Program, Proposed Revision to the General Statement of Policy and Procedure for NRC Enforcement Actions, and Removal of Policy from 10 CFR Part 2, Appendix C, which the Commission approved in a Staff Requirements Memorandum issued on June 16, 1995.

This report serves as an important agency communication tool for both external and internal stakeholders to ensure that the enforcement program is both understood and acknowledged as an integral, valuable component of the agency's regulatory programs. I intend to place this report in the NRC's Public Document Room, as well as in the **Enforcement Documents Collection** on the **Electronic Reading Room** Web page of the NRC's public Web site.

If you have any questions on the report, please contact Maria E. Schwartz, Office of Enforcement, at 415-1888 or e-mail (mes).

Attachment: As stated

cc: SECY

OGC

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OPA

**CFO** 

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