



United States  
**Office of Government Ethics**

1201 New York Avenue, NW., Suite 500  
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March 22, 2010

Stephen G. Burns  
Designated Agency Ethics Official  
United States Nuclear Regulatory Commission  
Mail Stop O-15D21  
11555 Rockville Pike  
Rockville, MD 20852-2738

Dear Mr. Burns,

An OGE program review team recently conducted an on-site assessment to evaluate the ethics program of the Nuclear Regulatory Commission (NRC). The results of that assessment indicate that a more in-depth program review of NRC is not necessary at this time.

#### Background

The purpose of an OGE assessment is to determine agency compliance with ethics requirements as set forth in relevant laws, regulations and policies and to identify and report on the strengths and weaknesses of an ethics program. Specifically, OGE reviews the elements within an agency's ethics program: financial disclosure (both public and confidential), training (both initial orientation and annual training) and advice and counseling. OGE also reviews certain aspects of enforcement and non-Federal travel payments accepted under 31 U.S.C 1353.

In January 2010, OGE notified you that the NRC ethics program had been selected for review and requested that you provide us with specific documents. OGE examined those documents; other documents that NRC forwards to OGE, including the annual questionnaire; and prior program review reports. In addition, members of OGE's Program Review Division met with you and the NRC headquarters ethics staff to obtain additional information about the strengths and weaknesses of NRC's ethics program, seek clarification on issues that arose through the documentation analysis, and verify data collected.

#### Findings

It appears that the NRC ethics program is in compliance with the ethics requirements found in relevant laws, regulations and policies. Specifically, we found that the program was meeting the objectives for each of the required elements—financial disclosure, training, and advice and counseling. We also found that the process for enforcing the conflicts of interest laws and standards of conduct regulations was well-developed. In addition, NRC's ethics program has been enhanced by employing a number of what OGE considers to be model practices.

NRC's financial disclosure systems are well managed. In both 2008 and 2009, all required public and confidential financial disclosure reports were filed. The financial disclosure systems at NRC are highly centralized; all reports are collected, reviewed, and certified by headquarters ethics officials. Ethics officials report that due in part to the established ethical culture at NRC, they have no issues with delinquent filers. However, NRC hopes to create an even more efficient financial disclosure program with a recently developed automated ethics program management system that, among other things, allows employees to file financial disclosure reports electronically. OGE notes that NRC has detailed written procedures for the administration of all aspects of the financial disclosure program, as well as the other elements of your ethics program. Detailed written procedures ensure consistency, accountability, and transparency. OGE considers this to be a model practice.

NRC's ethics training is especially strong. In both 2008 and 2009, all covered employees received the required ethics training; the materials used in initial ethics orientation and annual training met--and in some cases exceeded--all relevant ethics training requirements. Headquarters ethics officials develop and distribute employee ethics training to NRC's four regional locations, ensuring consistent training is received by all agency employees. OGE recognizes this sharing of training materials between headquarters and regional ethics officials as an effective use of agency resources. NRC employs a variety of methods and materials in its training including satellite broadcasts, classroom instruction, and computer-based training. Ethics officials also develop and present targeted training on request. In addition, new Commissioners receive one-on-one Initial Ethics Orientation (IEO) from a headquarters ethics official as soon as possible, often on the first day they enter the position. NRC leadership demonstrated commitment to and support of the ethics program when the Chairman provided an introductory message to new employees for use in IEO. OGE considers this leadership involvement in the ethics program to be a model practice.

The advice and counseling element is effectively administered. Ethics officials take a proactive approach to preventing potential and actual conflicts of interests by providing all employees with a list of NRC's prohibited sources and attempt to prevent even the appearance of conflicts of interest by maintaining tight controls on outside employment. NRC headquarters ethics officials make every effort to standardize the advice and counseling provided to employees by centralizing most aspects of the program and monitoring the advice provided by regional officials. Additionally, NRC headquarters ethics officials maintain and utilize a comprehensive archive of advice and counseling the agency has rendered, cataloged both in individual employee's files as well as in subject matter files. This practice helps ensure consistent advice and counseling is provided to employees. NRC plans to input the archived advice into the automated ethics program management system, allowing headquarters and regional ethics officials to search online for previously rendered advice as needed.

NRC's enforcement element appears to be in compliance. Detailed written procedures related to the responsibilities of the ethics officials and the OIG in the case of referrals to the Department of Justice, investigations of alleged ethics violations, and concurrent notification to OGE are in place. Ethics officials report a good working relationship with the Office of

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Inspector General (OIG). Ethics officials also stated that the OIG is consulted each year in regard to potential topics for ethics training. By consulting with offices throughout the agency, especially those in a position to identify useful, timely ethics training topics, NRC ethics officials can more effectively meet the needs of the agency and its employees. OGE considers this to be a model practice.

If you have any comments or would like to discuss this assessment, please contact me at 202-482-9286. Thank you for your assistance in the assessment process.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Zemple", written over a horizontal dashed line.

Patricia Zemple  
Associate Director  
Program Review Division

cc: Hubert Bell, Jr.  
Dan Skalla