

February 14, 2014

MEMORANDUM TO: Stephen D. Dingbaum  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: Michael F. Weber */RA/*  
Deputy Executive Director for Materials, Waste,  
Research, State, Tribal, and Compliance Programs  
Office of the Executive Director for Operations

SUBJECT: AUDIT OF U.S. NUCLEAR REGULATORY COMMISSION'S  
PROCESS FOR ADDRESSING BANKRUPTCY OF MATERIALS  
LICENSEES (OIG-14-A-10)

This memorandum responds to your January 16, 2014, memorandum transmitting the subject audit report. We appreciate the Office of the Inspector General's audit and willingness to work with staff to enhance the U.S. Nuclear Regulatory Commission's process for addressing bankruptcy of materials licensees.

Enclosed, please find our responses to the audit report recommendations. If you have any questions on our responses, please contact me or Laura Dudes at 301-415-3340.

Enclosure:  
Response to OIG  
Recommendations (OIG-14-A-10)

cc: Chairman Macfarlane  
Commissioner Svinicki  
Commissioner Apostolakis  
Commissioner Magwood  
Commissioner Ostendorff  
SECY

CONTACT: Tomas Herrera, FSME/MSSA  
(301) 415-7138

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## **RESPONSE TO OIG RECOMMENDATIONS (OIG-14-A-10)**

### Recommendation 1

Identify and use comprehensive source/s of bankrupt entities, as part of U.S. Nuclear Regulatory Commission's (NRC) process for identifying bankrupt NRC licensees.

### Response

Agree. Based on the Office of the Inspector General's findings, the staff recognizes that the NRC can improve its process for identifying bankrupt NRC licensees. The staff will work to identify more comprehensive sources that can be used to identify bankrupt entities. Staff will share that information with internal stakeholders and then incorporate the sources into guidance (see response to Recommendation 2 below) and use them to identify NRC materials licensees that have filed for bankruptcy.

Completion Date: December 31, 2014

Point of Contact: Tomas Herrera, FSME

### Recommendation 2

Develop guidance on staff's role for identifying bankrupt NRC materials licensees.

### Response

Agree. Based on the information contained in the audit, the staff realizes that the process for identifying bankrupt NRC materials licensees can be improved. Staff will develop guidance that provides clear roles and responsibilities for identifying bankrupt NRC materials licensees. Staff will seek assistance from the Office of the General Counsel and the Regions in developing the guidance document. The staff anticipates that the guidance document will be in the form of an Office of Federal and State Materials and Environmental Management Programs' Policy and Procedure.

Completion Date: July 31, 2015

Point of Contact: Tomas Herrera, FSME

Enclosure