



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

OFFICE OF THE  
INSPECTOR GENERAL

January 16, 2014

MEMORANDUM TO: Chairman Macfarlane

FROM: Hubert T. Bell */RA/*  
Inspector General

SUBJECT: AUDIT OF NRC'S PROCESS FOR ADDRESSING  
BANKRUPTCY OF MATERIALS LICENSEES  
(OIG-14-A-10)

Attached is the Office of the Inspector General's (OIG) audit report titled, *Audit of NRC's Process for Addressing Bankruptcy of Materials Licensees*. The audit objective was to determine if NRC has reasonable assurance that appropriate measures to protect the public health and safety have been or will be taken during bankruptcies involving materials licensees. OIG identified opportunities to improve the effectiveness and efficiency of NRC's process for addressing bankruptcy of NRC materials licensees which include: (1) identify and use comprehensive source/s of bankrupt entities, as part of NRC's process for identifying bankrupt NRC licensees, and (2) develop guidance on staff's role for identifying bankrupt NRC materials licensees. As such, this report contains recommendations intended to improve NRC's process for addressing bankruptcy of materials licensees.

OIG met with NRC management officials and staff during a December 19, 2013, exit conference to discuss informal agency comments that OIG incorporated into the draft report as appropriate. NRC management and staff reviewed the revised draft report and generally agreed with the recommendations in this report. Furthermore, the agency opted not to provide formal comments for inclusion in this report.

If you have any questions, please contact Stephen D. Dingbaum, Assistant Inspector General for Audits, at 415-5915 or me at 415-5930.

Attachment: As stated

cc: Commissioner Svinicki  
Commissioner Apostolakis  
Commissioner Magwood  
Commissioner Ostendorff  
R. Mitchell, OEDO