

**STATUS OF RECOMMENDATIONS:
OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF
THE U.S. NUCLEAR REGULATORY COMMISSION'S
PROHIBITED SECURITY OWNERSHIP PROCESS (OIG-21-A-17)**

Recommendation 1:

Clarify roles and responsibilities for completion, tracking, and retention of security ownership forms.

Response: The revised and updated OCHCO Desk Guide clarifies the roles and responsibilities for completion, tracking, and retention of security ownership forms. OGC and OCHCO aligned on the updated and revised Desk Guide to ensure clarity on roles and responsibilities, and retention requirements. The document has been finalized.

Status: Complete

Points of Contact:

Carrie Safford
Meghan Creedon

Recommendation 2:

Develop and implement quality assurance measures for the prohibited securities process to ensure staff adherence to timeliness metrics and ethics guidance.

Response: Quarterly meetings between OGC and OCHCO have been established to engage in discussions ensuring that (1) security ownership certification forms are being distributed to and collected from new employees and provided to OGC Ethics, and (2) OGC is notified by OCHCO of existing employees moving into positions subject to the prohibited securities rule, and that the security ownership form has been provided to the employee by OCHCO.

Status: Meetings are scheduled for June 14, 2022; September 13, 2022; December 13, 2022; and March 14, 2023.

Points of Contact:

Carrie Safford
Meghan Creedon

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Recommendation 3:

Develop and implement quality assurance measures to ensure adequate monitoring of prohibited securities records including record retention and external audit capability.

Response: General Records Schedule (GRS) 2.8 (Employee Ethics Records) was added to the Program Management folder in the Ethics SharePoint site. An email to the ethics team was sent on December 23, 2021, alerting them to the location of the document and the records retention requirements. The records retention requirements in GRS 2.8 as well as GRS 2.6 (Employee Training Records) were also discussed in monthly ethics team meetings.

Status: Complete

Points of Contact:

Carrie Safford
Meghan Creedon

Recommendation 4:

Revise MD 7.7, *Security Ownership*, to include roles and responsibilities clarifications, and remove inconsistencies and outdated information.

Response: OGC has drafted an update to MD 7.7 to include clarifications to roles and responsibilities, and to remove inconsistencies and outdated information. The next step in the MD revision process is to share the revised MD with partner offices for review and comment. Once comments are received and dispositioned, the final MD will be signed by the General Counsel and forwarded to the appropriate division within the Office of Administration for publication.

Status: MD 7.7 was sent out for interoffice comment on May 31, 2022, with comments requested by June 30, 2022.

Points of Contact:

Carrie Safford
Meghan Creedon

Recommendation 5:

Develop, finalize, and implement the prohibited securities desk guide.

Response: OGC, in coordination with OCHCO, drafted a section for inclusion in the OCHCO Desk Guide to address roles and responsibilities of prohibited securities security ownership forms, consistent with the actions to be taken in response to Recommendation 1.

Status: Complete

Points of Contact:

Carrie Safford
Meghan Creedon

Recommendation 6:

Require all NRC employees to complete annual training on the prohibited securities process, including waiver and extension requests, and require covered employees to sign annual security ownership certification forms.

Response: OGC has developed an annual training module for all NRC employees on the Prohibited Securities Rule (including waivers and extension). This new training module explains what the NRC's Prohibited Securities Rule is and includes additional information such as (1) who is subject to the NRC's Prohibited Securities Rule, (2) what entities are on the NRC's Prohibited Securities list, (3) where to find the current Prohibited Securities list and the list of positions subject to the Prohibited Securities Rule, and (4) what to do if you obtain a prohibited security. The training module includes 5 questions, with the first question being an attestation that the employee understands that in their current position, they are either covered or not covered under the Prohibited Securities Rule, and that if they are covered, they understand their obligations under the Prohibited Securities Rule, including the obligation to review annual updates issued by the NRC. The training further requires employees to open documents containing the Prohibited Securities list and the list of positions subject to the Prohibited Securities Rule.

In order for the training to be assigned as required annual training, it must first be approved by the Human Capital Council (HCC). The form requesting HCC approval was sent to OCHCO on May 24, 2022.

Status: On schedule for completion of the training module by June 30, 2022.

Points of Contact:

Carrie Safford
Meghan Creedon