

NRC INSPECTION MANUAL

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INSPECTION MANUAL CHAPTER 1201

CONDUCT OF EMPLOYEES

Effective Date: March 18, 2025

1201-01 PURPOSE

To provide a standard of conduct for Nuclear Regulatory Commission (NRC) employees involved in the inspection program.

1201-02 OBJECTIVE

To advise agency employees of NRC management policies regarding conduct of employees.

1201-03 APPLICABILITY

This inspection manual chapter (IMC) applies to NRC employees who are involved in inspections at licensee, applicant, or vendor facilities. Involvement in inspections includes all aspects of inspection and all activities in direct support or supervision of inspection, including the activities of administrative and clerical personnel directly interacting with a licensee.

1201-04 RESPONSIBILITIES AND AUTHORITIES

04.01 Regional Administrators and Office Directors

- a. Implement the policies contained in this IMC.
- b. Waive the policies in this IMC subject to the policies contained in Management Directive (MD) 7.9, "Ethics Approvals and Waivers," Handbook and in consultation with regional counsel and/or NRC Ethics staff.

04.02 Employees Involved in the Inspection Process

- a. Be familiar and comply with the policies contained in this IMC and other referenced sources.
- b. Consult with their supervisor, the Regional Counsel, or an Office of the General Counsel (OGC) Deputy Ethics Counsel regarding any questions or problems related to situations or activities involving conduct of employees or conflict of interest as described in this IMC.

1201-05 REQUIREMENTS

Employees must be attentive to the high standards of integrity expected in all their activities, personal or official, and conduct themselves in a manner to create and maintain public respect for the NRC and the U. S. Government. Accordingly, this instruction establishes management policies for situations which are not specifically addressed in the standards of conduct regulations. All cases of actual or potential conflicts of interest or situations which might lead to the appearance of a conflict of interest must be discussed with the employee's immediate supervisor.

Governmentwide standards of conduct regulations issued by the Office of Government Ethics (OGE) set forth standards governing receipt of gifts and favors, outside employment, conflicting financial interests, the use of government property, future employment, the misuse of information, indebtedness, and other matters. Every NRC employee is responsible for knowing and understanding the Federal and NRC ethics rules. These rules include the governmentwide Standards of Conduct regulations (5 CFR 2635), the criminal statutes (18 USC 201-209, 216), the Hatch Act (5 USC 7321), and the NRC supplemental regulations (5 CFR 5801). These laws and regulations can be found on the internal NRC Ethics Website along with management directives on ethics, financial disclosure reports, ethics training materials, and informational articles ([NRC Ethics | NRC Intranet](#)). Employees are urged to contact the [NRC Ethics Gateway](#) or the Regional Counsel to discuss questions and concerns regarding these requirements.

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1201-06 GUIDANCE

06.01 [Alcohol, Illegal Drugs, and Firearms](#)

The NRC's Drug Free Workplace Plan specifies NRC expectations regarding illegal drugs. In addition to adhering to the NRC's drug free policies, when gaining site access to specific facilities, NRC employees should familiarize themselves with the licensee's policies and while at a licensee site or facility, comply with licensee policies that restrict the use, storage, or transportation of alcohol. This could include restrictions on the possession of items that contain trace alcohol such as kombucha or vanilla extract. Some licensees also prohibit the possession of alcohol anywhere in their owner-controlled area, including vehicles.

10 CFR Part 26.27 specifies an abstinence period of 5 hours preceding any scheduled tour of duty at a licensee facility and self-reporting if a covered individual called to work has not met that standard. NRC employees are not subject to this regulation; however, they should comply to it as with other licensee policies. If inspectors feel the need to respond to an issue at a licensee facility and do not meet the above criteria, they should notify their immediate supervisor immediately.

NRC employees should abide by licensee requirements regarding firearms at facilities. This includes ammunition and firearms in vehicles. Federal agents (NRC Office of Investigation or Inspector General) should notify the licensee if they are bringing their firearms into the facility in an official capacity and make the resident office aware.

If an NRC employee is accused by the licensee of violating their site access policies, staff should comply with the licensee's requests to the best of their abilities, notify the resident office and contact the regional office immediately for further direction.

06.02 Covered Relationships

- Management Directive 7.9 Handbook defines and provides policies for covered relationships, either personal or financial. Prior to inspector entry into any of the following situations, they should review the handbook and contact their regional management and counsel for guidance.
- Business Partnerships with Licensee/applicant/vendor employees or contractors. NRC employees should not buy, lease, or rent property from, or sell property to, a licensee or a licensee contractor. This restriction is not intended to exclude the purchase, lease, or rental of property from an individual employee of a licensee or its contractors nor the sale of property to such an employee. Such property should be available for general sale at a fair market value and purchased or sold through normal means, such as through a real estate agency or through newspaper advertising.
- A friendship or other personal relationship with a licensee/applicant/vendor employee. Friends may include former NRC employees, classmates, or acquaintances. This includes relationships for immediate family members as well.
- Employment of Spouse and Children. In such cases, the duties of both the NRC employee and the spouse or child must be considered to ensure that potential conflicts of interest are minimized. It might be necessary, for example, to restrict the activities of an office resident assistant so that the employee is not permitted to type inspection reports or inspection plans involving work within the scope of the spouse's employment. The Regional Administrator should consult with regional counsel when resolving these situations.

This IMC does not prohibit inspector participation in local communities, to include sports events, religious activities or social youth group meetings (Scouts, etc.), and similar activities, where inconsequential interaction with licensee/applicant/vendor employees or contractors is possible. When these individuals are involved, NRC employees and their families are encouraged to provide their fair share of the transportation and other support. An NRC inspector may have occasion to inspect a neighbor's activities at a facility. This is acceptable for routine items. If it involves critical evaluations or allegations, seek guidance from management and/or regional counsel.

06.03 Activities at Licensee/Applicant/Vendor Facilities

Attending formal licensee/applicant/vendor events such as parties, picnics, or outings where attendance is essentially limited to licensee or contractor employees is inappropriate unless the attendance is in an official capacity (e.g., licensed operator

dinners where the inspector is speaking). Further guidance on “widely attended” gatherings exists within the Management Directive 7.9 Handbook.

Inspectors are subject to the same rules governing all Federal employees regarding the acceptance of gifts. The Management Directive 7.9 Handbook contains specific guidance regarding gifts.

Employees may utilize a facility cafeteria not reserved for management personnel provided they pay the normally-charged prices, join informal coffee clubs, and join a credit union associated with a licensee/applicant/vendor or contractor.

Inspectors should not normally accept transportation from a licensee/applicant/vendor to or from work. When acting in an official capacity and there is a reasonable need due to safety or security concerns (e.g., personal vehicles are not allowed on an industrial site where the inspection is occurring) inspectors may ride in licensee/applicant/vendor vehicles.

Licensees/applicants/vendors frequently provide cellular phones, landline phones, laptops, computers and/or printers or similar IT devices to RI staff and others who provide site coverage and may be required to communicate on specific networks and access applications. These devices simplify and expedite communications, increasing inspection and response effectiveness and efficiency. Consistent with this purpose, the use of these devices does not impose additional responsibility or restrictions for the individual. There are no additional restrictions on personal activity when off duty while carrying a pager or phone, except, if called upon by the region, the resident inspector must make management aware of any fitness-for-duty limitations and response time capability. Inspectors should abide by licensee/applicant/vendor requirements for access to their systems as necessary and appropriate.

Some RIs may elect to qualify to wear respirators for inspection and potentially emergency response purposes. While the qualification will be through the licensee, any required physical should be paid for by the NRC, inspectors can contact the headquarters Health Center to arrange one.

Resident inspectors are not required to establish residence within any specific distance of a site, nor is there a specific requirement regarding response time to a site that would reasonably affect the choice of personal residence within these guidelines. "Emergency Response Resource Guide," NUREG 1442, establishes the expected time for an NRC representative to arrive on site in response to an emergency as 2 to 8 hours. The regions should be cognizant of response capability and coordinate appropriately when resident inspectors are away from the site for extended periods.

1201-07 REFERENCES

18 USC 201-209, 216, Selected Provisions of the Conflict of Interest Laws

5 CFR 2635, Standards of Ethical Conduct for Employees of the Executive Branch

5 CFR 5801, Supplemental Standards of Ethical Conduct for Employees of the Nuclear Regulatory Commission

5 USC 7321, Political Activities (Hatch Act)

IMC 1245, "Qualification Program for Operating Reactor Programs"

MD 7.10, "Political Activity"

MD 7.9, "Ethics Approvals and Waivers"

NUREG 1442, "Emergency Response Resource Guide"

NUREG/BR-0134, REV. 3, "NRC Drug-Free Workplace Plan"

U.S. NRC Ethics Gateway: <https://nrc.appiancloud.com/suite/sites/ethics-gateway>

END

Attachment 1: Revision History for IMC 1201

Commitment Tracking Number	Accession Number Issue Date Change Notice	Description of Change	Description of Training Required and Completion Date	Comment Resolution and Closed Feedback Form Accession Number (Pre-Decisional Non-Public Information)
	ML23248A284 07/23/90 CN 90-008	Initial issuance to provide a standard of conduct to be followed by employees of NRR, NMSS, AEOD, OE, and the Regional offices in their relationships with licensees, licensee contractors and vendors, and applicants for an NRC license or construction permit. The instruction contains NRC management policies that supplement the standards contained in 10 CFR Part 0.		
	ML23248A252 01/23/91 CN 91-002	Revised to change the statement in Section 1201-07.01.c.2 from "alcohol shall not be consumed." to "alcohol should not be consumed.." In addition, an introductory clause was added to explain that such action is for the purpose of ensuring that employees are not impaired to perform their duties		
	ML23248A159 12/27/94 CN 94-021	Revised to eliminate many of the restrictions contained in the previous IMC and reflects the standards of conduct issued by the office of government ethics (OGE). In addition, the IMC includes as appendices two important employee announcements dealing with ethics related matters.		

Commitment Tracking Number	Accession Number Issue Date Change Notice	Description of Change	Description of Training Required and Completion Date	Comment Resolution and Closed Feedback Form Accession Number (Pre-Decisional Non-Public Information)
N/A	ML23248A042 06/29/99 CN 99-010	Has been revised to provide clarification of the Agency's guidance for the resident inspector program as specified in the October 13, 1998, memorandum from the Deputy Executive Director for Regulatory Programs entitled "Resolution of Long-Standing Concerns Associated with the Resident Inspector Program." The areas clarified included the resident's use of pager and/or cell phones, response time to events at the plant, time in the resident program, and resident relocation policy.	N/A	
N/A	ML111470227 10/28/11 CN 11-023	Deleted Appendix A and B (redundant and superseded) - provided link and reference to "Summary of Standards of Employee Conduct Regulations 5 CFR 2635". This action resolves FF 1201-1593.	N/A	ML112140163
	ML16211A030 07/29/16 CN 16-019	Is revised as an editorial change to correct hyperlinks and formatting.	N/A	N/A
	ML24190A048 03/18/25 CN 25-004	Updated references to the Ethic Gateway and various other requirements. Updated to current IMC 0040 formatting. Deleted duplicative and unnecessary requirements.		ML24194A097