



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

**OFFICE OF THE  
INSPECTOR GENERAL**

August 30, 2010

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

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

SUBJECT: AUDIT OF NRC'S ENFORCEMENT PROGRAM  
(OIG-08-A-17)

REFERENCE: DIRECTOR, OFFICE OF ENFORCEMENT,  
MEMORANDUM DATED JUNE 17, 2010

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated June 17, 2010. Based on the response and updated information provided by the Office of Enforcement, recommendation 1 is closed. Recommendations 2 and 3 remain resolved. Please provide an updated status of the resolved recommendations by December 31, 2010.

If you have questions or concerns, please call me at 415-5915 or R.K. Wild, Team Leader, at 415-5948.

Attachment: As stated

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

## Audit Report

### AUDIT OF NRC'S ENFORCEMENT PROGRAM

OIG-08-A-17

#### Status of Recommendations

Recommendation 1: Develop comprehensive agencywide guidance to establish (1) expectations for inspectors and managers to independently disposition violations and (2) relevant participants needed for enforcement decisionmaking.

Agency Response Dated  
June 17, 2010:

Ongoing. The Office of Enforcement (OE) committed to working with the regional and headquarters program offices to more clearly define the minimum required levels of review and concurrence necessary to disposition non-escalated inspection findings, including when it is appropriate to disposition violations onsite. OE agreed to incorporate this guidance into the Enforcement Manual. OE also agreed to work with the program offices to review and revise associated Inspection Manual Chapters (IMCs), if necessary, to make them consistent with the updated Enforcement Manual. As discussed in OE's July 3, 2009, and January 15, 2010, status memos, the remaining actions necessary to address this recommendation involve a revision to IMC 2800, "Materials Inspection Program" and associated changes to the Enforcement Manual. The revision to IMC 2800 will establish a requirement that branch chiefs review and concur on materials inspection findings documented on NRC Forms 591s. In OE's January 15, 2010, status memo, OE discussed that this requirement was being added to IMC 2800 as part of a larger revision to IMC 2800, and that this revision was expected to be completed by April 2010. Subsequently, the expected issuance date of the revised IMC 2800 changed to the end of June 2010.

A revised version of IMC 2800 is currently in concurrence and can be found in the Agencywide Documents Access and Management System under accession number ML092170511. Section 08.04 and Enclosure 5 were modified to address Recommendation 1. Changes to the Enforcement Manual will be made once the IMC 2800 revision is complete.

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#### Status of Recommendations

Recommendation 1 (continued):

OIG Analysis:

OIG has noted the agency's significant progress in assessing and revising applicable guidance (IMC 2800 and the Enforcement Manual) to more clearly define expectations regarding the dispositioning of non-escalated inspection findings. OIG further acknowledges that IMC 2800 was approved on July 27, 2010, with an effective date of October 1, 2010. This recommendation is therefore closed.

**Status:**

Closed.

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#### Status of Recommendations

Recommendation 2: Define systematic data collection requirements for non-escalated enforcement actions.

Agency Response Dated  
June 17, 2010:

Ongoing. OE agreed to validate that the Reactor Program System database provides sufficient capability to assist staff in making informed enforcement decisions for reactor issues. OE agreed to evaluate whether data associated with non-escalated reactor violations that are licensee-identified and issues of minor significance should be tracked, as well. OE committed to either developing a new data collection system to capture non-escalated materials findings or modifying an existing database to include these items. OE also agreed to develop written guidance for NRC staff to use in entering information into the chosen database. As discussed in OE's July 3, 2009, and January 15, 2010, status memos, the remaining action necessary to address this recommendation involves implementation of the web-based licensing system (WBL) currently under development by the Office of Federal and State Materials and Environmental Management Programs. This system will be used to track non-escalated materials inspection findings. The system requirements for WBL have been modified to enable the system to collect inspection results and to allow users to enter information regarding the disposition of enforcement actions associated with each inspection activity (e.g., requirement violated and type of enforcement action taken). The system requirements have also been modified to allow users to search the database and generate reports associated with non-escalated enforcement actions. Procedures will be developed for entry of data into WBL. As discussed in OE's January 15, 2010, status memo, action to address Recommendation 2 will not be completed until late 2011 when the capability to track non-escalated enforcement action with WBL is made available.

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#### Status of Recommendations

Recommendation 2 (continued):

OIG Analysis:

OIG acknowledges OE's decision to continue to evaluate how and when non-escalated reactor violations identified by licensees could be tracked, as well as efforts to either develop a new tracking system or modify an existing tracking system in order to fulfill the intent of this recommendation. This recommendation will be closed when all of the cited activities are completed and reviewed by OIG to ensure that the recommendation has been adequately addressed.

**Status:**

Resolved.

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#### Status of Recommendations

Recommendation 3: Develop and implement a quality assurance process that ensures that collected enforcement data is accurate and complete.

Agency Response Dated  
June 17, 2010:

Ongoing. As discussed in Recommendation 1, OE agreed to provide additional guidance on the review and concurrence of non-escalated enforcement actions. OE committed to developing a quality assurance process to be performed by the originating office. OE also committed to developing an audit program to ensure that inspection findings and enforcement actions are entered into the chosen data collection system accurately and consistently. OE agreed to develop guidance on roles and responsibilities for these reviews and incorporate that guidance into the Enforcement Manual. Lessons learned from the audit program would be shared with the regions and program offices. As discussed in OE's July 3, 2009, and January 15, 2010, status memos, the remaining actions necessary to address this recommendation involve development of procedures describing the data entry requirements for WBL, periodic review of the data entered into WBL, and a follow-up audit of completed NRC Form 591s to assess the effectiveness of the corrective actions taken in response to Recommendation 1. As discussed in OE's January 15, 2010, status memo, actions associated with development of procedures for data entry and auditing of WBL will not be completed until the actions to address Recommendation 2 are complete in late 2011. OE plans to conduct a follow-up audit of completed NRC Form 591s before the end of 2010. Again, I appreciate your efforts to review our enforcement program and the opportunity for us to provide an update on the status of our corrective actions.

**Audit Report**

**AUDIT OF NRC'S ENFORCEMENT PROGRAM**

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**Status of Recommendations**

Recommendation 3 (continued):

OIG Analysis:

The agency continues to make progress in evaluating and developing additional guidance and controls to ensure the quality of collected enforcement data. This recommendation will be closed when OIG receives and reviews the revised guidance and proposed controls to ensure that the agency's actions fully satisfy the intent of the recommendation.

**Status:**

Resolved.