June 11, 2007

MEMORANDUM TO: Luis A. Reyes
                   Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
                   AUTOMATED ACCESS CONTROL AND ENHANCED
                   SECURITY SYSTEM (OIG-07-A-10)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR INFORMATION
                   SERVICES AND ADMINISTRATION AND CHIEF
                   INFORMATION OFFICER MEMORANDUM DATED
                   MAY 8, 2007, AND DIRECTOR, OFFICE OF
                   ADMINISTRATION, MEMORANDUM DATED JUNE 1, 2007

Attached is the Office of the Inspector General (OIG) analysis and status of
recommendations as discussed in the agency's responses dated May 8, 2007, and
June 1, 2007. Based on these responses, recommendations 3 and 16 are closed, and
recommendations 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 17 are resolved.
Please provide an updated status of the resolved recommendations by September 4,
2007.

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

Attachment: As stated

cc: V. Ordaz, OEDO
       M. Malloy, OEDO
       P. Tressler, OEDO
       D. Ash, OEDO
       T. Hagan, ADM
       A. Pretzello, ADM

Audit Report
Audit of NRC's Automated Access Control and
Enhanced Security System (OIG-07-A-10)

Status of Recommendations

Recommendation 1: Perform an annual assessment of the user list for ACCESS and modify it appropriately in accordance with least-privilege guidance.

Responses Dated
May 8, 2007, and
June 1, 2007

Agree. ADM will perform an annual assessment of the user list for ACCESS and modify it appropriately in accordance with least-privilege guidance. ADM began the first assessment on May 15, 2007, and expects to complete the necessary modifications by June 29, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when ADM provides documentation indicating that the first annual assessment was conducted and that the requirement for an annual assessment has been incorporated into office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 2:   Require separate user IDs for each user.

Response Dated
May 8, 2007   Agree. ADM will create separate user identifications (IDs)
                              for user of ACCESS for the Headquarters' system.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                              recommendation. This recommendation will be closed when
                              ADM provides OIG with an updated list of user IDs showing
                              that each is unique.

Status: Resolved.

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Status of Recommendations

Recommendation 3:   Assess the cost-effectiveness of updating the field office's
                           version of software to allow multiple user IDs with the same
                           role, and install the updated version if assessment indicates
                           benefits exceed costs.

Response Dated
May 8, 2007:   Agree. HSPD-12 will upgrade the entire NRC PACS to be
                           controlled by one integrated agency system. It would be
                           most cost-effective to wait until the installation of the HSPD-
                           12-compliant PACS rather than spending resources to
                           upgrade Headquarters, Regions, and TTC at this time. The
                           agency anticipates installation of the PACS for
                           Headquarters, Regions, and the Technical Training Center in
                           FYs 2008 and 2009.

OIG Analysis: The action taken addresses the intent of OIG's
                           recommendation. OIG concurs that it will be cost-effective to
                           address this issue through the implementation of HSPD-12.
                           This recommendation is therefore closed.

Status: Closed.

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Status of Recommendations

Recommendation 4:   Define and document user roles and associated rights.

Response Dated
May 8, 2007:   Agree. The ACCESS user roles and associated rights will
                           be documented and placed in policies and procedures
                           associated with ACCESS not later than July 2, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                           recommendation. This recommendation will be closed when
                           ADM provides OIG with a copy of the defined and
                           documented user rules and associated rights.

Status: Resolved.

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Status of Recommendations

Recommendation 5: Institute quarterly quality assurance reviews of system data to ensure that system data is accurate with regard to special access areas, terminated employees, and terminated contractors.

Response Dated
May 8, 2007:   Agree. ADM will institute quarterly quality assurance reviews of system data. These reviews will begin July 2, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when ADM provides OIG with documentation indicating that the first quality assurance review was conducted and that the requirement for quarterly reviews has been incorporated into office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 6:   Conduct quarterly reviews of super user lists, modify
                       appropriately, and send to special access points-of-contact.

Response Dated
May 8, 2007:   Agree. ADM will conduct quarterly reviews of super user
                       lists, send the list to the special access points-of-contact,
                       and modify the access according to the findings. This review
                       will begin July 2, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                       recommendation. This recommendation will be closed when
                       ADM provides OIG with documentation indicating that the
                       first quarterly review was conducted and distributed to the
                       points-of-contact and that the requirement for quarterly
                       reviews has been incorporated into office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 7: Provide official agency list of departures to all field office badging officials to facilitate removal of terminated employees.

Response Dated
May 8, 2007:   Agree. The list of departures is currently being provided to the regions and TTC on an annual basis. ADM will add a formal memorandum to the report to make the list an official notification. This list also serves to correct any discrepancies between the database information at the regions, TTC, and information at Headquarters. This will begin with the next report, due to be issued by July 31, 2007.

OIG Analysis: The proposed corrective action addresses the intent of the recommendation. This recommendation will be closed when ADM provides indication to OIG that the Office of Human Resources' weekly list of departures is also provided routinely to field office badging officials. Provision of the weekly list will better ensure the timely removal of terminated employees from the badging systems.

Status: Resolved.

Status of Recommendations

Recommendation 8:   Write and implement badge access system operating
                           procedures that provides system user guidance and
                           addresses the preceding three recommendations.

Response Dated
May 8, 2007:   Agree. Badge access system operating procedures will be
                           updated to enhance system user guidance and address the
                           preceding three recommendations. These procedures will
                           be implemented by July 2, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                           recommendation. This recommendation will be closed when
                           ADM provides OIG with a copy of the operating procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 9: Conduct daily reconciliations of temporary badges and disable access for badges not returned.

Response Dated
May 8, 2007:   Agree. While reconciliation of temporary badges is currently conducted, it has not always been done on a daily basis. Daily reconciliation and disabling of temporary badges not returned were initiated on March 15, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when ADM provides a copy of the instructions to staff to reconcile temporary badges daily and disable access for badges not returned.

Status: Resolved.

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Status of Recommendations

Recommendation 10:   Replace the current visitor badges with expiring paper
                      badges.

Response Dated
  May 8, 2007: Agree. ADM was unsuccessful in utilizing paper badges in the past
                      (sticker-type badges damaged clothing or simply fell off), but
                      will research the possibility of clip-on disposable paper
                      badges to replace the current visitor badges. This research
                      will be completed and the approach decided upon will be
                      implemented by July 2, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                      recommendation. This recommendation will be closed when
                      ADM provides indication to OIG that paper badging of
                      visitors is underway or evidence that ADM reviewed this
                      approach and found it infeasible.

Status: Resolved.

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Status of Recommendations

Recommendation 11:   Include clauses in new contracts imposing a financial penalty
                      for badges not returned.

Response Dated
May 8, 2007:   Agree. ADM, in consultation with the Office of the General
                      Counsel (OGC) and the Office of the Chief Financial Officer
                      (OCFO), will determine whether such an action is contractually
                      and legally permissible. If so, ADM, with assistance from OGC
                      and OCFO, will develop a clause to be incorporated in new
                      contracts beginning October 30, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                      recommendation. This recommendation will be closed, based
                      on the outcome of ADM's consultation with OGC and OCFO,
                      when either a decision is made that this practice is not
                      permissible or the practice is implemented.

Status: Resolved.

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Status of Recommendations

Recommendation 12:   Reiterate to NRC project officers the need to notify DFS
                      immediately when a contractor no longer needs access to
                      NRC facilities.

Response Dated
May 8, 2007:   Agree. ADM will reiterate to NRC project officers by May 11,
                      2007, the need to notify DFS immediately when a contractor
                      no longer needs access to NRC facilities. Office Directors will
                      be notified of cases where their project officers are not
                      complying with this requirement.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
                      recommendation. This recommendation will be closed when
                      ADM provides OIG with a copy of the notification given to NRC
                      project officers.

Status: Resolved.

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Status of Recommendations

Recommendation 13:   In accordance with NRC requirements for listed systems, develop an ACCESS system security plan and appoint an Information System Security Officer.

Response Dated
May 8, 2007:   Agree. The security categorization documents have already been completed for ACCESS and are in concurrence. The Information System Security Officer for ACCESS is officially listed in the security categorization document. Once the Office of Information Services (OIS) has accepted the Security Categorization for ACCESS, ADM will initiate the remainder of the system security plan for listed systems to obtain the Authority to Operate for the system if it has not been upgraded to HSPD-12 compliance. This effort is anticipated to be completed by June 2008.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when ADM provides OIG with a copy of the approved security plan and the security categorization document listing the appointed ISSO.

Status: Resolved.

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Status of Recommendations

Recommendation 14:   Develop documentation to support the ACCESS interim
authority to operate.

Response Dated
May 8, 2007: Agree. The security categorization documents have already been
completed for ACCESS and are in the concurrence phase.
If the Security Categorization is approved by OIS Security,
we anticipate that OIS will grant ACCESS the Interim
Authority to Operate (IATO). The IATO is expected to be
granted by August 31, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's
recommendation. This recommendation will be closed when
ADM provides OIG with a copy of the documentation and the
IATO for ACCESS.

Status: Resolved.

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Status of Recommendations

Recommendation 15:   Complete the actions necessary to address the ACCESS
                       weaknesses contained in the penetration test reports.

Response Dated
May 8, 2007:   Agree. ADM will review the list of ACCESS weaknesses found
                       in the penetration test reports and classify them into categories
                       of high, medium, and low. Because ACCESS is on a fully
                       closed network, it is not imperative that many of the findings
                       from the penetration tests be corrected. ADM will work with
                       OIS to determine the corrective action needed to correct the
                       weaknesses. The corrective action list will be completed by
                       July 2, 2007. DFS will then determine a schedule to correct
                       those actions impacting the highest weaknesses.

OIG Analysis: The proposed corrective actions address the intent of OIG's
                       recommendation. This recommendation will be closed when
                       ADM provides OIG with documentation listing the corrective
                       actions and their completion dates.

Status: Resolved.

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Status of Recommendations

Recommendation 16:   Assess the cost effectiveness of providing power backup for
                       the TTC badge access system.

Response Dated
May 8, 2007:   Agree, in part. A power backup for the TTC badge access
                       control system will be incorporated with the implementation of
                       HSPD-12 to eliminate the duplication of cost to the agency. It
                       is anticipated that implementation of HSPD-12 will be
                       completed in FY 2010.

OIG Analysis: The action taken addresses the intent of OIG's
                       recommendation. OIG concurs that it will be cost-efficient to
                       resolve this through the implementation of HSPD-12. This
                       recommendation is therefore closed.

Status: Closed.

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Status of Recommendations

Recommendation 17:   Alternatively, limit distribution of keys to a smaller number of TTC staff and use security keys that cannot easily be duplicated.

Response Dated
May 8, 2007:   Agree, in part. TTC does not have a guard force. Consequently, it is imperative that each employee be provided a key should the building access system become inoperable. In addition, these keys are used per the duties and responsibilities specified in accordance with TTC's Occupant Emergency Plan. However, TTC will assess the cost effectiveness of using security keys that cannot easily be duplicated by July 27, 2007.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. Given TTC's determination that all employees need a key, this recommendation will be closed either when TTC replaces the current keys with security keys that cannot be easily duplicated or if TTC provides documentation indicating that this is not a cost-effective option.

Status: Resolved.