



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

February 18, 2022

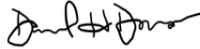
MEMORANDUM TO: Andrea Veil, Director  
Office of Nuclear Reactor Regulation

John Lubinski, Director  
Office of Nuclear Material Safety and Safeguards

Mirela Gavrilas, Director  
Office of Nuclear Security and Incident Response

Mark Lombard, Director  
Office of Enforcement

Tracy Higgs, Director  
Office of Investigations

FROM: Daniel H. Dorman  Signed by Dorman, Dan  
Executive Director for Operations on 02/18/22

SUBJECT: TASKING IN RESPONSE TO SPECIAL INQUIRY INTO  
COUNTERFEIT, FRAUDULENT, AND SUSPECT ITEMS IN  
OPERATING NUCLEAR POWER PLANTS

This tasking is in response to the special inquiry by of the Office of the Inspector General (OIG), "Special Inquiry into Counterfeit, Fraudulent, and Suspect Items (CFSI) in Operating Nuclear Power Plants" (Case No. 20-022). Concurrently with this inquiry, the OIG completed an audit (OIG-22-A-06), Audit of the Nuclear Regulatory Commission's Oversight of Counterfeit, Fraudulent, and Suspect Items at Nuclear Power Reactors, that assessed whether the NRC's oversight activities reasonably assure nuclear power reactor licensees' programs can mitigate the risk of CFSI in operating reactors, those under construction, and those completed but not yet online. The audit found the NRC should improve its oversight of CFSI by clarifying and communicating how the agency collects, assesses, and disseminates information regarding CFSI, and by improving staff awareness of CFSI and its applicability to inspections. The special inquiry further stated that there are earlier identified potential gaps in the NRC's regulatory framework that are yet to be resolved.

CONTACT: Caty Nolan, OEDO  
301-415-1535

The offices should work together to review the information in the special inquiry and audit to assess the information in both reports. These actions include the following:

1. The Office of Nuclear Reactor Regulation should conduct a LIC-504 review, "Integrated Risk-Informed Decisionmaking Process for Emergent Issues," to assess whether there are any immediate safety concerns for reactor facilities.
2. The Office of Nuclear Material Safety and Safeguards should conduct an evaluation to assess if there are any immediate safety concerns or items of risk significance for facilities within its programs.
3. Collectively, the offices should assess the risk posed by CFSI and provide recommendations, that may be warranted, on the current oversight program or related agency processes for CFSI. The review should be informed by that latest status of agency actions described in SECY-15-0003, "Staff Activities Related to Counterfeit, Fraudulent, and Suspect Items," as appropriate. Please include a basis for any recommendations or decisions on whether changes are needed.
4. The Office of Enforcement should review the allegations cited in the special inquiry to verify proper handling of the cases and determine if any revisions to the Allegation Process are necessary.

The offices should provide the results of items 1 and 2 above to OEDO management two weeks after the date of issuance of this tasking. Staff should provide a mid-project status briefing to the EDO. The final report is to be provided to the EDO by April 4, 2022, to support the staff's response to the OIG due April 11, 2022.

cc: A. Vietti-Cook, SECY  
M. Zabler, OGC  
R. Feitel, OIG

SUBJECT: TASKING IN RESPONSE TO SPECIAL INQUIRY INTO COUNTERFEIT, FRAUDULENT, AND SUSPECT ITEMS IN OPERATING NUCLEAR POWER PLANTS DATED FEBRUARY 18, 2022

**DISTRIBUTION:**

- Public
- D.Dorman
- D.Roberts
- C.Haney
- S.Miotla
- A.Riveria-Varona
- C.Nolan
- K. Morgan-Butler
- RidsSecyMailCenter Resource
- RidsNrrMailCenter Resource
- RidsNmssMailCenter Resource
- RidsOeMailCenter Resource
- RidsOiMailCenter Resource
- RidsNsirMailCenter Resource
- RidsOcaMailCenter Resource

**ADAMS Accession No.: ML22048A484**

<b>OFFICE</b>	OEDO	OEDO	OEDO
<b>NAME</b>	C. Nolan KMB for	K. Morgan-Butler	DDorman
<b>DATE</b>	2/17/2022	02/17/22	2/18/2022

**OFFICIAL RECORD COPY**