

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF FEDERAL AND STATE MATERIALS  
AND ENVIRONMENTAL MANAGEMENT PROGRAMS  
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS  
WASHINGTON, DC 20555-0001

August 31, 2007

**NRC REGULATORY ISSUE SUMMARY 2007-13  
VERIFICATION OF THE AUTHENTICITY OF  
MATERIALS POSSESSION LICENSES**

**ADDRESSEES**

All U.S. Nuclear Regulatory Commission (NRC) materials licensees. All Agreement State Radiation Control Program Directors and State Liaison Officers.

**INTENT**

NRC is issuing this regulatory issue summary (RIS) to emphasize the importance of licensees maintaining situational awareness before and during all transfers of radioactive material. This RIS requires no action, or written response.

**BACKGROUND**

In July 2006, the NRC issued Information Notice (IN) 2006-12. This IN informed addressees that since September 11, 2001, NRC has taken aggressive measures to secure and control radioactive materials because of the risk associated with their potential use in malevolent activities. The purpose of the IN was to reiterate the requirements that a licensee seeking to transfer licensed material must verify that the transferees' license authorizes the receipt of the type, form, and quantity of material to be transferred, pursuant to 10 CFR 30.41(c), 40.51(c), and 70.42(c). The IN provided examples of encounters when transferors of the material should take extra care.

In May 2007, the U.S. Government Accountability Office (GAO) Forensic Audits and Special Investigations team fraudulently obtained a license from the NRC authorizing the use of six portable moisture density gauges. Using commercially available software, GAO altered the license to increase the maximum possession limits and obtain quotes for the purchase of a total of 45 portable moisture density gauges from two companies. GAO concluded that individuals seeking to use the material for malevolent activities could have completed the purchases and obtained the gauges.

**ML072390092**

## **SUMMARY OF ISSUE**

As a result of the GAO activities, NRC staff promptly issued internal guidance that requires either on-site inspections or in-office meetings for many new materials license applicants.

Since the GAO notified the NRC about obtaining a license through fraud, the NRC has continued to pursue both short-term and long-term actions to address potential materials security vulnerabilities. These efforts include an action plan which will review licensing guidance as well as programs designed to track radioactive material and research ways to make it more difficult to counterfeit NRC licenses. The NRC has also formed a working group that will develop and issue revised guidance to address pre-licensing reviews and site visits. Rulemaking to codify these actions is also being pursued. The NRC believes that a more robust licensing process will minimize the potential for individuals to acquire radioactive material to conduct malevolent activities.

While the NRC works to close potential security vulnerabilities in its materials licensing process, materials licensees transferring material are asked to, in addition to the requirements in 10 CFR 30.41(c), 40.51(c), and 70.42(c), practice increased vigilance to ensure that radioactive material is not used for malevolent purposes.

As stated in IN 2006-12, when transferring licensed material, licensees should be vigilant, especially when a long period of time has transpired since the last transfer of material. IN 2006-12 also encourages licensees to remain vigilant any time there is a change in procedure or routine that may raise reasonable suspicion about the legitimacy of the order or the transferee's identity. The licensee should look for changes in routine (i.e. an established pattern of conduct) such as: 1) a significant increase in the quantity of material ordered; 2) a change in location where the material is to be delivered; 3) a change in type or form of material; or 4) a change in key personnel, without prior notice. If these changes are unexplained in the transfer request or purchase order, or if the request or order is on letterhead which is different from previous orders, or does not match the identity of the transferee, care should be exercised to verify the legitimacy of the licensee. Any of these changes could be (and generally are) legitimate, but they could also be precursors to the diversion of materials for other than their authorized use. In the event that a licensee transferring material has questions about the authenticity of the transferee, the licensee should pursue further information to alleviate the concern.

Licensees should contact the NRC or licensing agency of an Agreement State with any concerns regarding the legitimacy of any licenses or any suspicious requests. Particular attention should be given to new customers.

## **FEDERAL REGISTER NOTIFICATION**

A notice of opportunity for public comment on this RIS was not published in the *Federal Register* because this RIS is informational and does not represent a departure from current regulatory requirements.

## CONGRESSIONAL REVIEW ACT

This (RIS, IN, etc.) is not a rule as designated by the Congressional Review Act (5 U.S.C. §§ 801-886) and, therefore, is not subject to the Act.

## PAPERWORK REDUCTION ACT STATEMENT

This RIS does not contain any information collections and, therefore, is not subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.).

The information collections contained in the Regulatory Issue Summary are covered by the requirements of 10 CFR Parts 30, 40, and 70, which were approved by the Office of Management and Budget, approval numbers 3150-0017, 3150-0020, and 3150-0009.

### Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a request for information of an information collection requirement unless the requesting document displays a currently valid OMB control number.

## CONTACT

This RIS requires no specific action nor written response. If you have any questions about this summary, please contact (one of) the individual(s) listed below or the appropriate regional office.

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Enclosure: List of Recently Issued  
FSME/NMSS Generic Communications

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Enclosure: List of Recently Issued  
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**DISTRIBUTION:**

DMSSA r/f  
FSME r/f

**ML072390092 (Single)**

**ML072390169 (Package)**

OFC	DMSSA/SSSB	DMSSA/SSSB	DMSSA/SSSB	DMSSA/SAIS	DMSSA/MSEA
NAME	CEinberg::tyh	THererra	THarris	ADWhite	AMcIntosh
DATE	8/30/07	8/30 /07	8/30 /07	8/30 /07	8/31/07

OFC	NMSS/HLW	NMSS/FCSS	NMSS/SFST	FSME/DWMEP	NSIR
NAME	WFord	RPierson	EWBach	LCamper	MShaffer
DATE	08/27/07	08/30/07	08/30/07	08/27/07	8/31/07

OFC	OIS	OGC-CRA	OGC	Org. Agrmt States	FSME/DMSSA
NAME	TDonnell	TRothschild	FCameron	CCardwell	JRSchlueter
DATE	8/31/07	8/31/07	8/31/07	9 /06/07	8/31/07

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**Recently Issued FSME/NMSS Generic Communications**

Date	GC No.	Subject	Addressees
02/02/07	IN-07-03	Reportable Medical Events Involving Patients Receiving Dosages of Sodium Iodide Iodine-131 less than the Prescribed Dosage Because of Capsules Remaining in Vials after Administration	All U.S. Nuclear Regulatory Commission medical use licensees and NRC Master Materials Licensees. All Agreement State Radiation Control Program Directors and State Liaison Officers.
02/28/07	IN-07-08	Potential Vulnerabilities of Time-reliant Computer-based Systems Due to Change in Daylight Saving Time Dates	All U. S. Nuclear Regulatory Commission licensees and all Agreement State Radiation Control Program Directors and State Liaison Officers.
03/13/07	IN-07-10	Yttrium-90 Theraspheres <sup>®</sup> and Sirspheres <sup>®</sup> Impurities	All U.S. Nuclear Regulatory Commission (NRC) Medical Licensees and NRC Master Materials Licensees. All Agreement State Radiation Control Program Directors and State Liaison Officers.
04/04/07	IN-07-13	Use of As-Found Conditions to Evaluate Criticality-related Process Upsets at Fuel Cycle Facilities	All licensees authorized to possess a critical mass of special nuclear material.
05/02/07	IN-07-16	Common Violations of the Increased Controls Requirements and Related Guidance Documents	All licensees who are implementing the U.S. Nuclear Regulatory Commission (NRC) Order Imposing Increased Controls (EA-05-090), issued November 14, 2005 and December 22, 2005.
05/21/07	IN-07-19	Fire Protection Equipment Recalls and Counterfeit Notices	All holders of operating licenses for nuclear power reactors and fuel cycle facilities; except those licensees for reactors that have permanently ceased operations and who have certified that fuel has been permanently removed from the reactor vessel; and except those licensees for decommissioned fuel cycle facilities.
06/11/07	IN-07-20	Use of Blank Ammunition	All power reactors, Category I fuel cycle facilities, independent spent fuel storage installations, conversion facility, and gaseous diffusion plants.

Date	GC No.	Subject	Addressees
	IN-07-23	Inadvertent Discharge of Halon 1301 Fire-suppression System from Incorrect and/or Out-of-date Procedures	All holders of operating licenses for nuclear power reactors, except those who have permanently ended operations and have certified that fuel has been permanently removed from the reactor vessel. All holders of licenses for fuel cycle facilities.
07/19/07	IN-07-25	Suggestions from the Advisory Committee on the Medical Use of Isotopes For Consideration to Improve Compliance With Sodium Iodide I-131 Written Directive Requirements in 10 CFR 35.40 and Supervision Requirements in 10 CFR 35.27	All U.S. Nuclear Regulatory Commission (NRC) medical-use licensees and NRC Master Materials Licensees. All Agreement State Radiation Control Program Directors and State Liaison Officers.
08/13/07	IN-07-26	Combustibility of Epoxy Floor Coatings at Commercial Nuclear Power Plants	All holders of operating licenses for nuclear power reactors and fuel cycle facilities except licensees for reactors that have permanently ceased operations and who have certified that fuel has been permanently removed from the reactor vessel.
03/01/07	RIS-07-03	Ionizing Radiation Warning Symbol	All U.S. Nuclear Regulatory Commission licensees and certificate holders. All Radiation Control Program Directors and State Liaison Officers
03/09/07	RIS-07-04	Personally Identifiable Information Submitted to the U.S. Nuclear Regulatory Commission	All holders of operating licenses for nuclear power reactors and holders of and applicants for certificates for reactor designs. All licensees, certificate holders, applicants, and other entities subject to regulation by the U.S. Nuclear Regulatory Commission (NRC) of the use of source, byproduct, and special nuclear material
03/20/07	RIS-07-05	Status and Plans for Implementation of NRC Regulatory Authority for Certain Naturally-occurring and Accelerator-produced Radioactive Material	All NRC materials licensees, Radiation Control Program Directors, State Liaison Officers, and NRC's Advisory Committee on the Medical Uses of Isotopes
04/05/07	RIS-07-07	Clarification of Increased Controls for Licensees That Possess Collocated Radioactive Material During Transportation Activities	All U.S. Nuclear Regulatory Commission (NRC) licensees issued NRC's Order Imposing Increased Controls and all Radiation Control Program Directors and State Liaison Officers

Date	GC No.	Subject	Addressees
05/04/07	RIS-07-09	Examples of Recurring Requests for Additional Information (RAIs) for 10 CFR Part 71 and 72 Applications	All holders of, and applicants for, a: (1) 10 CFR Part 71 certificate of compliance (CoC) for a radioactive material transportation package; (2) 10 CFR Part 72 CoC for a spent fuel storage cask; and (3) 10 CFR Part 72 specific license for an independent spent fuel storage installation (ISFSI).
06/27/07	RIS-06-27, Suppl. 1	Availability of NRC 313A Series of Forms and Guidance for Their Completion	All U.S. Nuclear Regulatory Commission (NRC) medical-use licensees and NRC Master Materials licensees. All Radiation Control Program Directors and State Liaison Officers.
05/15/07	RIS-07-10	Subscriptions To New List Server For Automatic Notifications Of Medical-Related Generic Communications, <i>Federal Register</i> Notices And Newsletters	All U.S. Nuclear Regulatory Commission (NRC) medical-use licensees and NRC Master Materials licensees. All Radiation Control Program Directors and State Liaison Officers.

Note: A full listing of generic communications may be viewed at the NRC public website at the following address:  
<http://www.nrc.gov/Electronic Reading Room/Document Collections/Generic Communications>.