

January 7, 2008

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: MEMORANDUM  
REPORT: AUDIT OF NRC'S NUCLEAR MATERIAL  
EVENTS DATABASE (OIG-07-A-11)

REFERENCE: DIRECTOR FOR NUCLEAR MATERIAL SAFETY AND  
SAFEGAURDS, MEMORANDUM DATED  
NOVEMBER 26, 2007

Attached is the Office of the Inspector General (OIG) analysis and status of the recommendations as discussed in the agency's response dated November 26, 2007. Based on this response, recommendations 1 and 3 are resolved, and will be closed pending completion of the actions contained in the agency's response and OIG's review of those actions. Recommendation 2 is closed. Please provide an updated status of the resolved recommendations by July 11, 2008

If you have any questions or concerns, please call me at 415-5915 or Sherri Miotla at 415-5914.

Attachment: As stated

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

## Audit Report

### Audit of NRC's Nuclear Materials Event Database OIG-07-A-11

#### Status of Recommendations

Recommendation 1: Develop and implement written procedures for the operation of the Fuel Cycle Nuclear Material Events Database (FCNMED) to ensure that a mechanism is available for appropriate staff to share and access data on Category I fuel cycle facilities.

#### Agency Response

##### Dated

November 26, 2007: In staff Requirements Memorandum SECY-07-0129, "Revisions to the Policy Governing Public Availability of Information Associated with Category I Fuel Facilities," dated August 31, 2007, the Commission directed the staff to apply the U.S. Nuclear Regulatory Commission's (NRC's) guidance for Sensitive Unclassified Non-Safeguards Information (SUNSI) to documents related to the Category I fuel facilities [Nuclear Fuel Services (NFS) in Erwin, Tennessee, and BWX Technologies, Inc. (BWXT) in Lynchburg, Virginia] and to prepare and release redacted version of documents containing SUNSI. With regard to historical documents discussed in the SECY Paper (January 2004 to present), the Commission directed the staff to perform a review of a subset of documents generated that are not publicly available in ADAMS, including event reports, and to ensure that this subset provides the public with a record of NRC's regulatory actions. Additionally, the Commission directed the staff to ensure that future documents associated with Category I fuel facilities containing SUNSI are redacted and made publicly available.

In accordance with this directive, staff will prepare redacted version of future event reports from Category I facilities and of follow-up NRC inspection reports related to these events, and will place them in to the Nuclear Events Database (NMED). As part of the review of historical documents, staff will review FCNMED reports generated between January 2004 and October 2007, prepare redacted versions of those reports, and place the redacted versions into NMED. This review of historical documents is anticipated to be completed by June 2008.

## **Audit Report**

### **Audit of NRC's Nuclear Materials Event Database OIG-07-A-11**

#### **Status of Recommendations**

Staff will also modify the contract with Idaho National Laboratory, operators of the NMED and FCNMED, to transition the redacted event records from FCNMED to NMED with the ultimate goal of retiring FCNMED. This transition and retirement of FCNMED is anticipated to be completed by July 2008, after completion of the

**OIG Analysis:** The proposed corrective action addresses the intent of OIG's recommendation. Recommendation 1 will be closed when NRC provides evidence that it has modified the contract with Idaho Laboratory, and has transitioned the redacted event records from FCNMED to NMED.

**Status:** Resolved.

## Audit Report

### Audit of NRC's Nuclear Materials Event Database OIG-07-A-11

#### Status of Recommendations

Recommendation 2: Appoint an official coordinator, responsible for day-to-day oversight of FCNMED.

#### Agency Response

Dated

November 26, 2007: The Office of Nuclear Safety and Safeguards (NMSS) has appointed an NMSS Events Coordinator in the Division of Fuel Cycle Safety and Safeguards (FCSS) Technical Support Branch. The NMSS events coordinator's responsibilities include working collaboratively with both the FCNMED Project Manager in the Fuel Manufacturing Branch and the Regional Coordinator in FSME to provide day-to-day oversight of FCNMED through the period of retirement of FCNMED described in the response to Recommendation 1 above. This responsibility is further clarified in the September 19, 2007, memorandum, concerning hybrid functions, from Charles L. Miller, Director, FSME, to Michael F. Weber, Director, NMSS.

OIG Analysis: The Office of Nuclear Safety and Safeguards (NMSS) has appointed an NMSS Events Coordinator in the Division of Fuel Cycle Safety and Safeguards (FCSS) Technical Support Branch. The NMSS events coordinator's responsibilities include working collaboratively with both the FCNMED Project Manager in the Fuel Manufacturing Branch and the Regional Coordinator in FSME to provide day-to-day oversight of FCNMED through the period of retirement of FCNMED described in the response to Recommendation 1 above. This responsibility is further clarified in the September 19, 2007, memorandum, concerning hybrid functions, from Charles L. Miller, Director, FSME, to Michael F. Weber, Director, NMSS, and this memorandum was further explained by Mary Adams, of NMSS. The corrective action taken addresses the intent of OIG's recommendation. Recommendation 2 is closed.

**Status:** Closed.

## Audit Report

### Audit of NRC's Nuclear Materials Event Database OIG-07-A-11

#### Status of Recommendations

Recommendation 3: Conduct a quality assurance (QA) review of the FCNMED data to ensure that all pertinent data is included in the database.

#### Agency Response

#### Dated

November 26, 2007: FCSS conducted this QA review in spring 2007. Of the 13 reported events in FCNMED since the database was created, six were incomplete or contained incorrect information. The errors were of the following types:

1. One report referenced an incorrect reporting requirement.
2. One report involved other parties in addition to the reporting licensee (i.e., recipient of licensee material), and it was unclear whether the event was reported by the other party or needed to have been.
3. One report did not include the licensee's follow-up report.
4. One report did not include reference to the Nuclear Regulatory Commission's follow-up inspection report.
5. Two reports (including #3. above) did not include the cause code.
6. One report was incorrectly coded "N" [No} in the "AO" [abnormal occurrence] field when it should have been coded "Y" [Yes}.

Since that time (spring 2007), several additional events were reported to the Operations Center. These more recent event reports in FCNMED have not received a QA review yet, because of the Commission's change in NRC's Official Use Only policy described in the response to Recommendation 1 above. NMSS staff expects to complete QA review of these reports and correct any identified errors by end of 2007.

## **Audit Report**

### **Audit of NRC's Nuclear Materials Event Database OIG-07-A-11**

#### **Status of Recommendations**

FCNMED Project Manager will continue to work with the Regional Coordinate in FSME and the contractor to correct these errors and to implement actions to improve the completeness and accuracy of the information reported.

**OIG Analysis:** The actions taken address the intent of OIG's recommendation. Recommendation 3 will be closed when NRC provides evidence that staff conducted a quality assurance (QA) review of the FCNMED data to ensure that all pertinent data is included in the database.

**Status:** Resolved.