

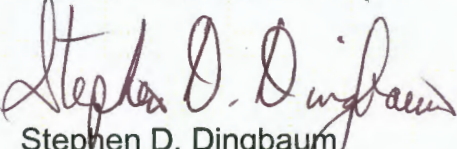


UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

July 15, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: 
Stephen D. Dingbaum
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
IMPLEMENTATION OF FEDERAL CLASSIFIED
INFORMATION LAWS AND POLICIES (OIG-16-A-17)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS, MEMORANDUM DATED
JULY 8, 2016

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated July 8, 2016. Based on this response, all recommendations are resolved. Please provide an updated status of the resolved recommendations by January 9, 2017. If you have any questions or concerns, please call me at 415-5915, or Beth Serepca, Team Leader at 415-5911.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicoeur, OEDO
J. Bowen, OEDO
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Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (a): Finalize and provide records management training for authorized classifiers.

Agency Response Dated
July 8, 2016:

The staff agrees with the recommendation. In response to Commission Tasking SRM-SECY-15-0054-2, which directed staff to provide classified records management training, the Office of the Chief Information Officer (OCIO) and the Office of Nuclear Security and Incident Response (NSIR), in coordination with the Office of Administration (ADM), drafted a Yellow Announcement (YA). This YA informed staff that the Web-based training course entitled "Classified Records Management Training" (Knowledge Asset ID_243145) is available for completion in iLearn. This new course explains the records retention schedules and the policies and procedures for long-term retention of the agency's classified holdings, to include the three phases of the classified record's lifecycle. Additionally, the course identifies the roles and responsibilities of Records Management and Classification Management personnel at every point throughout the classified record's lifecycle.

Beginning fiscal year 2017, before an individual can be designated the owner of a General Services Administration (GSA)-approved security container or gain access to the combination of a GSA-approved security container, the individual must complete the "Classified Records Management Training" course in iLearn and biennially thereafter. Existing GSA-approved security container owners will be assigned the "Classified Records Management Training" course in iLearn on or before October 1, 2016, with a required completion date of December 16, 2016, and biennially thereafter.

Target Completion Date: In accordance with SRM-SECY-15-0054-2, staff will complete this action by September 30, 2016.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (a) (con't):

OIG Analysis: The proposed action meets the intent of the recommendation. This recommendation will be closed when OIG receives verification that the training, slated to be concluded by December 16, 2016, has been accomplished.

Status: Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (b): Complete the current inventories of classified information in safes and secure storage areas.

Agency Response Dated
July 8, 2016:

The staff agrees with this recommendation. In response to Commission Tasking SRM-SECY-15-0054-1, which directed staff to develop security plans for GSA-approved containers with local catalogs, ADM and NSIR, in collaboration with OCIO, issued "Requirement for Offices and Regions to Implement GSA-Approved Container Security Plans" (Agencywide Document Access and Management System Accession No. ML16047A162), dated April 8, 2016. The memorandum required that all staff develop a generic security plan for GSA-approved containers, to include compiling and subsequently verifying a local catalog of a container's classified contents on an annual basis, no later than August 1, 2016.

Independent of the GSA-Approved Container Security Plans, existing security plans for approved open storage areas will be revised to require room custodians to compile and subsequently verify a local catalog of their rooms' contents on an annual basis.

Target Completion Date: In accordance with SRM-SECY-15-0054-1, staff will develop security plans for GSA-approved containers with local catalogs by September 30, 2016. Staff will revise the existing security plans for approved open storage areas to include a local catalog by December 31, 2017.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close this recommendation when OIG receives verification that the inventories for classified information in safes and secure areas have been completed.

Status: Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (c) Develop declassification training to prepare and authorize declassifiers.

Agency Response Dated
July 8, 2016:

The staff agrees with this recommendation. The staff is currently developing Web-based declassification training to prepare and authorize declassifiers at the agency. Additionally, the staff will work with the iLearn administrative team within the Office of the Chief Human Capital Officer to create a new iLearn course identification number to administer and document declassifier training. Documentation will include training certifications and notifications of suspended declassification authority.

Target Completion Date: Staff will complete this action by December 31, 2016.

OIG Analysis:

The proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG receives confirmation that training was prepared for declassifiers.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (d): Develop an updated declassification guide.

Agency Response Dated
July 8, 2016:

The staff agrees with this recommendation. The current U.S. Nuclear Regulatory Commission's (NRC) declassification guide expires on December 31, 2017. Per letter dated April 5, 2016, the Information Security Oversight Office requires that the NRC's revised declassification guide be submitted to the Interagency Security Classification Appeals Panel no later than December 31, 2016, for review and approval.

Target Completion Date: In accordance with NSIR Ticket NSIR-16-0139, staff will complete this action by December 31, 2016.

OIG Analysis:

The proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG receives confirmation that the agency developed an updated declassification guide.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (e): Identify classified records requiring transfer to National Archives and Records Administration and complete the transfers.

Agency Response Dated
July 8, 2016:

The staff agrees with this recommendation. In response to Commission Tasking SRM-SECY-15-0054-3, which directed staff to expand use of NARA Federal Records Centers (FRC), OCIO staff, in coordination with NSIR, are currently developing multiple workflows detailing the disposition process for Restricted Data (RD) and Formerly Restricted Data (FRD) and for National Security Information (NSI). The workflows will be further detailed in respective OCIO Office Procedures. Both the workflows and associated OCIO Office Procedures will outline the process of identifying classified records requiring transfer to NARA FRCs and the necessary steps to complete the transfers.

Target Completion Date: In accordance with SRM-SECY-15-0054-3, staff will complete this action by December 16, 2016.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close this recommendation after verifying that the records requiring transfer have been identified.

Status: Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 1 (f): Complete the Office Instruction for performing mandatory declassification reviews.

Agency Response Dated
July 8, 2016:

The staff agrees with the recommendation. NSIR staff are developing an NSIR Office Procedure that details the process of performing mandatory declassification reviews of agency classified records.

Target Completion Date: Staff will complete this action by September 30, 2016.

OIG Analysis:

The proposed actions meet the intent of the recommendation. OIG will close the recommendation when we receive the Office Instruction.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 2: Develop procedures for how to disposition NRC classified records that other agencies have equity in.

Agency Response Dated
July 8, 2016:

The staff agrees with the recommendation. In response to Commission Tasking SRM-SECY-15-0054-3, which directed staff to expand use of NARA FRCs, OCIO staff, in coordination with NSIR, are currently developing multiple workflows detailing the disposition process for RD and FRD, and NSI. The workflows will be further detailed in respective OCIO Office Procedures. Both the workflows and associated OCIO Office Procedures will outline the process of identifying classified records that other agencies have equity in, and the necessary steps to liaison with other agencies to complete a review of their agency's equities.

Target Completion Date: In accordance with SRM-SECY-15-0054-3, staff will complete this action by December 16, 2016.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that the procedures were developed on dispositioning classified records that other agencies have equity in.

Status: Resolved.

Audit Report

AUDIT OF NRC'S IMPLEMENTATION OF FEDERAL CLASSIFIED INFORMATION LAWS AND POLICIES

OIG-16-A-17

Status of Recommendations

Recommendation 3: Develop guidance for derivative classifiers to apply records management principles to documents created and stored electronically.

Agency Response Dated
July 8, 2016:

The staff agrees with the recommendation. The staff will develop a guidance document regarding the creation and maintenance of electronic classified records and disseminate this information to all derivative classifiers. The guidance document will include marking instructions for classified records in the electronic environment and the application of records management principles to documents created and stored electronically.

Target Completion Date: Staff will complete this action by December 31, 2016.

OIG Analysis:

The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that guidance for derivative classifiers to apply records management principles to documents created and stored electronically was developed.

Status:

Resolved.