

**UPDATED STATUS OF THE RESOLVED RECOMMENDATIONS
“AUDIT OF NRC’S IMPLEMENTATION OF FEDERAL CLASSIFIED
INFORMATION LAWS AND POLICIES” (OIG-13-A-21)**

Recommendation 1

Update Management Directive 12.2 to reflect Original Classifier training standards expressed in Public Law 111-258, E.O. 13526, and 32 CFR 2001.

Update: In coordination with the Office of Administration (ADM), Rules, Announcements, and Directives Branch (RADB), the Office of Nuclear Security and Incident Response (NSIR) revised Management Directive (MD) 12.2, “NRC Classified Information Security Program” to reflect Original Classifier training standards expressed in Public Law 111-258, “Reducing Over-Classification Act,” Executive Order (E.O.) 13526, “Classified National Security Information,” and Title 32 of the *Code of Federal Regulations* (32 CFR) Parts 2001 and 2003, “Classified National Security Information; Final Rule.” The Executive Director for Operations (EDO) signed MD 12.2 on June 25, 2014.

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Status: Resolved.

Recommendation 2

Train Original Classifiers as directed by Public Law 111-258, E.O. 13526, and 32 CFR 2001.

Update: Effective April 1, 2014, the Original Classification Authority Training (Knowledge Asset ID_84143) became available for completion in iLearn. At that time, the Original Classification Authority Training was assigned to all 11 of the U.S. Nuclear Regulatory Commission’s (NRC) Original Classification Authorities, namely□

- Allison Macfarlane, Chairman
- Kristine Svinicki, Commissioner
- George Apostolakis, Commissioner
- William Magwood, Commissioner
- William Ostendorff, Commissioner
- Mark Satorius, Executive Director for Operations
- Michael Johnson, Deputy Executive Director for Reactor and Preparedness Programs
- Hubert Bell, Inspector General
- Catherine Haney, Director, Office of Nuclear Material Safety and Safeguards
- Patricia Holahan, Director, Division of Security Operations, NSIR
- Bernard Stapleton, Chief, Information Security Branch, Division of Security Operations, NSIR

Enclosure

The aforementioned Original Classification Authorities completed the requisite training in iLearn by May 31, 2014. The staff will review the Original Classification Authority Training on an annual basis and update the training material in iLearn, as necessary. In accordance with E.O. 13526 and 32 CFR Parts 2001 and 2003, the Original Classification Authority Training will be assigned to the NRC's Original Classification Authorities via iLearn annually, hereafter.

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Status: Resolved.

Recommendation 3

Use iLearn to document classifier training, to include certifications and notifications of suspended classification authority.

Update: Effective January 1, 2014, the Introduction to Derivative Classification Course (Knowledge Asset ID_46143) became available for enrollment in the iLearn catalog. The Introduction to Derivative Classification Course is conducted in a classroom setting at the NRC Professional Development Center, as well as the NRC regional facilities, but successful completion of the course is documented in iLearn.

Effective April 1, 2014, the Original Classification Authority Training (Knowledge Asset ID_84143) became available for completion in iLearn. The staff will review the Original Classification Authority Training on an annual basis and update the training material in iLearn, as necessary. In accordance with E.O. 13526 and 32 CFR Parts 2001 and 2003, the Original Classification Authority Training will be assigned to the NRC's Original Classification Authorities via iLearn on an annual basis.

Effective June 1, 2014, the Derivative Classification Authority Refresher Training (Knowledge Asset ID_96144) became available for completion in iLearn. The staff will review the Derivative Classification Authority Refresher Training on an annual basis and update the training material in iLearn, as necessary. In accordance with E.O. 13526 and 32 CFR Parts 2001 and 2003, the Derivative Classification Authority Refresher Training will be assigned to the NRC's Derivative Classification Authorities via iLearn on a biennial basis.

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Status: Resolved.

Recommendation 4

Revise Management Directive 12.2 to require self-inspections in accordance with the standards prescribed by E.O. 13526, and 32 CFR 2001, to include representative sampling of original and derivative classifications as well as correction of misclassifications.

Update: In coordination with ADM/RADB, NSIR revised MD 12.2 to require self-inspections in accordance with the standards prescribed by E.O. 13526, and 32 CFR 2001, to include representative sampling of original and derivative classifications as well as correction of misclassifications. The EDO signed and issued MD 12.2 on June 25, 2014.

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Status: Resolved.

Recommendation 5

Conduct self-inspections in accordance with the standards prescribed by E.O. 13526, and 32 CFR 2001, to include representative sampling of original and derivative classifications as well as correction of misclassifications.

Update: The Director of NSIR signed the “Classified Information Self-Inspection Program” Office Procedure into effect on March 1, 2014 (see the Office Procedure dated March 1, 2014, available in the Agencywide Documents Access and Management System (ADAMS), Accession No. ML13316C033). The staff will review and update the “Classified Information Self-Inspection Program” Office Procedure, as necessary.

In accordance with the “Classified Information Self-Inspection Program” Office Procedure, NSIR conducted a classified information self-inspection of the Region I facility in King of Prussia, Pennsylvania on April 9-10, 2014 (see the Classified Information Self-Inspection Results for the Region I Facility dated April 25, 2014, available in the ADAMS, Accession No. ML14105A453). Additionally, NSIR conducted a classified information self-inspection of the Region IV facility in Arlington, Texas from June 24-26, 2014 (see the Notification of a Classified Information Self-Inspection of the Region IV Facility dated April 25, 2014, available in ADAMS, Accession No. ML14111A183). NSIR will continue to conduct self-inspections on an annual basis in accordance with the standards prescribed by E.O. 13526, and 32 CFR Parts 2001 and 2003, to include representative sampling of original and derivative classifications as well as correction of misclassifications.

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Status: Resolved.

Recommendation 6

Revise staff position descriptions and evaluation criteria, as practicable, to reflect classified information duties.

Update: In coordination with ADM/RADB, NSIR revised MD 12.2 to include the E.O. 13526 requirement to ensure that the performance contract or other system used to rate personnel performance includes the designation and management of classified information as a critical element or item to be evaluated in the rating of: (a) original classification authorities; (b) security managers or security specialists; and (c) all other personnel whose duties significantly involve the creation or handling of classified information, including personnel who regularly apply derivative classification markings.

The NRC Form 522, "Approval for Issuance or Elimination of an NRC Management Directive," package for MD 12.2 was delivered to the Office of the Executive Director for Operations on June 18, 2014, for review and final signature by the EDO.

In implementing this requirement, NSIR and the Office of the Chief Human Capital Officer (OCHCO) consulted with other agencies to understand how they define their evaluation criteria, as it relates to classified information duties. Upon consolidating this information, NSIR and OCHCO drafted proposed language to include in employees' elements and standards, as applicable. NSIR will work with OCHCO to issue the revised language to all NRC offices by October 1, 2014, to be included in the applicable employees' elements and standards.

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Status: Resolved.

Recommendation 7

Update Management Directive 12.2 to align with E.O. 13526, Public Law 111-258, and 32 CFR 2001, and to reflect current NRC policy and procedures.

Update: In coordination with ADM/RADB, NSIR revised MD 12.2 to align with E.O. 13526, Public Law 111-258, and 32 CFR Parts 2001 and 2003, and to reflect current NRC policy and procedures. The EDO signed MD 12.2 on June 25, 2014.

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Status: Resolved.