



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

September 30, 2019

MEMORANDUM TO: Dr. Brett M. Baker  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: John W. Lubinski, Director */RA Robert Lewis for/*  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: STATUS OF THE STAFF RESPONSE TO THE OFFICE OF THE  
INSPECTOR GENERAL FINAL REPORT: "AUDIT OF THE U.S.  
NUCLEAR REGULATORY COMMISSION'S PROCESS FOR  
REIMBURSING AGREEMENT STATE PERSONNEL TRAINING  
EXPENSES" (OIG-18-A-18)

On September 12, 2018, the Office of the Inspector General (OIG) issued "Audit of NRC's Process for Reimbursing Agreement State Personnel." The objective of the audit was to assess the effectiveness and efficiency of the Nuclear Regulatory Commission's (NRC) process for reimbursing Agreement State staff who attend NRC-sponsored training. OIG found that NRC has a process in place for reimbursing Agreement State staff who attend NRC-sponsored training; however, opportunities for improvement exist regarding the efficiency of the reimbursement process.

When Agreement State staff attend NRC-sponsored training, NRC reimburses the staff at the Federal per diem rate for lodging and meals and incidentals. Some Agreement States have policies in place that require employees to surrender their Federal per diem travel reimbursement to the State. The State then reimburses the employee at the State per diem rate, which is typically lower than the Federal per diem rate. There is a delta between the Federal per diem rate and most State per diem rates and these States normally keep the difference between the Federal and State per diem.

OIG Recommendation:

Conduct a cost-benefit analysis to evaluate alternative Agreement State reimbursement options, such as establishment of contracts with individual Agreement States, to facilitate reimbursement at the State per diem rate not to exceed the Federal per diem rate.

Current Status:

The staff has completed the survey of the Agreement States on their per diem rate(s) and whether they have a policy that prohibits their staff from receiving travel reimbursements at any rate other than the prescribed State per diem rate, and a cost-benefit analysis of establishing travel expense reimbursement contracts with Agreement States.

CONTACT: Jeff Lynch, NMSS/MSST  
301-415-5041

The survey results indicate that six states have policies that prohibit their staff from receiving travel reimbursements other than the prescribed state per diem rate. The results of the cost-benefit analysis indicate that it is not cost effective to establish travel expense reimbursement contracts with Agreement States. Therefore, the NRC does not plan to make any changes to its reimbursement program.

Next Steps:

None.

Target date for completion:

Staff has completed its response to this recommendation and plans no further action.

Enclosure:

1. Cost Benefit Analysis on Agreement Travel Reimbursement Contracts

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GENERAL FINAL REPORT: "AUDIT OF U.S. NUCLEAR REGULATORY  
COMMISSION'S PROCESS FOR REIMBURSING AGREEMENT STATE  
PERSONNEL TRAINING EXPENSES" (OIG-18-A-18)  
DATED: SEPTEMBER 30, 2019**

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| OFFICE | NMSS/MSST | NMSS/MSST | NMSS/MSST | Tech Ed | NMSS      |
| NAME   | JLynch    | PMichalak | AKock     | CGoode  | JLubinski |
| DATE   | 8/27/19   | 9/16/19   | 9/20/19   | 9/23/19 | 9/30/19   |

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