



OFFICE OF THE  
INSPECTOR GENERAL

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

December 21, 2018

MEMORANDUM TO: Maureen E. Wylie  
Chief Financial Officer

Margaret M. Doane  
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATION: AUDIT OF NRC'S  
FISCAL YEAR (FY) 2016 COMPLIANCE WITH IMPROPER  
PAYMENT LAWS (OIG-17-A-13)

REFERENCE: CHIEF FINANCIAL OFFICER'S MEMORANDUM DATED  
NOVEMBER 26, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendation as discussed in the agency's response dated November 26, 2018. Based on this response, recommendation 1 is closed.

If you have questions or concerns, please call me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

Attachments: As stated

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## Audit Report

### AUDIT OF NRC'S FISCAL YEAR (FY) 2016 COMPLIANCE WITH IMPROPER PAYMENT LAWS

OIG-17-A-13

#### Status of Recommendations

Recommendation 1: Evaluate the questioned costs to be recovered under NRC contracts NRC-08-09-306 and NRC-HQ-11-C-08-0057 to determine (1) how the questioned costs affect the agency's improper payment calculation, (2) if these questioned costs should be specifically mentioned in the improper payments section of NRC's FY 2017 Agency Financial Report, and (3) provide OIG with supporting documentation justifying the agency's conclusions.

Agency Response Dated  
November 26, 2018:

NRC has determined that \$644,777 of the questioned costs should be considered improper payments. These improper payments were included in the FY 2018 Agency Financial Report which was published on November 15, 2018. The questioned costs were determined by reviewing all the charges and supporting documentation for a single vendor on two contracts. A breakdown of the costs owed to NRC is reflected in the table below. In addition, supporting documentation was also sent to the OIG on May 4, 2018, and is enclosed.

OIG Analysis: OIG reviewed the FY 2018 Agency Financial Report and supporting documentation. OIG also verified that the Office of the Chief Financial Officer has reported the identified improper payments in the FY 2018 Agency Financial Report. OIG determined the corrective actions meet the intent of this recommendation. Therefore, this recommendation is closed.

**Status:** Closed.