



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

June 19, 2015

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

FROM: Catherine Haney, Director */RA/*
Office of Nuclear Material Safety
and Safeguards

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

The purpose of this memorandum is to provide an update on the status of the agency's actions in response to recommendations contained in the Office of the Inspector General's (OIG's) audit of the U.S. Nuclear Regulatory Commission's (NRC's) process for addressing bankruptcy of materials licensees. This status report highlights the staff's action completed since the last status update on December 12, 2014. The following update is provided for the remaining open recommendation.

Recommendation 2

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

Status

The Materials Safety Licensing Branch (MSLB) developed a branch level Policy and Guidance Directive, "MSLB P&GD 012: BANKRUPTCY SEARCHES," to identify the staff's role for identifying bankrupt NRC materials licensees. MSLB sought input from the Office of the General Counsel and the Regions in developing the procedure. The procedure establishes the responsibility of MSLB staff to perform a monthly search of bankruptcy filings. The procedure provides guidance to MSLB staff in performing searches to identify NRC materials licensees that have filed for Chapter 11 bankruptcy.

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If NRC materials licensees are identified, the guidance directs staff to contact the appropriate regional representatives of the NRC's Bankruptcy Review Team, to determine whether the licensee has notified the NRC of its filing for bankruptcy in accordance with Title 10 of the *Code of Federal Regulations* 30.34(h). If the NRC has not received a notification, the guidance directs MSLB staff to coordinate with the appropriate regions to ensure that the licensee complies with the regulatory requirements. The staff recommends that Recommendation 2 be closed.

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