

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

TN: DT-93-30

To: Management Directive System Custodians and All Employees

Subject: Transmittal of Management Directive 7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals"

Purpose: Directive and Handbook 7.4 replace Manual Chapter and Appendix 0702 to reflect the responsibilities and authorities contained within the Inspector General Act of 1978, as amended. The OIG was established as a statutory entity on April 15, 1989, creating an independent and objective unit with the NRC. The new directive provides guidance on reporting suspected wrongdoing to the OIG and describes management responsibilities in handling OIG investigative referrals.

Office of Origin: Office of the Inspector General

Contact: Maryann L. Grodin, 492-7668

Date Approved: October 20, 1993

Volume: 7 Legal and Ethical Guidelines

Directive: 7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals"

Availability: Distribution Unit, 49-27333

OFFICE OF ADMINISTRATION

Reporting Suspected Wrongdoing and Processing OIG Referrals

Directive

(Formerly
MC 0702) **7.4**

Contents

Policy	1
Objectives	1
Organizational Responsibilities and Delegations of Authority	1
The Inspector General	1
The Assistant Inspector General for Investigations	2
The Assistant Inspector General for Audits	2
The Director of Resource Management and Operational Support Staff	2
Legal Counsel	3
The Chairman, as Head of the Establishment	3
Office Directors and Regional Administrators	3
Applicability	3
Employees	3
Handbook	4
References	4



U. S. Nuclear Regulatory Commission

Volume: 7 Legal and Ethical Guidelines

OIG

Reporting Suspected Wrongdoing and Processing OIG Referrals Directive 7.4

Policy

(7.4-01)

It is the responsibility of the Inspector General of the U.S. Nuclear Regulatory Commission (NRC) to recommend policies and to perform certain duties to prevent and detect fraud, waste, and abuse in NRC's programs and operations as required by the Inspector General Act of 1978, as amended.

Objectives

(7.4-02)

- To provide guidelines for reporting suspected wrongdoing to the OIG. (021)
- To describe NRC management responsibilities in handling OIG investigative referrals. (022)

Organizational Responsibilities and Delegations of Authority

(7.4-03)

The Inspector General

(031)

- Provides policy direction for and conducts, supervises, and coordinates audits, inspections, and investigations relating to all NRC programs and operations. (a)
- Reviews existing and proposed regulations and makes recommendations concerning their impact on the economy and efficiency of NRC programs and operations and on the prevention of fraud and abuse in such programs and operations. (b)

Volume 7, Legal and Ethical Guidelines
Reporting Suspected Wrongdoing and
Processing OIG Referrals
Directive 7.4

The Inspector General
(031) (continued)

- Recommends policies for and conducts, supervises, or coordinates other activities to promote economy and efficiency in the administration of NRC programs and operations. (c)
- Ensures that the Chairman and the Congress are fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of NRC programs and operations, and recommends corrective actions and reports on progress made in the implementation of corrective actions. (d)
- Complies with General Accounting Office (GAO) standards for audits of Federal establishments, organizations, programs, activities, and functions, and refers potential criminal matters to the Department of Justice. (e)

**The Assistant Inspector General
for Investigations**
(032)

- Supervises the conduct of investigative and inspection activities relating to NRC programs and operations. (a)
- Provides advice and assistance to the Inspector General on all matters concerning investigations and inspections conducted by the OIG. (b)

The Assistant Inspector General for Audits
(033)

- Supervises the performance of auditing activities relating to NRC programs and operations. (a)
- Provides advice and assistance to the Inspector General on all audit functions within the OIG. (b)

**The Director of Resource Management and
Operational Support Staff**
(034)

- Provides all administrative and operational support for OIG programs, including personnel, security, resource management, budgeting, automatic data processing (ADP) coordination, space, property, and telecommunications support. (a)

**The Director of Resource Management and
Operational Support Staff**
(034) (continued)

- Develops OIG policy for each of these areas. (b)
- Prepares the OIG semiannual report to Congress. (c)

Legal Counsel
(035)

- Serves as legal advisor to the OIG. (a)
- Provides advice and assistance to the Inspector General on all legal issues arising within the OIG. (b)

The Chairman, as Head of the Establishment
(036)

- Provide access to documents and information and assistance to the OIG. (a)
- Ensure employee cooperation with the OIG. (b)

**Office Directors and
Regional Administrators**
(037)

- Refer appropriate matters for investigation to the OIG. (a)
- Respond to management referrals received from the Assistant Inspector General for Investigations that require followup action. (b)

Applicability
(7.4-04)

Employees
(041)

This directive and handbook apply to and must be followed by all NRC headquarters, regional office, and contractor employees and other individuals and establishments funded by NRC.

Handbook

(7.4-05)

Procedures for reporting suspected wrongdoing and processing OIG referrals are contained in Handbook 7.4.

References

(7.4-06)

1. The Inspector General Act of 1978, as amended (5 U.S.C. App.).
2. "Conduct of Employees," 10 CFR Part 0, and references cited therein.
3. "Office of the Inspector General," 10 CFR 1.12.
4. "Standards of Ethical Conduct for Employees of the Executive Branch" (5 CFR Part 2635).
5. NRC Management Directive 10.99, "Discipline, Adverse Actions, and Separations" (formerly MC 4171).

Reporting Suspected Wrongdoing and Processing OIG Referrals

Handbook

(Formerly
Appendix 0702) **7.4**

Contents

Procedures for Reporting Suspected Wrongdoing and Processing OIG Referrals	1
Reporting Suspected Wrongdoing (A)	1
Distribution of Investigative Reports (B)	2
Clearance Letters (C)	2

Procedures for Reporting Suspected Wrongdoing and Processing OIG Referrals

Reporting Suspected Wrongdoing (A)

Office and division directors are required to report to the OIG all complaints concerning fraud, graft, corruption, diversion of NRC assets by NRC employees or contractors, and misconduct covered under the Inspector General Act. (1)

Reports of alleged violations should be made in writing directly to the OIG. NRC employees may make such reports either through their office or division directors or directly to the OIG. Directors receiving such allegations must forward them directly to the OIG. The OIG Hotline number is 1-800-233-3497. The information provided to the OIG should be sufficient for an investigator to evaluate or to act on the call or referral. (2)

The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation. Furthermore, no action may be taken against an employee for having made a complaint or for disclosing information to the OIG. However, disciplinary action may be imposed for knowingly making a false complaint or providing false information. (3)

Once an OIG investigation has begun, the responsibility of investigating suspected wrongdoing belongs to the OIG, not to the reporting employee or his or her supervisors. This provision is not intended to preclude normal supervisory actions nor appropriate responses to health, safety, or national security matters. If an individual employee becomes aware of an OIG investigation, he or she should not engage in any independent inquiry or investigation once the matter has been reported to the OIG until either the investigation is concluded or the employee is informed that OIG has declined to pursue the investigation. Employees should also avoid

Reporting Suspected Wrongdoing (A) (continued)

discussing the matter with the person or persons suspected of wrongdoing. They should, however, continue to be vigilant and report any followup information to the OIG. (4)

Distribution of Investigative Reports (B)

Investigative reports contain sensitive and/or personal information and distribution may be restricted by the Privacy Act, 5 U.S.C. 552(a). Access is always limited to those with an official need to know. When an allegation of misconduct is confirmed and the matter is referred to the NRC for administrative review, a "Report of Investigation" will be transmitted to the appropriate NRC management official. Unless the report involves a Commission-level office or employee, a copy of the report will not routinely be provided to the Chairman's office. However, exceptions may be made for cases of particular significance. (1)

Unlike OIG audit reports, investigative reports are not distributed for agency comment. Managers who receive an OIG investigative report for consideration of administrative action must restrict its distribution to those NRC officials and employees deemed necessary to properly determine whether an administrative action is appropriate. Questions regarding appropriate use of OIG reports should be directed to the IG. If an administrative action is deemed appropriate, managers must coordinate with the Office of Personnel before initiating administrative action. Managers should refer to Management Directive 10.99, "Discipline, Adverse Actions, and Separations," for further guidance. (2)

Reports may be distributed by the OIG to the Congress in cases of fraud and other serious matters. (3)

Clearance Letters (C)

Under certain circumstances, the OIG may send a "clearance letter" to the manager and a copy to the employee. Generally, the OIG issues a clearance letter if—(1)

- No wrongdoing is found against a particular employee; (a)
- The OIG closes the case without issuing a report; and (b)
- The employee or the manager was aware of the allegation being investigated. (c)

Clearance Letters (C) (continued)

When a manager is notified by the OIG that an employee he or she supervises has been cleared of wrongdoing by an OIG investigation, the manager is responsible for promptly advising the employee. (2)