



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

**OFFICE OF THE  
INSPECTOR GENERAL**

March 19, 2018

**MEMORANDUM TO:** Victor M. McCree  
Executive Director for Operations

**FROM:** Dr. Brett M. Baker */RA/*  
Assistant Inspector General for Audits

**SUBJECT:** AUDIT OF THE U.S. NUCLEAR REGULATORY  
COMMISSION'S OVERSIGHT OF SOURCE MATERIAL  
EXPORTS TO FOREIGN COUNTRIES  
(OIG-17-A-08)

**REFERENCE:** DIRECTOR, OFFICE OF INTERNATIONAL PROGRAMS,  
MEMORANDUM DATED MARCH 6, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation 1 as discussed in the agency's response dated March 6, 2018. Based on this response, recommendation 1 remains resolved. Recommendations 2, 3, 4, and 5 were previously closed. Please provide an updated status of the resolved recommendation by May 31, 2018.

If you have any questions or concerns, please call me at (301) 415-5915, or Sherri Miotla, Team Leader at (301) 415-5914.

Attachment: As stated

cc: R. Lewis, OEDO  
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## Audit Report

# AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S OVERSIGHT OF SOURCE MATERIAL EXPORTS TO FOREIGN COUNTRIES

OIG-17-A-08

### Status of Recommendations

Recommendation 1: Coordinate among the Office of International Programs (OIP), Office of Nuclear Materials Safety and Safeguards (NMSS), and regional offices, as appropriate, in developing and implementing an export inspection program to include pre-licensing site visits and periodic post-licensing inspections at Part 110 applicant and licensee locations. The pre-licensing visits may only apply to export applicants who do not already possess another NRC license.

Agency Response Dated  
March 6, 2018:

Staff chartered a working group to evaluate resources needed to implement a cost effective export inspection oversight program and to develop options for Commission consideration in a Commission paper. The Commission Paper is undergoing OIP concurrence, and after Office of Executive Director of Operations concurrence, is expected to be submitted to the Commission no later than March 30, 2018.

Target Completion Date: March 30, 2018

CONTACT:

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OIG Analysis:

Based on previous meetings with senior agency officials, OIG and NRC reached a consensus that prelicensing visits are an important aspect of an inspection program. OIG proposed the solution of conducting "random" prelicensing visits at NRC's discretion. NRC was in agreement with this solution and said it would submit this proposal as part of its Commission Paper regarding revisions to the export inspection program. Thus the proposed actions meet the intent of the recommendation.

OIG will close the recommendation after NRC, with Commission approval, identifies its path forward to strengthen the export inspection program through

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**Status of Recommendations**

Recommendation 1 (cont.):

implementation of prelicensing visits, as performed at NRC's discretion.

**Status:** Resolved.