



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

July 29, 2008

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: Stephen D. Dingbaum **/RA/**
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, OFFICE OF NUCLEAR MATERIAL SAFETY
AND SAFEGAUARDS, MEMORANDUM DATED
JULY 11, 2008

Attached is the Office of the Inspector General (OIG) analysis and status of the recommendations as discussed in the agency's response dated July 11, 2008. 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 was previously closed. Please provide an updated status of the resolved recommendations by January 16, 2009.

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
J. Arildsen, OEDO
P. Shea, 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 July 11, 2008: The staff plans on implementing existing NMED written procedures. In order to implement the existing procedures, the staff needed to ensure that previous event data in FCNMED was made publicly available and a process exists to ensure that future events at Category I fuel facilities are made publicly available via NMED. In order to do this, the staff reviewed approximately 60 FCNMED reports that were generated between January 2004 and October 2007, prepared redacted versions of those reports, and placed the redacted versions into public ADAMS. This review of historical documents has been completed and the reports were placed in the NRC's Event Notification Report on May 12, 2008. FSME staff expects to have those reports placed into NMED by the end of July 2008.

The staff has implemented a process with NSIR to ensure that the event reports from Nuclear Fuel Services, Inc. (NFS) and BWX Technologies, Inc. (BWXT) receive the appropriate Sensitive Unclassified Non-Safeguards Information (SUNSI) review prior to exporting the report to the public web-site. NMSS staff perform the SUNSI reviews using Regulatory Issue Summary-05-031, "Control of Security-Related Sensitive Unclassified Non-Safeguards Information Handled by Individuals, Firms, and Entities Subject to NRC Regulation of the Use of Source, Byproduct, and Special Nuclear Material." After the SUNSI review is complete, the event reports are placed on the NRC's public web site, from which the NMED contractor obtains the events data that is placed into NMED.

When all the reports have been placed into NMED, the staff will modify the contract with Idaho National Laboratory (INL) to transition the redacted event records from FCNMED to NMED with the goal of retiring FCNMED.

Audit Report

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

Status of Recommendations

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 National 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 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 July 11, 2008: FSME staff expects to complete placement of the reviewed versions of the Category I facility event reports into NMED by mid-July, and NMSS staff expects to complete QA review of these reports and correct any identified errors by mid-August 2008.

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.