



U. S. Nuclear Regulatory Commission

Office of Inspector General
FY 2018 Performance Report

November 2018

OIG PERFORMANCE REPORT

Fiscal Year 2018

INTRODUCTION

NRC was formed in 1975, in accordance with the Energy Reorganization Act of 1974, to regulate the various commercial and institutional uses of nuclear materials. The agency succeeded the Atomic Energy Commission, which previously had responsibility for both developing and regulating nuclear activities. Under its responsibility to protect public health and safety, NRC has three principal regulatory functions: (1) establish standards and regulations, (2) issue licenses for nuclear facilities and users of nuclear materials, and (3) inspect facilities and users of nuclear materials to ensure compliance with the requirements. These regulatory functions relate both to nuclear power plants and other uses of nuclear materials – like nuclear medicine programs at hospitals, academic activities at educational institutions, research, and such industrial applications as gauges and testing equipment.

NRC's OIG was established as a statutory entity on April 15, 1989, in accordance with the 1988 amendment to the Inspector General Act of 1978. The OIG mission is to (1) independently and objectively conduct and supervise audits and investigations relating to programs and operations; (2) prevent and detect fraud, waste and abuse; and (3) promote economy, efficiency, and effectiveness in agency programs and operations. Since FY 2014, per the Consolidated Appropriations Act, 2014, NRC's OIG has exercised the same authorities with respect to the Defense Nuclear Facilities Safety Board (DNFSB). In addition, OIG reviews existing and proposed regulations, legislation and directives and provides comments, as appropriate, regarding any significant concern.

The Inspector General keeps the NRC Chairman, DNFSB Chairman, and Members of Congress fully and currently informed about problems, makes recommendations to the agency for corrective actions, and monitors NRC's and DNFSB's progress in implementing such actions. In fulfilling this mission, OIG assists the NRC and DNFSB to accomplish their missions by ensuring integrity, efficiency and accountability in the agencies' respective programs.

PROGRAM ACTIVITIES

OIG accomplishes its mission through the conduct of its audit, investigative, and management and operational support programs, as well as its legislative and regulatory review activities. To fulfill its audit mission, OIG conducts performance, financial, and contract audits and evaluations.

To fulfill its investigative mission, OIG conducts investigations relating to the integrity of NRC's and DNFSB's programs and operations. Most OIG investigations focus on allegations of fraud, waste, and abuse and violations of law or misconduct by NRC and DNFSB employees and contractors.

OIG's Strategic Goals, Strategies, and Actions

The NRC-OIG Strategic Plan features three goals and guides the activities of the Audits and Investigations programs. The plan identifies the major challenges and risk areas facing the NRC and generally aligns with the agency's mission.

OIG Strategic Goals

- Strengthen NRC's efforts to protect public health and safety and the environment.
- Enhance NRC's efforts to increase security in response to an evolving threat environment.
- Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

The NRC-OIG Strategic Plan for FY 2014 – 2018¹ presents OIG's priorities for the covered timeframe and describes OIG's strategic direction to stakeholders, including the NRC Chairman, and the U.S. Congress. From this perspective, it presents OIG's results-based business case, explaining the return-on-investment. It also strengthens OIG by providing a shared set of expectations regarding the goals OIG expects to achieve and the strategies that will be used to do so. OIG adjusts the plan as circumstances necessitate, uses it to develop its annual plan and performance budget, and holds managers and staff accountable for achieving the goals and outcomes.

OIG's strategic plan also includes a number of supporting strategies and actions that describe planned accomplishments. Through associated annual planning activities, audit and investigative resources focus on assessing NRC's safety, security, and corporate management programs

¹ On July 25, 2018, OIG issued an updated strategic plan for FY 2019-2023 that covers both NRC and DNFSB. Changes in the new strategic plan include (1) the addition of three strategic goals and revised performance measures for DNFSB, (2) an OIG human capital goal and performance measures, and (3) modification to measure 1 under each of the NRC OIG strategic goals. In the FY 2014-2018 strategic plan, measure 1 assesses the "percentage of OIG products and activities that have a high impact on improving NRC's safety/security/corporate management program." In response to feedback received through the SES Performance Review Board process, OIG has changed its high impact measure for FY 2019-2023 so that there will now be separate measures for "high impact" audit versus investigative activities with distinct definitions of "high impact." We will begin assessing performance against the updated measures beginning in FY 2019 and the new measures and outcomes will be reflected in the FY 2019 performance report.

involving the major challenges and risk areas facing the NRC. The work of OIG auditors and investigators support and complement each other in the pursuit of these objectives.

Strategic Goal 1: Safety

Strengthen NRC's efforts to protect public health and safety and the environment.

Discussion: NRC will continue to face safety challenges in the years ahead related to nuclear reactor oversight, the regulation of nuclear materials, and the handling of nuclear waste. A significant concern for NRC is regulating the safe operation of the Nation's nuclear power plants through an established oversight process developed to verify that licensees identify and resolve safety issues before they adversely affect safe plant operation.

NRC is challenged to address both domestic and international operating experience that informs regulatory activities. NRC must also address license amendment requests to increase the power generating capacity of specific commercial reactors, license renewal requests to extend reactor operations beyond set expiration dates, and the introduction of new technology such as new and advanced reactor designs.

In fulfilling its responsibilities to regulate nuclear materials, NRC must ensure that its regulatory activities regarding nuclear materials and nuclear fuel cycle facilities adequately protect public health and safety. Moreover, NRC's regulatory activities concerning nuclear materials must protect against radiological sabotage and theft or diversion of these materials. The licensing of facilities (e.g., fuel fabrication) with new technologies poses additional challenges.

The handling of nuclear waste includes both high-level and low-level waste. High level radioactive waste is primarily in the form of spent fuel discharged from commercial nuclear power reactors. In the high-level waste area, High-level waste issues include the oversight of interim storage of spent nuclear fuel both at and away from reactor sites, certification of storage and transport casks, and the oversight of the decommissioning of reactors and other nuclear sites. Low-level waste includes items that have become contaminated with radioactive materials or have become radioactive through exposure to neutron radiation. Low-level waste disposal occurs at commercially operated facilities that must be licensed by either the NRC or Agreement States. However, there are currently only four operating low-level waste disposal facilities in the United States.

Strategy 1-1: Identify risk areas associated with NRC's oversight of operating reactors, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess the adequacy of NRC's licensing activities and oversight of licensees' compliance with the license.
- b. Assess the effectiveness of NRC's management of its operating reactor inspection programs and activities and its assessment of licensee ability to timely identify and resolve safety issues.
- c. Assess NRC oversight of vendor material and manufacturing methods used in the maintenance and modification of operating reactors.
- d. Assess the extent and effectiveness of NRC's regulatory preparedness for and response to design basis and beyond design basis events.
- e. Assess NRC's actions to include research activities to identify and address the potential risks associated with aging and obsolescence issues affecting the fleet of current reactors.
- f. Assess NRC's actions to identify and address the potential risks associated with the introduction of new technology into currently operating facilities.
- g. Assess the adequacy of NRC's efforts to prepare for and provide oversight of new and advanced reactors as they become operational.
- h. Monitor NRC activities and gather stakeholder information to identify potential gaps in NRC regulatory oversight. Conduct, as appropriate, investigations and event inquiries when gaps are identified.
- i. Assess stakeholder allegations and NRC staff non-concurrences and Differing Professional Opinions (DPO), and conduct investigations and event inquiries into NRC's oversight of operating reactors.
- j. Assess stakeholder allegations and NRC staff non-concurrences and DPOs, and conduct investigations to ensure NRC regulations and oversight activities address supply chain vulnerabilities to include prevention of counterfeit, fraudulent, and substandard items entering the supply chain.

- k. Assess stakeholder allegations and NRC staff non-concurrences and DPOs, and conduct investigations and event inquiries to determine NRC's efforts in addressing stakeholder and NRC staff safety concerns.
- l. Assess NRC's readiness to effectively and timely review licensee applications for license renewals and power uprates.
- m. Assess NRC's experience in timely identifying and effectively responding to emerging technical and regulatory issues.
- n. Assess NRC actions in its integrating lessons learned from the totality of the events at and associated with the nuclear accident at the Fukushima Dai-ichi facility to include improvements in its regulatory system and the management of its operating reactor inspection programs and activities.
- o. Assess the effectiveness of NRC efforts to facilitate public participation in the regulatory process while protecting information with a potential to impact the safety of NRC regulated facilities.
- p. Assess NRC activities and their effectiveness in fostering an environment both internally and externally where safety issues can be raised without fear of retaliation.

Strategy 1-2: Identify risk areas associated with NRC's oversight of the licensing and construction of new and advanced reactors, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess the extent to which NRC incorporates lessons learned from the licensing and construction process under Parts 50 and 52 and other applicable regulations for ongoing and future design certification, licensing, and construction inspection for new and advanced reactor technologies.
- b. Assess the adequacy of NRC's application acceptance and review process and approval standards to include its timeliness, thoroughness, effectiveness, and transparency.
- c. Assess the adequacy of NRC's development and implementation of a construction inspection program.
- d. Assess the adequacy of NRC's development and implementation of a rigorous quality assurance oversight program.

- e. Assess the environmental review process associated with new and advanced reactor site construction to ensure that NRC carries out its responsibilities.
- f. Assess NRC's actions to address stakeholders' concerns over potential gaps in NRC oversight of new and advanced reactor construction.
- g. Assess NRC oversight of vendor material and manufacturing methods used in the construction of new and advanced reactor plants.
- h. Assess NRC's integration of domestic and international operating experience, generic safety issues, and introduction of new technologies (e.g., digital products) into new and advanced reactor licensing.
- i. Assess allegations and conduct investigations and event inquiries into NRC's oversight of new and advanced reactors.
- j. Assess allegations and conduct investigations to ensure NRC regulations and oversight activities address supply chain vulnerabilities to include prevention of counterfeit, fraudulent, and substandard items entering the supply chain.
- k. Assess the effectiveness of NRC efforts to balance the oversight of new facility construction activities oversight with that for existing major fuel cycle facilities and operating reactors.
- l. Assess NRC activities and their effectiveness in fostering an environment both internally and externally where safety issues can be raised without fear of retaliation.

Strategy 1-3: Identify risk areas facing NRC's oversight of nuclear materials, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess NRC's implementation of programs for controlling, accounting for, tracking, and inspecting nuclear materials to include the National Source Tracking System, Web-based licensing, and the License Verification System.
- b. Assess NRC's licensing and oversight of the construction, startup, and operation of new fuel cycle facilities.

- c. Assess NRC activities concerning the licensing, safety oversight, and aging effects of existing fuel cycle facilities.
- d. Assess impact of the Agreement State program on the safety of materials and on NRC's regulatory activities.
- e. Review NRC and licensee reports and engage interested stakeholders to identify issues of concern in NRC oversight of nuclear material held by NRC licensees.
- f. Through proactive initiatives, determine if NRC provided effective oversight of nuclear materials.
- g. Assess the adequacy and effectiveness of NRC's license application and review process to ensure that only legitimate entities, to include certificate holders, receive NRC byproduct material licenses.
- h. Assess allegations and conduct investigations concerning NRC's oversight of nuclear materials.
- i. Assess NRC activities and their effectiveness in fostering an environment both externally and internally where safety issues can be raised without fear of retaliation.

Strategy 1-4: Identify risk areas associated with NRC's oversight of high-level and low-level waste, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess NRC's activities addressing the DOE application for authorization to construct a geologic repository for high-level waste.
- b. Assess NRC's regulatory activities involving any interim or permanent repository facilities designated to receive high-level waste.
- c. Assess the key issues affecting the safe management of civilian low-level waste disposal, including the availability of low-level radioactive waste disposal sites.
- d. Assess NRC's oversight of nuclear waste issues associated with the decommissioning and cleanup of nuclear reactor sites and other facilities.

- e. Assess allegations and conduct investigations and event inquiries to determine NRC's effectiveness in addressing stakeholder concerns regarding low-level and high-level waste issues.
- f. Assess NRC activities and their effectiveness in fostering an environment both internally and externally where safety issues can be raised without fear of retaliation.
- g. Assess NRC's oversight of the certification of storage and transportation casks.

Strategic Goal 2: Security

Enhance NRC's efforts to increase security in response to an evolving threat environment.

Discussion: NRC must ensure that nuclear power and materials licensees take adequate measures to protect their facilities against radiological sabotage. In a threat environment where adversaries' tactics and capabilities rapidly evolve, NRC faces the challenge of adapting to dynamic threats while also maintaining a stable security oversight regime commensurate with the agency's mission as a fair and impartial regulator. In addition, NRC aims to balance its security oversight obligations with a duty to share information with public stakeholders about threats to the Nation's nuclear power and materials sectors.

NRC plays a critical role in overseeing and supporting the emergency preparedness and incident response capabilities of nuclear power plant operators and the integration of their plans with government agencies in light of the prospect of natural disasters and terrorist threats. In addition, NRC must protect its infrastructure and take the necessary steps to ensure that its staff, facilities, and information technology assets are adequately protected against projected threats and provide for the maintenance of operations.

NRC has well-established inspection programs for evaluating the physical, information, and personnel security activities of nuclear power and materials licensees. However, the agency developed a cyber security directorate, and implemented an inspection program to evaluate the security of information technology used to operate nuclear power plants. This nascent cyber security program will face implementation challenges common to new inspection programs, such as communicating new requirements to licensees, conducting inspections in a consistent manner, and allocating sufficient resources to sustain the inspection program beyond its initial years. Cyber security also entails unique oversight challenges related to the mix of digital and analog systems at different nuclear power plants, as well as the need for NRC to understand in depth how digital equipment upgrades will impact plant operations and security. Lastly, the complexity of digital systems and possible interfaces with licensees'

administrative, security, and operations systems requires that NRC carefully test for vulnerabilities without compromising licensees' digital networks.

Strategy 2-1: Identify risk areas involved in effectively securing both new and operating nuclear reactors, nuclear fuel cycle facilities, and nuclear materials, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess the adequacy of NRC's oversight activities with regard to the security of nuclear materials, operating reactors, and nuclear fuel cycle facilities.
- b. Assess the comprehensiveness of NRC's threat assessment and the process for keeping it up to date.
- c. Assess the adequacy of regulations to respond to an evolving threat environment and the extent to which NRC is making appropriate adjustments.
- d. Assess the key issues affecting the secure management of civilian low-level waste disposal.
- e. Assess NRC's coordination with other agencies.
- f. Where appropriate, conduct investigations and event inquiries designed to address NRC's efforts in providing oversight of licensee security responsibilities.
- g. Assess the adequacy of NRC oversight activities to ensure that security is incorporated into the design and construction of new facilities.
- h. Assess the adequacy of NRC efforts to develop and implement a comprehensive cyber security program for nuclear power plants and fuel cycle facilities.
- i. Assess NRC activities and their effectiveness in fostering an environment both internally and externally where security can be raised without fear of retaliation.
- j. Through proactive initiatives, determine if NRC provided effective oversight against radiological sabotage and theft or diversion of materials.

Strategy 2-2: Identify risk areas associated with maintaining a secure infrastructure (i.e., physical security, personnel security, and information security), and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess how NRC manages threats to its facilities, personnel, and information systems.
- b. Assess the extent to which NRC effectively implements physical, personnel, and information security controls and procedures.
- c. As appropriate, conduct investigations into internal and external cyber breaches of NRC's infrastructure.
- d. As appropriate, conduct investigations into misconduct involving physical and personnel security.

Strategy 2-3: Identify risks associated with emergency preparedness and incident response, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess NRC's management of emergency preparedness guidelines, regulations, and programs. Assess NRC's efforts to prepare for responding to nuclear incidents including training, system reliability and interoperability, personnel availability, and response team organization and coordination.
- b. Assess NRC's management of coordination with Federal, State, and local governments and licensees.
- c. As appropriate, conduct investigations related to NRC's addressing and responding to emergencies and nuclear incidents.

Strategy 2-4: Identify risks associated with international activities related to security, and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess NRC's management of controls on the import and export of nuclear materials.
- b. Assess NRC involvement with international assistance including material control

and accountability and incident response.

- c. As appropriate, conduct investigations concerning NRC activities and oversight of the proliferation, import, and export of nuclear materials.

Strategic Goal 3: Corporate Management
Increase the economy, efficiency, and effectiveness with which NRC manages and exercises stewardship over its resources.

Discussion: NRC faces significant challenges to efficiently, effectively, and economically manage its corporate resources within the parameters of its budget. NRC must continue to provide infrastructure and support to accomplish its regulatory mission while responding to changes in the Nation's spent fuel policy, reliance on nuclear energy, and security threat environment.

Addressing the corporate resource challenges of human capital, information management, and financial management will necessitate foresight and flexibility and a strategic approach to managing change during the strategic planning period. NRC must mitigate the loss of retiring senior experts and managers by enhancing its knowledge management, lessons learned, and training programs, along with attracting and retaining staff with the necessary competencies. NRC also needs to continue upgrading and modernizing its information technology resources for employees and to support public access to the regulatory process. Finally, the agency needs to continue to improve its management and control over financial resources and procurement practices.

NRC will need to address changes caused by internal and external factors that will challenge the agency's ability to achieve its goals efficiently and effectively.

OIG will target corporate management risk areas for audits and investigations, to fulfill its statutory responsibility to evaluate the agency's financial management, and work with NRC to identify and improve weaknesses.

Strategy: 3-1: Identify areas of corporate management risk within NRC and conduct audits and investigations that lead to NRC program improvements.

Actions:

- a. Assess NRC's management of human capital to include training and development programs, knowledge management, and recruiting and retention activities.

- b. Assess NRC's financial management practices to include development and collection of fees and budget processes.
- c. Provide reasonable assurance that NRC's financial statements are presented fairly in all material aspects.
- d. Assess NRC's development, implementation, and lifecycle management of information technology tools and systems.
- e. Assess NRC management systems to ensure the agency effectively uses best practices for common business processes such as the systematic approach to training, project management, knowledge management, and process improvement.
- f. Assess NRC's management of administrative functions to include procurements, property, and facilities.
- g. Assess allegations and conduct criminal and administrative investigations of misuse of NRC's corporate resources pertaining to human resources, procurement, financial management, and information technology.
- h. Assess the efficiency and effectiveness of NRC's management of changes caused by internal and external factors.
- i. Reduce instances of fraud, waste, and abuse through criminal and administrative investigations or proactive initiatives.
- j. Assess NRC activities and their effectiveness in fostering an environment where corporate management issues can be raised without fear of retaliation.

PERFORMANCE DATA

The following tables include the strategic goals, measures, and targets for the current strategic plan. They also provide actual performance data for FY 2014-FY 2018.

OIG Strategic Goal 1: Strengthen NRC's Efforts To Protect Public Health and Safety and the Environment					
	2014	2015	2016	2017	2018
Measure 1. Percentage of OIG products and activities that have a high impact¹ on improving the NRC's safety program.					
Target	85%	85%	85%	85%	85%
Actual	100%	100%	100%	100%	91%
Measure 2. Percentage of audit recommendations agreed to by the agency.					
Target	92%	92%	92%	92%	92%
Actual	36% ²	86% ³	100%	95%	100%
Measure 3. Percentage of final agency actions taken within 2 years on audit recommendations.					
Target	70%	70%	70%	70%	70%
Actual	33% ⁴	47% ⁵	76%	75%	67% ⁶
Measure 4. Percentage of agency actions taken in response to investigative reports.					
Target	90%	90%	90%	90%	90%
Actual	100%	100%	100%	0% ⁷	N/A
Measure 5. Percentage of active cases completed in less than 18 months on average.					
Target	90%	90%	90%	90%	90%
Actual	50% ⁸	50% ⁹	60% ¹⁰	0% ¹¹	83% ¹²
Measure 6. Percentage of closed investigations referred to DOJ or other relevant authorities.					
Target	20% ¹³	20%	20%	20%	20%
Actual	N/A	N/A	N/A	N/A	0% ¹⁴
Measure 7. Percentage of closed investigations resulting in indictments, convictions, civil suits or settlements, judgments, administrative actions, monetary results or IG clearance letters.¹⁵					
Target	60%	60%	60%	60%	60%
Actual	100%	50%	100%	0% ¹⁶	0% ¹⁷

OIG Strategic Goal 2: Enhance NRC's Efforts To Increase Security in Response To an Evolving Threat Environment					
	2014	2015	2016	2017	2018
Measure 1. Percentage of OIG products and activities that have a high impact on improving the NRC's security program.					
Target	85%	85%	85%	85%	85%
Actual	100%	100%	91%	100%	100%
Measure 2. Percentage of audit recommendations agreed to by the agency.					
Target	92%	92%	92%	92%	92%
Actual	100%	100%	100%	100%	100%
Measure 3. Percentage of final agency actions taken within 2 years on audit recommendations.					
Target	70%	70%	70%	70%	70%
Actual	70%	82%	64% ¹⁸	55% ¹⁹	88%
Measure 4. Percentage of agency actions taken in response to investigative reports.					
Target	90%	90%	90%	90%	90%
Actual	100%	100%	100%	N/A	N/A
Measure 5. Percentage of active cases completed in less than 18 months on average.					
Target	90%	90%	90%	90%	90%
Actual	75% ²⁰	100%	80% ²¹	100%	N/A
Measure 6. Percentage of closed investigations referred to DOJ or other relevant authorities.					
Target	20%	20%	20%	20%	20%
Actual	N/A	N/A	100%	50%	N/A
Measure 7. Percentage of closed investigations resulting in indictments, convictions, civil suits or settlements, judgments, administrative actions, monetary results or IG clearance letters.²²					
Target	60%	60%	60%	60%	60%
Actual	100%	100%	100%	33% ²³	N/A

OIG Strategic Goal 3: Improve the Economy, Efficiency, and Effectiveness With Which NRC Manages and Exercises Stewardship Over Its Resources					
	2014	2015	2016	2017	2018
Measure 1. Percentage of OIG products and activities that have a high impact on improving the NRC's corporate management program.					
Target	85%	85%	85%	85%	85%
Actual	74% ²⁴	87%	85%	93%	88%
Measure 2. Percentage of audit recommendations agreed to by the agency.					
Target	92%	92%	92%	92%	92%
Actual	100%	100%	100%	100%	100%
Measure 3. Percentage of final agency actions taken within 2 years on audit recommendations.					
Target	70%	70%	70%	70%	70%
Actual	90%	90%	80%	81%	62% ²⁵
Measure 4. Percentage of agency actions taken in response to investigative reports.					
Target	90%	90%	90%	90%	90%
Actual	100%	100%	100%	89% ²⁶	100%
Measure 5. Percentage of active cases completed in less than 18 months on average.					
Target	90%	90%	90%	90%	90%
Actual	91%	58% ²⁷	78% ²⁸	85% ²⁹	72% ³⁰
Measure 6. Percentage of closed investigations referred to DOJ or other relevant authorities.					
Target	20% ³¹	20%	20%	20%	20%
Actual	27%	28%	45%	44%	12% ³²
Measure 7. Percentage of closed investigations resulting in indictments, convictions, civil suits or settlements, judgments, administrative actions, monetary results or IG clearance letters.					
Target	60% ³³	60%	60%	60%	60%
Actual	100%	73%	71%	70%	46% ³⁴

FY 2018 BUDGET RESOURCES

The following table depicts the relationship of the Inspector General program and associated FY 2018 budget resources to the OIG's strategic and general goals.

Program Links to Strategic and General Goals (\$K)	OIG Strategic and General Goals		
	Advance NRC's Safety Efforts (\$K)	Enhance NRC's Security Efforts (\$K)	Improve NRC's Corporate Management (\$K)
FY 2018 Programs (\$11,728; 58 FTE)			
Audits (\$7,886; 37 FTE)	\$3,204 18.5 FTE	\$1,273 6.5 FTE	\$3,409 12.0 FTE
Investigations (\$3,842; 21 FTE)	\$1,495 8.0 FTE	\$0.640 3.5 FTE	\$1,707 9.5 FTE

Verification and Validation of Measured Values and Performance

OIG uses an automated management information system to capture program performance data for the Audits and Investigations Programs. The integrity of the system was thoroughly tested and validated prior to implementation. Reports generated by the system provide both detailed information and summary data. All system data are deemed reliable.

CROSS-CUTTING FUNCTIONS WITH OTHER GOVERNMENT AGENCIES

NRC OIG has cross-cutting functions with other law enforcement agencies. For example, OIG provides investigatory case referrals to the Department of Justice (DOJ). It also coordinates investigative activities with U.S. Attorneys' offices, as well as with other agencies as required.

PEER REVIEWS

An independent audit peer review performed in September 2015 by the Federal Communications Commission OIG found that the Audits Program's system of quality control provided reasonable assurance that audits were conducted in accordance with applicable professional standards.

In addition, an independent investigative peer review was conducted in October 2016 by the Tennessee Valley Authority OIG. The program was found to be in full compliance with quality standards established by the Council of the Inspectors General on Integrity and Efficiency and the Attorney General Guidelines for Offices of Inspectors General with Statutory Law Enforcement Authority.

CONCLUSION

OIG met half (50 percent) of its audit and investigative program measures for FY 2018 by meeting 8 of 16 measurable items (5 investigative items were not measurable because there were no investigations applicable to the measure during FY 18). Of the eight measures that were not met, two audit related measures were not met because the associated audit recommendations, by their nature, required more than 2 years for agency final action; two investigative measures were not met because the cases did not develop evidence warranting referral, two were not met because investigative outcomes were inconclusive, and in one instance, the agency did not take action when misconduct was identified. With regard to the remaining two investigative measures that were not met, both pertained to investigative timeliness and in both cases, OIG came closer to meeting this target than in prior years, thereby validating this "stretch" target as a motivator to improve investigative timeliness. OIG continuously reviews its strategic plan to ensure that its goals and work strategies continue to add value to NRC in carrying out its important safety and security mission.

¹ High impact is the effect of an issued report or activity undertaken that results in: a) confirming risk areas or management challenges that caused the agency to take corrective action, b) real dollar savings or reduced regulatory burden, c) identifying significant wrongdoing by individuals that results in criminal or administrative action, d) clearing an individual wrongly accused, or e) identifying regulatory actions or oversight that may have contributed to the occurrence of a specific event or incident or resulted in a potential adverse impact on public health or safety.

² The agency required more than 90 days to resolve two of the five recommendations in the Audit of NRC's Management of Licensee Commitments prior to resolution. Subsequently, all five recommendations were resolved.

³ The agency required more than 90 days to resolve two of two recommendations in the Audit of NRC's Oversight of Active Component Aging. Subsequently, all two recommendations were resolved.

⁴ The agency required more than 2 years for final action on one of four recommendations in the Audit of NRC's Issuance of General Licenses. Final action was completed in October 2014.

⁵ The agency required more than 2 years for final action on six of six recommendations in the Audit of NRC's Oversight of Industrial Radiography. Final action was completed in October 2015.

⁶ Several audit reports included recommendations that required more than 2 years for the agency to finalize action on. These recommendations are now closed.

⁷ Only one case was applicable to this measure and the agency did not take action in response to the report.

⁸ Of four active investigation cases measured in the safety arena for the year, two cases were closed in less than 18 months, which resulted in an achievement rate of 50 percent.

⁹ Of two active investigative cases measured in the safety arena for the year, one case was closed in less than 18 months, which resulted in an achievement rate of 50 percent.

¹⁰ The complexity of two investigations required additional time to close these investigations.

¹¹ There was only one case applicable to this measure; the case was not closed within 18 months, resulting in a measure of 0 percent.

¹² Five out of six cases were closed within 18 months. The sixth case took longer due to case complexity and the ongoing nature of the issue.

¹³ In FY 2014, OIG began to measure closed investigations that resulted in a referral to the Department of Justice, State or local law enforcement officials, or relevant administrative authority.

¹⁴ Neither of the safety related investigations warranted referral because neither identified a criminal violation of law.

¹⁵ Starting in FY 2014, OIG began measuring the percentage of closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result. Starting in FY 2017, OIG added closed investigations that resulted in IG clearance letters to this measure. A clearance letter is a document provided to an employee in cases where an investigation is initiated in response to an allegation of employee misconduct and the misconduct is not substantiated.

¹⁶ Only one case was applicable to this measure and it did not result in any of the listed outcomes.

¹⁷ Four technical cases focused on safety related procedures; none involved had individual misconduct and none were substantiated.

¹⁸ One audit recommendation required additional time to close. This recommendation has since been closed.

¹⁹ Four of eight recommendations on the Independent Evaluation of NRC's Implementation of the Federal Information Security Management Act (FISMA) for Fiscal Year 2012 required additional time to close. These four recommendations have since been closed.

²⁰ Of the four active investigative cases measured in the security arena for the year, three cases were closed in less than 18 months, which resulted in an achievement rate of 75 percent.

²¹ The complexity of one investigation required additional time to close this investigation.

²² Starting in FY 2014, OIG began measuring the percentage of closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result. Starting in FY 2017, OIG added closed investigations that resulted in IG clearance letters to this measure. A clearance letter is a document provided to an employee in cases where an investigation is initiated in response to an allegation of employee misconduct and the misconduct is not substantiated.

²³ Only one of three closed investigations resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result which resulted in an achievement rate of 33 percent.

²⁴ Starting in FY 2010, a more rigorous standard was applied for the impact of investigations in the corporate management arena.

²⁵ Several audit reports included recommendations that require more than 2 years for the agency to finalize action on. The agency is working to finalize actions so that these recommendations can be closed.

²⁶ One of nine investigative cases resulted in no action taken in response to an investigative report which resulted in an 89 percent achievement rate.

²⁷ In the corporate management arena, OIG needed more than 18 months to complete active cases on average for 18 of 31 cases.

²⁸ The complexity of several investigations required additional time to close these investigations.

²⁹ The complexity of several investigations required additional time to close these investigations.

³⁰ The complexity of several investigations required additional time to close.

³¹ In FY 2014, OIG began to measure the percentage that resulted in a referral for action to the Department of Justice, State or local law enforcement officials or relevant administrative authority.

³² Although we initially identified 17 cases with potential criminal violations, only 2 developed sufficient evidence to warrant referral.

³³ Starting in FY 2014, OIG began measuring the percentage of closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result. Starting in FY 2017, OIG added closed investigations that resulted in IG clearance letters to this measure. A clearance letter is a document provided to an employee in cases where an investigation is initiated in response to an allegation of employee misconduct and the misconduct is not substantiated.

³⁴ Two investigations were inconclusive; therefore, a clearance letter could not be issued. In another case, misconduct was identified; however, the agency did not take action.