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

April 26, 2010

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
                   NON-CAPITALIZED PROPERTY (OIG-07-A-14)

REFERENCES: DIRECTOR, OFFICE OF ADMINISTRATION,
                   MEMORANDUM DATED APRIL 14, 2010

                   OFFICE OF ADMINISTRATION E-MAIL DATED
                   APRIL 21, 2010

Attached is the Office of the Inspector General's analysis and status of
recommendations 7 and 11 as discussed in the agency's responses dated
April 14, 2010, and e-mail correspondence dated April 21, 2010. Based on these
responses, recommendations 7 and 11 are closed. All recommendations in audit report
OIG-07-A-14 are now closed.

If you have any questions or concerns, please contact me at 415-5915 or Kathleen
Stetson, Team Leader, at 415-8175.

Attachments: As stated

cc: N. Mamish, OEDO
       J. Andersen, OEDO
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       C. Jaegers, OEDO

AUDIT OF NRC'S NON-CAPITALIZED PROPERTY

OIG-07-A-14

Status of Recommendations

Recommendation 7:

Modify Management Directive 13.1, "Property Management," to reference, where applicable, Management Directive 12.5, "NRC Automated Information Security Program," to include procedures for coordinating with OIS regarding missing property that contains or may contain PII.

Agency Responses Dated
April 14 and 21, 2010:

Subsequent to the completion of the subject audit, the U.S. Nuclear Regulatory Commission's (NRC) Office of Computer Security (CSO) was established. The CSO assumed the responsibility for computer security and reporting breaches of Personally Identifiable Information (PII) for NRC. The Office of Administration (ADM) coordinated with CSO regarding procedures for the reporting of missing property that contains PII.

In March 2010, Management Directive (MD) 13.1 was published and includes the procedures for reporting to CSO missing property that contains or may contain PII. MD 12.5 was not referenced because it also was being revised. Concern developed that referencing MD12.5 before it was revised to include the recent changes might cause confusion and delay reporting of missing property that contain PII. Given the significant changes that occurred regarding PII reporting requirements and NRC organizational responsibilities it was no longer prudent to cite MD12.5 in the MD13.1 revision.

OIG Analysis:

OIG reviewed the final MD 13.1, and determined that it includes procedures for coordinating with NRC's Computer Security Office, which assumed responsibility for computer security and reporting breaches regarding missing property that contains or may contain PII. This satisfies the recommendation. Therefore, this recommendation is closed.

Status:

Closed.

Audit Report

AUDIT OF NRC's NON-CAPITALIZED PROPERTY

OIG-07-A-14

Status of Recommendations

Recommendation 11: Collaborate with OIG to modify NRC Management Directive 13.1, "Property Management," to develop a process for notifying the OIG Assistant Inspector General for Investigations of all reports (i.e., Form 395s) of missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least $1,000.

Agency Responses Dated
April 14 and 21, 2010: The revision of MD 13.1 published in March 2010, contains on page 14 the procedures developed with the Assistant Inspector General for Investigations for reporting missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least $1,000.

ADM hopes this supplementary information closes Recommendations 7 and 11.

OIG Analysis: OIG reviewed the final MD 13.1, and verified that it contains an effective process for notifying the OIG Assistant Inspector General for Investigations of all reports (i.e., Form 395s) of missing sensitive property (regardless of value) and missing non-sensitive property with a current value of at least $1,000. This satisfies the recommendation. Therefore, this recommendation is closed.

Status: Closed.