



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

OFFICE OF THE
INSPECTOR GENERAL

February 18, 2009

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
FEBRUARY 2, 2009

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations 1 and 2 as discussed in the agency's response dated February 2, 2009. Based on this response, Recommendations 1 and 2 remain in resolved status. Recommendation 3 was previously closed. Please provide an update on the status of these recommendations by May 15, 2009.

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

Recommendation 1:

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
February 2, 2009:

This is in response to your memorandum of September 17, 2008, regarding the subject audit. I suggest that Recommendations 1 and 2 be closed based on the staff input dated August 21, 2008. While the final rule (SECY-08-0099) remains with the Office of Management and budget (OMB), the language in Title 10 of the *Code of Federal Regulations* Part 73.56 that resolves the Office of the Inspector General (OIG) recommendations will not be modified. It usually takes about 60 days for OMB to approve a Nuclear Regulatory Commission rule. The rule was sent to OMB on December 19, 2008, so the Agency is anticipating OMB approval in mid to late February. The rule will be sent to the Federal Register at that time and is expected to be issued on or about March 31, 2009. While the Office of Nuclear Security and Incident Response has extended the due date on this item with the Office of the Executive Director for Operations until April 30, 2009, it is an OIG decision on whether or not to close the issue sooner.

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.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF LICENSEES' NUCLEAR SECURITY OFFICERS

OIG-08-A-07

Status of Recommendations

Recommendation 2:

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

Agency Response Dated
February 2, 2009:

This is in response to your memorandum of September 17, 2008, regarding the subject audit. I suggest that Recommendations 1 and 2 be closed based on the staff input dated August 21, 2008. While the final rule (SECY-08-0099) remains with the Office of Management and budget (OMB), the language in Title 10 of the *Code of Federal Regulations* Part 73.56 that resolves the Office of the Inspector General (OIG) recommendations will not be modified. It usually takes about 60 days for OMB to approve a Nuclear Regulatory Commission rule. The rule was sent to OMB on December 19, 2008, so the Agency is anticipating OMB approval in mid to late February. The rule will be sent to the Federal Register at that time and is expected to be issued on or about March 31, 2009. While the Office of Nuclear Security and Incident Response has extended the due date on this item with the Office of the Executive Director for Operations until April 30, 2009, it is an OIG decision on whether or not to close the issue sooner

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.

**Document Location: G:\Audit\08-A-07\Followup\OIG response to Agency
Response dated 020209.doc**

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