



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

OFFICE OF THE  
INSPECTOR GENERAL

September 17, 2008

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S  
OVERSIGHT OF LICENSEES' NUCLEAR SECURITY  
OFFICERS (OIG-08-A-07)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR SECURITY AND  
INCIDENT RESPONSE, MEMORANDUM DATED  
AUGUST 21, 2008

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated August 21, 2008. Based on this response, Recommendations 1, and 2 remain resolved. Recommendation 3 is closed. Please provide an update on the status of these recommendations by January 30, 2009.

If you have questions or concerns, please call me at 415-5915 or Beth Serepca at 415-5911.

Attachments: As stated

cc: V. Ordaz, OEDO  
J. Arildsen, OEDO  
P. Shea, OEDO

**Audit Report**  
**Audit of NRC's Oversight of Licensees' Nuclear Security Officers**  
**OIG-08-A-07**

**Status of Recommendations**

<u>Recommendation 1:</u>	Revise regulations governing licensee behavioral observation programs to include specific criteria such as program staff qualifications and procedures for managing unfit personnel.
Agency Response Dated August 21, 2008:	<p>On June 30, 2008, the draft final rule for power reactor security that included Title 10 of <i>Code of Federal Regulations</i> (10 CFR) 73.56 was provided to the Executive Director for Operations for concurrence. On July 9, 2008, the final rulemaking package was provided to the Commissioners in SECY-08-0099 requesting Commission approval for publication of the final rule, and concurrently making it available for public viewing.</p> <p>Revisions to 10 CFR Part 73.56, among other requirements, include expanded behavioral observation program requirements that require individuals to be trained to identify and report questionable behavior patterns or activities to his/her supervisor, enhancements to the psychological assessment requirements, use of information sharing systems between licensees, reinvestigations of criminal and credit history records for all individuals with unescorted access, and 5-year psychological reassessments for individuals with certain critical job functions.</p>
OIG Analysis:	The proposed action addresses the intent of OIG's recommendation. Recommendation 1 will be closed upon completion of the rulemaking action discussed above.
<b>Status:</b>	Resolved.

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**Status of Recommendations**

Recommendation 2: Integrate behavioral observation program regulations with access authorization regulations in ongoing 10 CFR Part 73 rulemaking.

Agency Response Dated  
August 21, 2008:

As noted in the Agency's April 17, 2008, response to Recommendation 2, the BOP is integrated with access authorization regulations. If approved as is, the final rule 10 CFR 73.56 (Personnel Access Authorization Requirements for Nuclear Power Plants) enhances the BOP as part of the requirements for unescorted access authorization. The rule provides for increased options to which (other than a reviewing official) a person can report any concerns that arise from a behavioral observation. In addition, the final rule requires individuals under the BOP to be trained to identify and report questionable behavior patterns or activities to his/her supervisor.

OIG Analysis:

The proposed action addresses the intent of OIG's recommendation. Recommendation 2 will be closed upon completion of the rulemaking action and issuance of implementation guidance.

**Status:**

Resolved.

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**OIG-08-A-07**

**Status of Recommendations**

Recommendation 3: Incorporate short-notice limited-scope inspections to the baseline security inspection program.

Agency Response Dated  
August 21, 2008:

In September 2007, the Office of Nuclear Security and Incident Response (NSIR) management requested the regions to include security areas in routine resident inspections conducted during weekends and backshifts. Subsequent to the initial training of resident inspectors in late 2006, additional resources have been applied to support increased involvement in security areas by inspectors who are not security specialists. NSIR has continued to provide training to resident inspectors at regional counterpart meetings. In addition, NSIR has worked with the Office of Human Resources to develop the "Introduction to Physical Security Systems and Principles" course, which covers the fundamentals of physical security systems, and NRC security requirements, and highlights guidance to assist resident inspectors and to enhance their sensitivity and involvement in security cornerstone issues. The introduction to Physical Security Systems Self-Study is currently available in I-learn.

By memorandum dated May 9, 2008, "Interim Guidance for Security Inspections by Resident Inspectors," NSIR's Division of Security Operations provided Regional Management with interim guidance for use in the Resident Inspection Program to aid resident inspector sensitivity and involvement in the routine oversight of security at power reactors. NSIR will revise the May 9, 2008, memorandum for interim guidance by October 2008 to clarify and enhance the guidance provided to the Regions in May 2008. NSIR will work with the Office of Nuclear Reactor Regulation and the Regions to address all issues in the coming months in preparation for the Reactor Oversight Process re-alignment that will start in October 2008. We will target January 2010, to have revised procedures in place for resident inspector use. Therefore, this interim guidance will sunset by January 2010.

