



Audit of the U.S. Nuclear Regulatory Commission's Enforcement Program

OIG-NRC-26-A-06
September 30, 2026



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MEMORANDUM

DATE: September 30, 2026

TO: Michael F. King
Executive Director for Operations

FROM: Hruta Virkar, CPA /**RA**/
Assistant Inspector General for Audits & Evaluations

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S ENFORCEMENT PROGRAM
(OIG-NRC-26-A-06)

Attached is the Office of the Inspector General's (OIG) audit report titled: *Audit of the U.S. Nuclear Regulatory Commission's Enforcement Program*.

The report presents the results of the subject audit. Following the September 23, 2026, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at 301.415.1982 or Avinash Jaigobind, Team Leader, at 301.415.5402.

Attachment:
As stated

cc: A. Rivera-Varona, ADO
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Results in Brief

Why We Did This Review

The NRC's Enforcement Program protects public health and safety by helping ensure compliance with regulations, deterring future violations, and enforcing corrective actions. The NRC staff uses traditional enforcement to manage violations by assigning one of four severity levels based on safety, willfulness, and regulatory impact. The NRC staff then address violations by issuing Notices of Violation, imposing civil penalties, and issuing orders to modify, suspend, or revoke licenses, as appropriate, to ensure compliance.

The NRC's Enforcement Policy sets forth the general principles governing the NRC's enforcement program and the Commission's expectations for the process the NRC uses to assess and disposition violations of NRC requirements.

The audit objective was to determine whether the NRC has adequate processes in place to manage traditional enforcement within its Enforcement Program.

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What We Found

The OIG determined that the U.S. Nuclear Regulatory Commission (NRC) has established adequate processes to manage traditional enforcement within its Enforcement Program. However, the OIG identified several opportunities to strengthen the program's implementation. Specifically, the OIG determined that:

- The NRC has not consistently performed required enforcement program assessments;
- The NRC lacks milestones to track the progress and ensure timely resolution of potential escalated enforcement cases;
- The NRC does not fully use a centralized tracking mechanism for potential escalated enforcement cases;
- The NRC does not record time spent on severity level IV enforcement activities; and,
- The NRC lacks a training program for regional enforcement specialists.

What We Recommend

The report makes five recommendations to strengthen the NRC's Enforcement Program.

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ABBREVIATIONS AND ACRONYMS

10 C.F.R.	Title 10 of the Code of Federal Regulations
ADVANCE Act	Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act
ARIES	Allegations Resolution, Investigation, and Enforcement System
CAC	Cost Activity Code
EDO	Executive Director for Operations
EPID	Enterprise Project Identifier
GAO	Government Accountability Office
MD	Management Directive
NCV	Non-Cited Violation
NOV	Notice of Violation
NRC	U.S. Nuclear Regulatory Commission
OE	Office of Enforcement
OIG	Office of the Inspector General
WBL	Web-Based Licensing system

I. BACKGROUND

The NRC’s mission is to protect public health and safety and advance the nation’s common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment. As part of this mission, the NRC regulates commercial nuclear power plants, as well as nuclear materials used in medical, industrial, and academic settings.¹ The NRC’s headquarters is in Rockville, Maryland, and the agency has four Regional Offices. NRC inspectors in Regions I, III, and IV routinely inspect entities that hold NRC-issued materials licenses to assess compliance with regulatory requirements (see Table 1).²

**Table 1: Number of NRC Materials Licenses Issued
by Type and Region**

Region	Industrial	Medical	Academic	Other ³	Total
I	351	197	73	36	657
III	349	372	63	24	808
IV	342	115	30	17	504
Totals	1,042	684	166	77	1,969

Source: Developed by the OIG from publicly available NRC information as of February 2025⁴

Traditional Enforcement Process

The NRC relies on its Traditional Enforcement Process to address violations of agency requirements that fall outside the Reactor Oversight Process. Traditional enforcement uses a structured, graduated framework that promotes compliance with regulatory requirements and supports the timely identification, reporting, and correction of violations.

¹ While the NRC’s Enforcement Program covers violations of NRC requirements involving nuclear power plants, the OIG excluded violations at power plants from the scope of this audit and focused instead on violations involving materials licensees because these violations are processed exclusively through the Traditional Enforcement Process.

² Region I oversees materials licensees located in Region II’s geographical area, whereas Region II oversees all NRC-regulated fuel cycle facilities. The numbers in row 1 of Table 1 aggregate the individual numbers for Regions I and II.

³ “Other” includes entities such as manufacturing and distribution, research and development, and veterinary entities.

⁴ The NRC issued updated information in March 2026 that lists the number of NRC-regulated materials licensees as 1,824 (ADAMS Accession No. ML26085A506).

The NRC's overall Enforcement Program is based on:

- Statutes—
 - Various sections of the Atomic Energy Act of 1954 (AEA), as amended, or the Energy Reorganization Act of 1974 (ERA) provide the NRC the authority to prescribe regulations, issue orders, assess civil penalties, and take other actions that are relevant to maintaining its enforcement program. For example:
 - Section 161 of the AEA authorizes the NRC to establish—by rule, regulation, or order—“standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material.”
 - Section 234 of the AEA authorizes the NRC to assess civil monetary penalties for violations of licensing requirements.
 - Section 211 of the ERA prescribes standards for employee protection that the NRC uses as a basis for enforcement actions.
- Regulations—
 - Title 10 Code of Federal Regulations (C.F.R.) Part 1.33, *Office of Enforcement*, describes the responsibilities of the Office of Enforcement (OE) to (a) develop policies and programs for enforcement of NRC requirements; (b) manage major enforcement action; (c) assess the effectiveness and uniformity of regional enforcement actions; and, (d) manage the NRC Allegation Program.^{5 6}
 - Title 10 C.F.R. Part 2, *Agency Rules of Practice and Procedure*, Subpart B, *Procedure for Imposing Requirements by Order, or for Modification, Suspension, or Revocation of a License, or for Imposing Civil Penalties*, describes the formal hearing procedures that the NRC uses in cases initiated by the staff, or upon a request by any person, to

⁵ The NRC Allegation Program addresses concerns related to potential violations of NRC requirements by individuals or organizations, including NRC licensees, license applicants, contractors or vendors supporting licensees, and employees of these entities.

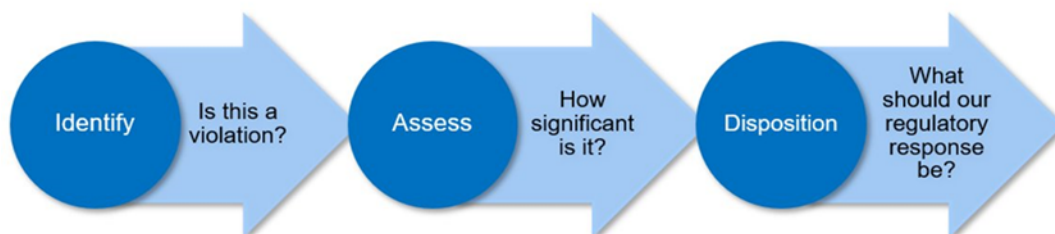
⁶ During the time of the OIG's fieldwork, the Office of Enforcement was responsible for dispositioning violations in accordance with the Enforcement Policy. In 2026, as part of a broader reorganization, the NRC moved the regional offices, Office of Investigations, and Office of Enforcement into the new Office of the Chief Nuclear Reactor Inspector. The former Office of Investigations is now a division, and the Office of Enforcement a branch, within this new office. The Office of Nuclear Material Safety and Safeguards (NMSS) also maintains an enforcement function.

impose requirements by order, or to modify, suspend, or revoke a license, or to take other action as may be proper, against any person.

- **Enforcement Policy—**
 - The NRC Enforcement Policy establishes the general principles that guide the NRC’s Enforcement Program and explains how the NRC evaluates and responds to violations of its requirements. This policy includes examples of escalated violations (Severity Level (SL) I–III, which require coordination with NRC headquarters) and non-escalated violations (SL IV, which the regional offices can handle without NRC headquarters coordination) across various activity areas. These examples help determine the appropriate severity level for identified violations.
- **Enforcement Manual—**
 - The NRC Enforcement Manual provides detailed guidance for implementing the Enforcement Policy. It is the primary resource for NRC staff and includes the procedures, requirements, and background information that are needed to develop and review enforcement actions. The manual aligns with the Enforcement Policy and applies to the enforcement activities of all program offices, including the inspection activities of the NRC’s four regional offices. It also includes supplemental resources, such as a list of Enforcement Guidance Memoranda, to assist in processing enforcement actions.

The Traditional Enforcement Process begins with identifying violations through inspections, investigations, licensee reports, or substantiated allegations. Once identified, the NRC evaluates the potential safety significance of each violation and determines the appropriate enforcement response (see Figure 1).

Figure 1: Steps in the Traditional Enforcement Process



Source: NRC

Violations may result in civil enforcement actions and, in some cases, criminal prosecution by the U.S. Department of Justice. Under the NRC Enforcement Policy, violations are categorized into four severity levels:

- Severity Level I (SL I): Most significant;
- Severity Level II (SL II);
- Severity Level III (SL III); and,
- Severity Level IV (SL IV): Less significant, but of more than minor concern.
- Minor Violations: Are less significant than a SL IV violation, but do not warrant enforcement action and are not normally documented in inspection reports. However, licensees must still correct minor violations.

SL IV violations are considered “non-escalated” and can be processed by just the regional offices, while SL I–III violations are considered “escalated” and require additional review and coordination between regional offices and headquarters.

Regional offices have the authority to process non-escalated violations and SL III cases when those cases closely match the SL III examples in the Enforcement Policy. However, any potential SL II or SL I violation—as well as any violations that are not clearly SL IV and could be SL III—must be coordinated with headquarters to ensure the correct severity level and appropriate enforcement action.

Processing Non-Escalated Violations (SL IV)

When inspectors identify a potential violation, they collect and evaluate information to determine its severity using guidance in the Enforcement Policy. If regional staff cannot decide between SL IV or SL III, they request the assistance of a headquarters panel in helping determine the appropriate severity level. For SL IV violations, inspectors typically:

- Discuss the issue with the licensee during an exit conference;
- Document the violation in an inspection report; and,
- Issue either a Notice of Violation (NOV)⁷ or a Non-Cited Violation (NCV).⁸

⁷ An NOV is a written notice identifying an NRC requirement and how it was violated (see Section 2.3 of the NRC Enforcement Manual). An NOV requires a written response from the licensee.

⁸ “NCV” is a term used to describe a method for dispositioning SL IV violations (see Section 2.2 of the NRC Enforcement Manual). NCVs are normally documented in public records but do not require written responses from the licensee.

NOVs and NCVs, along with the inspection reports, are submitted to regional management for review before issuance. Once finalized, these documents are provided to the licensee and made publicly available through the NRC’s Agencywide Documents Access and Management System. Between January 2021 and December 2025, the NRC issued 1,607 SL IV violations (see Table 2).

Table 2: SL IV Violations, January 2021–December 2025

Calendar Year	Region I	Region III	Region IV	Totals
2021	102	95	105	302
2022	133	139	127	399
2023	123	149	58	330
2024	170	62	116	348
2025	108	85	35	228
Totals	636	530	441	1,607

Source: OIG generated from NRC’s Web-Based Licensing (WBL) system data

Processing of Escalated Violations (SL I–III)

Potential escalated violations are evaluated by inspectors in consultation with the regional enforcement specialist and regional management. The inspector describes the violation and includes the region’s proposed severity level on the Enforcement Action Worksheet, which the regional enforcement specialist sends to headquarters in preparation for the adjudication panel. During the adjudication process, the panelists—headquarters staff and management and regional staff and management, along with one or more attorneys from the Office of the General Counsel if the case may involve civil penalties, willfulness, or other legal issues—discuss the potential violation to:

- Assess the severity level;
- Determine whether enforcement discretion⁹ applies; and,
- Decide the appropriate enforcement action.

For less-complex escalated enforcement cases, headquarters staff and management and regional staff and management may opt for modified panels. Modified panels are intended for cases that include a straightforward application of the Enforcement

⁹ As stated in the Enforcement Policy, the exercise of discretion allows the NRC to determine what actions should be taken in a particular case, notwithstanding the guidance contained in the Policy. The use of discretion can include decisions over whether to issue an NOV or propose a civil penalty, as well as determinations of the penalty amount and the significance of the violation.

Policy, guidance, and precedent. Modified panels are conducted via emails or virtual meetings.

Escalated violations result in formal enforcement actions, such as NOVs, civil penalties,¹⁰ or orders.¹¹ Between January 2021 and December 2025, the NRC issued 216 escalated violations (primarily SL III), along with 42 civil penalties and 13 orders (see Table 3).¹²

**Table 3: Escalated Enforcement Actions for Materials
January 2021–December 2025**

Year	Total	Civil Penalties	Orders
2021	31	6	1
2022	56	12	6
2023	39	5	2
2024	54	11	2
2025	36	8	2
Total	216	42	13

Source: OIG generated from NRC’s Office of Enforcement (OE) Annual Reports and the public NRC website

Recent Changes to the Traditional Enforcement Process

According to Office of Enforcement management, in July 2025, OE began a “soft launch” of a revised enforcement process to implement Section 507 of the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act of 2025, which calls for increased efficiency in NRC oversight and inspection programs. The revised process introduces a more graded approach to enforcement decisions based on the significance of the violation and expands regional authority for certain cases.

¹⁰ A civil penalty is a monetary fine used to emphasize compliance in a manner and deter future violations. The NRC issues civil penalties under 10 C.F.R. section 2.205.

¹¹ An order is a written NRC directive to modify, suspend, or revoke a license; to cease and desist from a given practice or activity; or, to take such other action as may be proper. The NRC issues orders under 10 C.F.R. section 2.202.

¹² Of the 216 escalated violations, 213 were SL III and 3 were SL II.

Under this revised approach:

- Enforcement panels are still necessary for SL I cases, SL II cases, and orders;
- SL III cases may not require a headquarters panel if they clearly align with existing guidance and prior examples; and,
- Headquarters consultation is required for cases that closely match violation examples but involve facts that could escalate or mitigate severity.

Key Systems Supporting Enforcement

The Allegations, Resolution, Investigation and Enforcement System (ARIES), which is a subsystem within the Microsoft Power Platform, allows authorized NRC users to enter, update, query, and report on escalated enforcement case information.

The Web-Based Licensing System (WBL) is used by NRC staff to collect, manage, and track nuclear materials licensing and inspection information. It supports timely information queries, license reviews, application and milestone tracking, and inspection monitoring. The system primarily supports the Materials Users Licensing and Inspection Program but provides licensing information to other NRC programs as well.

II. OBJECTIVE

The audit objective was to determine whether the NRC has adequate processes in place to manage traditional enforcement within its Enforcement Program.

III. FINDINGS

The OIG found that while the NRC has adequate processes to manage traditional enforcement within the Enforcement Program, the agency could strengthen the program's implementation by consistently performing required enforcement program assessments, improving tracking of potential escalated enforcement cases from inspection to exit meetings, recording time spent on SL IV activities, and establishing a training framework for regional enforcement specialists.

1. The NRC Has Not Consistently Performed Required Enforcement Program Assessments

NRC management is responsible for ensuring consistent implementation of the Enforcement Program. However, the NRC did not perform required assessments of how the Enforcement Program was implemented across the regions. This occurred because the Office of Enforcement faced staffing and workload prioritization challenges. Without systematic and periodic assessments, the NRC may be unable to identify and address inconsistencies in implementation of the Enforcement Program. The NRC may also miss opportunities for program improvement.

What Is Required

NRC Management is Responsible for Ensuring Consistency in the Implementation of the Enforcement Program

Title 10 C.F.R. section 1.33, *Office of Enforcement*, establishes that OE is responsible for developing enforcement policies and programs, managing major enforcement actions, assessing the effectiveness and uniformity of regional enforcement actions, and administering the NRC's allegation program.

NRC Management Directive (MD) 9.19, *Organization and Functions*, directs OE to develop and implement policies, guidance, and programs for the enforcement of NRC requirements, provide oversight and coordination, and ensure consistency and timeliness of enforcement program activities across the agency.

Guidance issued by OE in OE-ENF-106, *Conduct of Enforcement Program Assessments*, dated September 5, 2013, outlines procedures for assessing the implementation of the enforcement program in regional offices. According to this guidance:

- The Office of Enforcement Operating Plan requires that OE staff conduct specific topic-focused assessments of the materials and reactor enforcement programs to assess consistent application of the Enforcement Policy.
- Enforcement program assessments should be conducted in two regions each calendar year (i.e., each region will be assessed every other year) at a time which will not interfere with higher priority work in the region. These assessments primarily focus on non-escalated enforcement actions and processes but may also include escalated enforcement activities.

- The guidance also describes expectations for how these assessments should be planned and carried out, including team roles, required steps, and timeframes.

Lastly, the NRC Enforcement Manual guides staff on implementing the Enforcement Policy and states that OE will ensure consistent implementation of the Enforcement Program across all offices.

What We Found

The NRC Did Not Perform the Required Assessments of How the Enforcement Program was Implemented Across the Regions

The NRC failed to assess regional consistency in implementing the Enforcement Program for over six years. OE-ENF-106 requires that the NRC conduct specific topic-focused assessments and states that the agency should conduct assessments in two regions each calendar year. However, the two most recent assessments OE conducted were in 2019. In these assessments, OE reviewed the implementation of the Enforcement Program in the Office of Nuclear Security and Incident Response and Region III. The Region III report notes that this was the first OE assessment of a regional enforcement program in recent years, while the Office of Nuclear Security and Incident Response report states that it was the first assessment overall. Management and senior staff acknowledged that OE has not conducted additional assessments since 2019.

Why This Occurred

The Office of Enforcement Faced Staffing and Workload Prioritization Challenges

According to OE management, the regional assessments were not conducted for over six years due to staffing challenges and workload prioritization issues. As part of its function, OE was responsible for reviewing cases, holding enforcement panels, determining the appropriate penalty, tracking enforcement data, and producing annual reports to Congress. The work towards these tasks was prioritized over completing the regional implementation assessments.

Although OE management cited staffing levels as a reason for not conducting the assessments, OIG analysis determined relatively low variance in staffing. More

specifically, between 2020 and 2025, the number of OE enforcement specialists fluctuated only slightly from 10 to 12. The OIG did not identify any sustained decline in staffing levels that would have prevented OE from conducting periodic assessments.

Why This Is Important

Lack of Assessments May Result in Continued Inconsistencies and Reduced Program Effectiveness

Because the agency did not conduct the required regional assessments after 2019, the NRC missed 13 opportunities to identify and address similar inconsistencies across regions, per its own guidance.¹³

Conducting regular assessments would enable the NRC to identify areas for improvement, help ensure violations are treated consistently across regions, and maintain reliable regulatory oversight. Consistency is essential for effective regulation.

During interviews with OIG staff, NRC staff and management expressed concerns about the consistency among regions.

- One staff member stated that differences exist among regions and an example of such difference is that while some staff consider moving a licensed source from one floor to another within the same address to be permissible without a license amendment, others believe a violation exists if the licensee has not submitted documentation reflecting the floor change.
- A senior staff member stated that although consistency across regions is desired, there is no consistency because staff assessing violations have different interpretations of SL IV violations.
- Another senior staff member stated that similar SL IV violations have been evaluated differently across regions, resulting in inconsistent application of the Enforcement Policy and Enforcement Manual.
- A third senior staff member stated that OE should standardize violation determinations because regional inspectors primarily review violations within their own regions and generally do not have access to enforcement systems containing cases from other regions.

¹³ Calculation based on the requirement to assess 2 regions each year: 2 assessments a year times 6 years (2020 through 2025) = 12. An additional assessment was required for 2019 because only one region was assessed that year, for a total of 13 required assessments.

Without systematic and periodic assessments, the NRC may be unable to identify and address inconsistencies and miss opportunities for program improvement in traditional enforcement.

Recommendation

The OIG recommends that the Executive Director for Operations (EDO):

- 1.1 Ensure the NRC conducts the required periodic regional assessments of the Enforcement Program, including monitoring, scheduling, and accountability measures to verify completion.

2. The NRC Lacks Milestones to Track the Progress and Ensure Timely Resolution of Potential Escalated Enforcement Cases

The NRC must establish milestones governing all potential escalated enforcement cases to achieve the most efficient outcomes, as required by Section 504 of the ADVANCE Act. However, the NRC has not established milestones to monitor the timeliness of potential escalated enforcement cases from the end of on-site inspection through the exit meeting with the licensee. This occurred because NRC management considers activities performed before the exit meeting with the licensee to be inspection activities rather than enforcement activities. As a result, enforcement decisions could be delayed, regulatory efficiency could be reduced, and management's ability to identify and address processing delays could be limited.

What Is Required

The NRC Must Establish Milestones to Achieve the Most Efficient Outcomes

Section 504 of the ADVANCE ACT, *Performance Metrics and Milestones*, directs the Commission to, at least once every three years, revise and improve performance metrics and milestone schedules to achieve the most efficient outcomes reasonably achievable. The U.S. Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government*¹⁴ also state that management should design control activities to mitigate risks to achieving the entity's objectives to

¹⁴ [U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-25-107721, May 2025.](#)

acceptable levels. Control activities are the actions management establishes through policies and procedures to mitigate risks to achieve the entity's objectives at acceptable levels. Some common categories of control activities relate to the establishment and review of performance measures and indicators; information processing; and, ensuring complete, accurate, and timely recording of transactions.

What We Found

The NRC Has Not Established Milestones for Potential Escalated Cases from the End of On-Site Inspection Through the Exit Meeting with the Licensee

The NRC has not established milestones to monitor the timeliness of materials potential escalated enforcement cases from the completion of on-site inspection through the exit meeting with the licensee. According to staff, during this phase of the enforcement process, inspectors and managers perform several activities, including:

- Identifying potential non-compliance;¹⁵
- Gathering additional information to confirm the potential violation;
- Reviewing the Enforcement Policy to determine the appropriate SL;
- Preparing an Enforcement Action Worksheet (EAW) that documents the potential violation and recommended SL;
- Obtaining regional management review and approval of the EAW;
- Submitting the EAW to OE for review;
- Addressing OE's comments, which may require repeating one or more of the preceding steps; and,
- Participating in enforcement panels held with headquarters and OE staff and management to deliberate over the EAW and determine the proposed SL.

Although these activities are integral to evaluating and processing potential escalated enforcement cases, they are not governed by standardized milestones or otherwise monitored for timeliness. By contrast, activities associated with escalated enforcement cases beginning with the exit meeting with the licensee are formally tracked in ARIES, and their completion is measured and reported in NRC's annual reports to Congress.

¹⁵ According to the Enforcement Manual's "Overview" page, one step in the enforcement process is identification during inspection.

Consistent with this lack of standardized milestones, the OIG’s analysis of weekly regional status reports identified wide disparities in processing times for potential escalated enforcement materials cases from 2020 to 2024. Of the 44 cases with complete timing data—defined as cases with both the on-site inspection completion date and the exit meeting date—13 (30 percent) concluded within 100 days, while 31 (70 percent) were completed in more than 100 days. The 10 longest cases ranged from 178 to 452 days (see Table 4). The NRC does not track this time to determine whether delays in resolving these violations impede timely correction of the underlying non-compliance.

Table 4: Time Elapsed Between Inspection End Date and Exit Date Conference

Violations	Inspection End Date	Exit Date	# of Days
Violation 1	8/31/2021	2/25/2022	178
Violation 2	5/4/2023	11/8/2023	188
Violation 3	10/22/2021	5/5/2022	195
Violation 4	6/27/2023	1/24/2024	211
Violation 5	3/2/2023	10/2/2023	214
Violation 6	4/13/2022	11/21/2022	222
Violation 7	12/1/2022	7/19/2023	230
Violation 8	11/19/2020	9/2/2021	287
Violation 9	11/2/2022	11/7/2023	370
Violation 10	3/31/2022	6/26/2023	452

Source: OIG generated using violation data provided by the regions

Why This Occurred

NRC Management Does Not Consider Pre-Exit Enforcement Activities Part of the Enforcement Process

The absence of milestones for potential escalated enforcement cases from the completion of the on-site inspection through the exit meeting contributes to a significant gap in monitoring. NRC management considers activities performed before the exit meeting with the licensee to be inspection activities rather than enforcement activities. However, WBL, which is a system dedicated to tracking inspection activities, does not include milestones for pre-exit activities. In addition, the NRC Enforcement Manual states that the enforcement process begins when potential noncompliance is identified during inspection. By not including milestones for pre-exit activities either in WBL or ARIES, the agency lacks an end-to-end mechanism to monitor the progress and timeliness of potential escalated enforcement cases from identification to case closure. Management acknowledged that the agency does not measure timeliness until after the exit meeting with the licensee.

Why This Is Important

Lack of Milestones Could Delay Enforcement Decisions and Reduce Regulatory Efficiency

Without established milestones, the NRC may be unable to effectively monitor the progress of potential escalated enforcement cases, identify and address processing delays, or objectively assess whether cases are progressing in a timely manner. Consequently, enforcement decisions may be delayed, regulatory efficiency may be reduced, and management's ability to oversee the timely resolution of potential escalated enforcement cases may be limited.

Recommendation

The OIG recommends that the EDO:

- 2.1 Develop and implement milestones governing the processing of potential escalated enforcement cases from the end of on-site inspections through the exit meetings with the licensees.

3. The NRC Does Not Fully Use a Centralized Tracking Mechanism for Potential Escalated Enforcement Cases

The NRC should better use a centralized tracking mechanism to monitor the progress of potential escalated enforcement cases from the end of on-site inspection through the exit meeting with the licensee. The NRC maintains a centralized tracking mechanism, but it is not used to track time spent on pre-exit enforcement activities. This occurred because information needed to monitor potential escalated enforcement cases is dispersed across multiple systems, and there is no end-to-end tracking process. As a result, management's ability to monitor case status, identify processing delays, and ensure timely resolution of potential escalated enforcement cases is limited, reducing regulatory efficiency and effectiveness.

What Is Required

The NRC Should Use a Centralized Tracking Mechanism for Potential Escalated Enforcement Cases

Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control* (March 10, 2026), encourages agencies to implement advanced data analytics tools to continuously monitor controls, track key performance indicators, identify inefficiencies, and assess program performance. Circular A-123 further states that management should continuously monitor controls within programs or activities to ensure effectiveness.

In addition, GAO's *Standards for Internal Control in the Federal Government*, Principle 10.04, *Design of Appropriate Types of Control Activities*, states that management establishes control activities so that valid transactions are completely and accurately recorded on a timely basis throughout the entire process or life cycle of a transaction or event—from initiation through final disposition.

What We Found

The NRC Has Not Fully Used a Centralized Tracking Mechanism for Potential Escalated Enforcement Cases

The NRC does not fully use a centralized tracking mechanism to monitor the progress of potential escalated enforcement cases from the end of on-site inspections through the exit meeting with the licensee. During this phase of the enforcement process, regional staff perform numerous activities, including validating potential

violations, preparing and reviewing EAWs, coordinating with headquarters, and determining proposed severity levels, but these steps are not centrally tracked.

Due to the lack of central tracking, information supporting these cases is dispersed across multiple systems, including WBL, inspection reports, emails, and other records. By contrast, activities occurring after the exit meeting are tracked through informal status reports and ARIES. Those activities are monitored against established timeliness measures and reported to Congress as part of the NRC's enforcement performance metrics. Similarly, the NRC maintains a tracking mechanism for SL IV enforcement violations to monitor progress against established timeframes.

Why This Occurred

Information Needed to Monitor Potential Escalated Enforcement Cases Is Not Centrally Maintained or Tracked

The NRC lacks an end-to-end process to monitor the progression of potential escalated enforcement cases before the exit meetings with the licensees. Information relevant to monitoring these cases is maintained across multiple independent systems rather than a centralized database or system. As a result, NRC management cannot readily determine the status or timeliness of individual cases without substantial effort.

Why This Is Important

Not Using Centralized Tracking Limits Oversight, Accountability, and Timeliness Monitoring

Without using a centralized tracking mechanism, NRC management cannot readily determine the status of potential escalated enforcement cases, identify delays, and produce accurate and reliable reports without substantial manual effort. In addition, the NRC's reported timeliness metrics do not include the pre-exit phase of the enforcement process, limiting management's visibility into the total processing time of the potential escalated enforcement cases. Not using centralized tracking also reduces transparency, weakens accountability, and hinders the agency's quick responses to leadership and Congressional inquiries.

Potential escalated violations often involve significant safety or security risks. Delays in processing these cases can slow enforcement decisions and corrective actions,

reducing regulatory efficiency and letting significant noncompliance go unresolved longer than needed.

Recommendation

The OIG recommends that the EDO:

- 3.1 Enhance the NRC's use of a centralized tracking mechanism, ARIES, to monitor, measure, and report on the progress of potential escalated cases from the end of on-site inspections through the exit meetings with the licensees. The tracking mechanism should facilitate end-to-end management oversight and include information on case status, milestone completion, and the timeliness of case processing.

4. The NRC Does Not Record Time Spent on Severity Level IV Enforcement Activities

The NRC must ensure that staff accurately and consistently track time spent on SL IV enforcement activities to support management decisions and address labor-hour inquiries. Currently, staff do not document or record time spent on SL IV enforcement activities in a manner that allows the agency to identify, track, and verify the level of effort involved to disposition SL IV activities, as the NRC has not established dedicated Cost Activity Codes (CACs)¹⁶ and/or Enterprise Project Identifiers (EPIDs)¹⁷ for SL IV activities. This limits the NRC's visibility into resource utilization and workload distribution, reducing management's ability to allocate resources effectively and assess enforcement efficiency.

What Is Required

The NRC Must Ensure Accurate and Consistent Time Reporting for SL IV Enforcement Activities

GAO's Standards for Internal Control in the Federal Government, Principle 10.18, *Design of Control Activities at Various Levels*, states that all transactions must be properly recorded. Principle 10.04, *Design of Appropriate Types of Control*

¹⁶ CACs are numerical codes that capture how NRC staff spend billable time working.

¹⁷ EPIDs are specific codes for regulatory actions such as inspections, licensing actions, and licensing renewals.

Activities, further states that transactions should be recorded in a manner that allows them to be readily available for examination.

In addition, MD 10.43, *Time and Labor Reporting*, states that CACs and EPIDs enable the agency to use its resources more efficiently and provide greater transparency to licensees regarding the hours and project costs for which they are billed. The directive further states that time and labor data support payroll, fee billing, budget formulation and execution, and project, resource, financial, and cost management.

What We Found

NRC Staff Do Not Consistently Record Time Spent on SL IV Enforcement Activities

NRC staff do not record their time working on SL IV enforcement activities in a manner that allows the agency to identify, track, and verify the level of effort devoted to these activities.

Staff stated that time-reporting expectations have changed over time, leading to confusion. For example, a senior staff member stated that he was previously instructed to record SL IV-related work under inspection activities but was later told to use the enforcement CAC 3400, which at the time was used for escalated enforcement actions. A judgmental sample of 21 inspectors' timecards found that 12 inspectors (57 percent) did not use the enforcement CAC when reporting SL IV-related work, while 9 inspectors (43 percent) did. This variation is consistent with staff and management statements to the OIG that reflect inconsistent approaches to recording time spent on non-escalated enforcement (SL IV) activities. As a result of these inconsistent approaches, a substantial portion of time the NRC staff spends on SL IV activities is not captured in the agency's timekeeping system as associated with the activity performed.

Why This Occurred

The NRC Has Not Established a Dedicated CAC or EPIDs for SL IV Enforcement Activities

The NRC has established a dedicated CAC and/or EPIDs to track time associated with escalated enforcement activities but has not established dedicated codes for SL IV enforcement activities.

In a September 2025 memorandum, “Nuclear Materials Inspection CAC/EIPD [sic] Guidance,” the Office of Nuclear Material Safety and Safeguards issued new EPIDs for inspection-related activities. However, this guidance did not include CACs or EPIDs specifically for SL IV enforcement activities. Agency management acknowledged the absence of such codes and stated that it is considering establishing them.

Some staff members stated to the OIG that they view SL IV enforcement activities as part of the inspection process and therefore do not require separate tracking. NRC staff and management also noted that tracking this time could create an additional administrative burden for the inspectors.

Even though SL IV enforcement activities fall broadly within the inspection process, they are tied directly to an enforcement outcome. Accordingly, the NRC should track time spent on these activities in a manner that allows them to be distinguished from time spent on other inspection activities. Additionally, because SL IV activities are enforcement actions under the Enforcement Policy—just like SL I, II and III activities—the NRC needs to track the time staff spend on these activities in a distinguishable, measurable manner so that they can be differentiated from other inspection activities.

While SL IV violations can be dispositioned on-site by the inspector, as mentioned by staff and management interviewed by the OIG, many SL IV violations are dispositioned as NOVs, rather than NCVs, and require a considerable amount of time to process after the inspection ends. These SL IV NOV activities include writing the cover letter to licensees, executive summary, report details, actual NOV letter, and the ensuing correspondence with the licensee. Because these violations are not escalated, they are not coded as enforcement time, even though the inspector dedicates resources towards enforcement activities after the inspection is completed.

Why This Is Important

Limited Visibility into Resource Utilization May Affect Management Decisions

Because the NRC does not track time spent on SL IV enforcement activities, it lacks reliable and accurate data on resource utilization and workload distribution. This limits management’s ability to allocate resources, assess workloads, and evaluate the efficiency of the enforcement process.

Given the high number of SL IV violations each year, improved tracking would provide valuable insight into the level of effort required to process these cases. As noted in MD 10.43, time and labor data are critical for budgeting, staff decisions, and responding to external inquiries, including those from Congress. Improved transparency would provide stakeholders with a clear understanding of the agency's efforts to process SL IV violations.

Recommendation

The OIG recommends that the EDO:

- 4.1 Develop dedicated Cost Activity Codes and/or Enterprise Project Identifiers for Severity Level IV violations and comprehensive guidance for recording time spent on all SL IV enforcement activities.

5. The NRC Lacks a Training Program for Regional Enforcement Specialists

The ADVANCE Act of 2024 directed the NRC to identify training for its staff and leaders, where appropriate. The OIG, however, did not identify specific enforcement training for regional enforcement specialists; instead, the OIG found that the regional specialists rely primarily on mentoring and prior experience to implement the Traditional Enforcement Process. This occurs because the NRC has not prioritized the development of a comprehensive and structured training program for regional enforcement specialists. The lack of a structured training program can lead to inconsistent implementation of enforcement policies, reduced efficiency, and potential processing errors in enforcement actions.

What Is Required

The ADVANCE Act Directed the Commission to Report on NRC Staff Training

Section 507 of the ADVANCE Act, *Improving Oversight and Inspection Programs*, directed the Commission to report on a plan to improve program efficiency through, among other means, staff training. Specifically, the Act states:

Not later than 1 year after the date of enactment of this Act, the Commission shall develop and submit to the appropriate committees of

Congress a report that identifies specific improvements to the nuclear reactor and materials oversight and inspection programs ... that the Commission may implement to maximize the efficiency of such programs through, where appropriate, the use of risk-informed, performance-based procedures, expanded incorporation of information technologies, and staff training.

GAO's *Standards for Internal Control in the Federal Government* also emphasize the importance of training. Principle 4, *Demonstrate Commitment to Competence*, states that training should be tailored to meet the needs of staff roles. Principle 7, *Identify, Analyze, and Respond to Risks*, identifies training as a factor in managing internal risk, and Principle 10, *Design Control Activities*, highlights training as essential to effective control activities and adapting to changing organizational needs.

What We Found

NRC Regional Enforcement Specialists Rely on Mentoring and Prior Experience

Regional enforcement specialists play a key role in evaluating violations, advising inspectors, participating in enforcement panels, and supporting final disposition decisions. However, regional enforcement specialists reported that they primarily rely on mentoring and prior experience to perform these functions.

Staff reported that enforcement training varies by region, often depending on the mentors' experience and changing approaches. One enforcement specialist noted having to rely on prior experience from outside the nuclear field, while a manager described situations in which staff assumed enforcement responsibilities without prior knowledge of the Enforcement Policy and had to learn it "on the fly" as they worked.

Additionally, staff members noted that it can take 1 to 2 years to become proficient in the Traditional Enforcement Process.

Why This Occurred

The NRC Has Not Established a Comprehensive Training Program for Regional Enforcement Specialists

Although the NRC maintains qualification programs for many positions, it has not established a comprehensive and structured training program for regional enforcement specialists.

In April 2025, the agency developed a Training and Qualification Plan for Enforcement Specialists (OE-ENF-115);¹⁸ however, this program applies only to OE staff and not to regional enforcement specialists. While some self-study enforcement courses are available in the NRC's Training Management System, they are primarily designed for inspectors and do not constitute a structured training program for enforcement specialists.

Staff also reported on the limitations, awareness, and use of current training materials. An enforcement specialist stated that although the qualification plan exists, formal training has not been implemented. When it is implemented, it should include both classroom instruction and practical components.

Why This Is Important

Lack of Training May Lead to Inconsistencies and Reduced Efficiency

Without a comprehensive training program, the NRC faces an increased risk of inconsistent application of enforcement policies, reduced operational efficiency, and increased likelihood of errors in enforcement decision-making. Reliance on mentoring alone can result in variable training quality and knowledge gaps, as it depends on the availability and expertise of individual staff members.

Insufficient training can reduce program efficiency. For example, a senior staff member noted that updates to the Enforcement Policy on NCVs and NOVs were not understood or consistently applied. Improved training and clearer guidance could reduce administrative burdens and minimize inconsistent decision-making across regions.

¹⁸ OE-ENF-115 outlines study activities and on-the-job training that staff members must complete to be considered fully qualified. The document notes the qualification requirements should be completed within 12-18 months after joining OE.

Implementing a structured training program for regional enforcement specialists would promote consistency, improve efficiency, and strengthen the Traditional Enforcement Process' overall effectiveness.

Recommendation

The OIG recommends that the EDO:

- 5.1 Establish a comprehensive, structured training program for regional enforcement specialists.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

The OIG recommends that the Executive Director for Operations:

- 1.1 Ensure the NRC conducts the required periodic regional assessments of the Enforcement Program, including monitoring, scheduling, and accountability measures to verify completion.
- 2.1 Develop and implement milestones governing the processing of potential escalated enforcement cases from the end of on-site inspections through the exit meetings with the licensees.
- 3.1 Enhance the NRC's use of a centralized tracking mechanism, ARIES, to monitor, measure, and report on the progress of potential escalated cases from the end of on-site inspections through the exit meetings with the licensees. The tracking mechanism should facilitate end-to-end management oversight and include information on case status, milestone completion, and the timeliness of case processing.
- 4.1 Develop dedicated Cost Activity Codes and/or Enterprise Project Identifiers for Severity Level IV violations and comprehensive guidance for recording time spent on all SL IV enforcement activities.
- 5.1 Establish a comprehensive, structured training program for regional enforcement specialists.

V. NRC COMMENTS

The OIG held an exit conference with the agency on September 23, 2026. Before the exit conference, agency management reviewed the discussion draft version of this report and had minor comments, which have been incorporated into this report.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to determine whether the NRC has adequate processes in place to manage traditional enforcement within its Enforcement Program.

Scope

This audit focused on the extent to which the NRC has adequate processes in place to manage traditional enforcement within the agency's Enforcement Program as it applies to nuclear materials licensees. We conducted this performance audit at NRC headquarters in Rockville, Maryland, from June 2025 to March 2026.

We reviewed and analyzed internal controls related to the audit objective: specifically, the components of the control environment, risk assessments, control activities, information and communication, and monitoring. Within those components, the OIG reviewed the principles of establishing an organizational structure with defined roles and responsibilities, assigning responsibility and delegating authority to achieve the entity's objectives, and designing control activities, including policies for achieving management objectives and responding to risks.

To ensure data reliability, we cross-referenced staff statements with corresponding entries in WBL. We also accessed information recorded by NRC staff in SharePoint and Power BI, as well as NRC publicly released data, to calculate the number of escalated and non-escalated violations. In addition, we obtained inspection reports from the Agencywide Documents Access and Management System to determine the dates on which inspectors identified non-escalated violations. We cross-referenced this information with NRC-provided timecard entries to assess whether inspectors appropriately used enforcement codes when recording time for those violations. We also verified the accuracy of the OE active roster provided by the agency. Based on these procedures, we maintained reasonable assurance that the data obtained was accurate.

Methodology

The OIG reviewed relevant criteria for this audit, including, but not limited to:

- Title 10 of the Code of Federal Regulations, Part 1, Statement of Organization and General Information, Energy—Chapter I, Nuclear Regulatory Commission (NRC); section 1.33, Office of Enforcement, revised as of January 1, 2023;
- Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act of 2024), July 9, 2024;
- Office of Management and Budget Circular A-123, Management’s Responsibility for Internal Control (March 10, 2026);
- U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*; GAO-25-107721, May 2025;
- Management Directive (MD) 9.19, Organization and Functions, Office of Enforcement, October 3, 2023; and,
- Management Directive (MD) 10.43, Time and Labor Reporting (January 20, 2020).

The OIG communicated via email and conducted interviews with NRC personnel, enforcement specialists, regional inspectors, Office of Nuclear Material Safety and Safeguards personnel, OE and their management representatives, to gain a comprehensive understanding of enforcement practices; assessed the NRC’s application of the Traditional Enforcement Process; evaluated the methods employees use to track and document time spent on enforcement-related activities; and, determined the adequacy and effectiveness of enforcement training programs. Furthermore, the OIG collected data on the timeframes regional offices require to process potential violations and to obtain insights into the NRC’s Enforcement Program, including both current and planned changes.

The OIG conducted a comprehensive review of NRC documentation (i.e., inspection manual chapters, OE Annual Reports for fiscal years 2020 through 2024, regional status reports), systems WBL and ARIES entries to evaluate the application and oversight of the Enforcement Program and to assess how OE and regional offices document and track the processing of violations.

To further evaluate enforcement practices, we searched the NRC's Training Management System to verify the availability of enforcement-related training and participated in a demonstration of ARIES. During a demonstration provided by a staff member with extensive experience evaluating potential violations, we reviewed entries in the WBL system to determine whether the recorded milestones reflected activities performed to assess potential violations. In addition, the OIG accessed Power BI dashboards to compile, calculate, and verify the availability of tools to track the progress of SL IV violations issued by the NRC between 2021 and 2024. For the same period, we calculated the number of escalated enforcement violations using data obtained from publicly available agency sources. These combined methods provided a robust basis for confirming the accuracy and reliability of the enforcement-related data reviewed.

The OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The OIG believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Avinash Jaigobind, Team Leader; Roxana Hartsock, Audit Manager; Connor McCune, Senior Auditor; and Lawrence Heller, Senior Management Analyst.

TO REPORT FRAUD, WASTE, OR ABUSE

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email the OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).

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Section 5274 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, amended the Inspector General Act of 1978 to require OIGs to notify certain entities of OIG reports. In particular, section 5274 requires that, if an OIG specifically identifies any non-governmental organization (NGO) or business entity (BE) in an audit or other non-investigative report, the OIG must notify the NGO or BE that it has 30 days from the date of the report's publication to review the report and, if it chooses, submit a written response that clarifies or provides additional context for each instance within the report in which the NGO or BE is specifically identified.

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