

SUBJECT:                                   AUDIT OF THE NUCLEAR REGULATORY COMMISSION  
MATERIAL CONTROL AND ACCOUNTING SECURITY  
MEASURES FOR SPECIAL NUCLEAR MATERIALS AT FUEL  
CYCLE FACILITIES (OIG-09-A-19)

I am responding to your September 30, 2009, memorandum transmitting the subject audit report. I acknowledge your conclusions that there are aspects of the Material Control and Accounting (MC&A) inspection program that could be strengthened, and appreciate your acknowledgment in the audit report that, notwithstanding the noted areas for improvements, no deficiencies were observed. Below are your recommendations and our corresponding responses.

Recommendation 1:

Review and revise MC&A procedures as required by the Office of Nuclear Material Safety and Safeguards Policy and Procedures Letter 1-76.

Agreed: MC&A inspection procedures will be reviewed and revised, where necessary. This is expected to be completed by December 2010.

Recommendation 2:

Establish an alternative to the Department of Energy (DOE) sponsored MC&A inspector training to be used as needed.

Agreed: Self-study guides will be developed to replace course content in each DOE-sponsored MC&A and related class that is not routinely offered. This approach will not only address the issue of difficulty in scheduling the classes offered by DOE, but also address the issue of having few Nuclear Regulatory Commission (NRC) staff needing to take the class at a time – which prevents contracting with DOE laboratories to conduct the class specifically for NRC due to cost. Expected completion in December 2011.

Recommendation 3:

Provide appropriate MC&A training for managers without MC&A backgrounds responsible for MC&A inspections at fuel cycle facilities.

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cc: Chairman Jaczko  
Commissioner Klein  
Commissioner Svinicki  
SECY

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**ML093020552**

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| <b>DATE</b>   | 10/21/2009  | 10/21/2009  | 10/22/2009  | 10/ 29 /2009 | 10/31/2009    |

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