May 16, 2007

MEMORANDUM TO: Luis A. Reyes
                  Executive Director for Operations

FROM: Stephen D. Dingbaum /RA/
                  Assistant Inspector General for Audits

SUBJECT: SYSTEM EVALUATION OF THE GENERAL
                  LICENSE TRACKING SYSTEM (OIG-04-A-24)

REFERENCE: DIRECTOR, OFFICE OF FEDERAL AND STATE
                  MATERIALS AND ENVIRONMENTAL
                  MANAGEMENT PROGRAMS, MEMORANDUM
                  DATED MARCH 29, 2007

                  OIG AUDIT LIAISON, OFFICE OF THE EXECUTIVE
                  DIRECTOR FOR OPERATIONS, E-MAIL DATED
                  APRIL 23, 2007

Attached is the Office of the Inspector General's analysis and status of
recommendations as discussed in the agency's responses dated March 29 and
April 23, 2007. Based on these responses, recommendations 1, 3, and 4 are
resolved. Recommendations 2 and 5 were closed previously. Please provide an
updated status of the resolved recommendations on a six month basis, with the
next updated status by November 30, 2007.

If you have any questions or concerns, please call me at 415-5915.

Attachment: As stated

cc: V. Ordaz, OEDO
      M. Malloy, OEDO
      P. Tressler, OEDO

Audit Report

**System Evaluation of the General License Tracking System
(OIG-04-A-24)**

Status of Recommendations

Recommendation 1:

Update the GLTS Security Plan to describe all controls currently in place. In-place controls are those marked at least at Level 3 in the self-assessment, and that were documented as passed in the last Security Test and Evaluation Report or in any test and evaluation on controls added since publication of that report.

Response Dated
March 29, 2007:

Upon the reorganization of October 2006, the Office of Federal and State Materials and Environmental Management Programs (FSME) assumed responsibility for the General License Tracking System (GLTS) from the Office of Nuclear Material Safety and Safeguards (NMSS). As stated in the previous responses of August 31, 2005 (ML062500092), NMSS and now FSME accepts the significant security responsibilities required by the Federal Information Security Management Act (FISMA). NMSS staff examined the security-oriented GLTS weaknesses identified in OIG-04-A-24 and plans were established to appropriately address the reported recommendations and resolve those weaknesses. Per the OIG-04-A-24 report, "…none of these weaknesses is considered to be a significant deficiency or reportable condition as defined in the Office of Management and Budget guidance." Plans to address the report's recommendations were tied to the need for GLTS to be re-accredited for operation by October 8, 2005. Re-accreditation would involve a complete redevelopment of all the security documentation as required by FISMA, including the security plan.

Staff started work in January 2005 to procure contractual assistance for this documentation redevelopment. In April 2005, the Office of Information Services (OIS) indicated that a new contract specifically crafted to handle FISMA requirements was being developed. NMSS chose to support the OIS effort and halted the independent effort to place a contract for this work. Funds in the amount of $200K were transferred to OIS in August 2005 for the purpose of ensuring a

priority position for GLTS in the tasks assigned under the new contract.

The OIS/FISMA contract, entitled Consolidated Information System Security Services (CISSS), was awarded in July 2006. Under CISSS, the first step toward re-certifying GLTS, the Security Categorization documentation, is currently going through a facilitated revision. The recommendations from the Office of the Inspector General (OIG) will be addressed in later steps of the Certification and Accreditation (C&A) process.

On February 2, 2007, OIS forwarded COMSECY-07-0003 (ML070170443) to the Commission requesting approval to change C&A priorities. The intent is to refocus C&A efforts from legacy systems to newer systems which can be certified in a shorter time frame. Upon completion and approval of the GLTS Security Categorization, GLTS will be poised to move on to the Risk Assessment ,and overall certification could reasonably be expected to be completed by early FY 2008. However, with the refocus of priorities, GLTS is now not slated for further CISSS attention until sometime in FY 2009. In response to an OIS call for requests to alter the prioritization, FSME has recommended that the GLTS C&A be completed as soon as possible. OIS is reviewing all recommendations for priority changes.

Response Dated
April 23, 2007:   FSME has coordinated with the OIS project manager for the Consolidated Information System Security Services (CISSS) contract, and they were able to come up with a more specific, anticipated schedule for completion of OIG-04-A-04 Recommendations 1, 3, and 4 than was included in FSME's status update memo dated March 29, 2007.

The C&A prioritization schedule has the C&A for the GLTS planned for completion, resulting in an ATO (Authority To Operate), in the first quarter FY09. With a few adjustments to the intervals between the various

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**System Evaluation of the General License Tracking System
(OIG-04-A-24)**

Status of Recommendations

deliverables identified in the March 29th memo, over an anticipated period of performance of 1 year, and estimating an expected OIS task date, we expect the GLTS System Security Plan to be completed by May 31, 2008.

OIG Response: The proposed corrective action addresses the intent of this recommendation. This recommendation will be closed when OIG receives and evaluates the updated GLTS Security Plan.

Status: Resolved.

**System Evaluation of the General License Tracking System
(OIG-04-A-24)**

Status of Recommendations

<u>Recommendation 3:</u>	Update the GLTS Business Continuity Plan to include the following changes:

> ➤ Record modifications to the plan in a record of changes to include what changes were made (e.g., the page numbers or section numbers where the changes were made), why the changes were made (e.g., annual update or update during re-accreditation), and date of change.
> ➤ Describe the methods used to notify recovery personnel during business and non-business hours.
> ➤ Incorporate all teams roles and responsibilities and relevant points of contact information for team leaders, alternate team leaders, and team members.
> ➤ Include procedures for restoring system operations, with a focus on how to clean the alternate site of any equipment or other materials belonging to the organization.

Response Dated
March 29, 2007:

This response contains a history, since October 2006, of NRC's efforts to address this recommendation. The details of this response are included under the status pages addressing recommendation 1.

Response Dated
April 23, 2007:

FSME has coordinated with the OIS project manager for the Consolidated Information System Security Services (CISSS) contract, and they were able to come up with a more specific, anticipated schedule for completion of OIG-04-A-04 Recommendations 1, 3 and 4 than was included in FSME's status update memo dated March 29, 2007.

The C&A prioritization schedule has the C&A for the GLTS planned for completion, resulting in an ATO (Authority To Operate), in the first quarter FY09. With a few adjustments to the intervals between the various deliverables identified in the March 29th memo, over an

anticipated period of performance of 1 year, and estimating an expected OIS task date, we expect completion by January 31, 2009.

OIG Response: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the updated GLTS Business Continuity Plan.

Status: Resolved.

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Status of Recommendations

Recommendation 4:

Update the GLTS Security Plan and/or GLTS self-assessment to consistently define the protection requirements (confidentiality, integrity, availability).

Response Dated
March 29, 2007:

This response contains a history, since October 2006, of NRC's efforts to address this recommendation. The details of this response are included under the status pages addressing recommendation 1.

Response Dated
April 23, 2007:

FSME has coordinated with the OIS project manager for the Consolidated Information System Security Services (CISSS) contract, and they were able to come up with a more specific, anticipated schedule for completion of OIG-04-A-04 Recommendations 1, 3 and 4 than was included in FSME's status update memo dated March 29, 2007.

The C&A prioritization schedule has the C&A for the GLTS planned for completion, resulting in an ATO (Authority To Operate), in the first quarter FY09. With a few adjustments to the intervals between the various deliverables identified in the March 29th memo, over an anticipated period of performance of 1 year, and estimating an expected OIS task date, we expect completion by May 31, 2008.

OIG Response:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and evaluates the updated GLTS Security Plan with consistently defined protection requirements.

Status:

Resolved.