



Semiannual Report to Congress

April 1, 2024 — September 30, 2024



35
years

*Promoting
economy,
efficiency,
and
effectiveness*



10
years



VISION

Advancing nuclear safety and security through audits, evaluations, and investigations.

MISSION

Providing independent, objective audit, evaluation, and investigative oversight of the operations of the U.S. Nuclear Regulatory Commission and the Defense Nuclear Facilities Safety Board to protect people and the environment.



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A MESSAGE FROM THE INSPECTOR GENERAL

On behalf of the Office of the Inspector General, U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board (DNFSB), it is my pleasure to present this Semiannual Report to Congress, covering the period from April 1, 2024, to September 30, 2024. I continue to be grateful for the opportunity to lead this extraordinary group of managers, auditors, evaluators, investigators, and support staff, and I am extremely proud of their exceptional work.



This year, we continue to celebrate special milestones: 35 years as the NRC OIG and 10 years as the DNFSB OIG. Over the last 4 1/2 years, we have had a greater impact with our oversight due to our broader outreach through in-person plant and regional visits and engagement with the public, greater online presence, expanding personnel roster, information technology upgrades, and our state-of-the-art physical workspace. I, with my talented and dedicated OIG team, look forward to continuing this transformation with an eye on the horizon for opportunities to expand our reach.

During this reporting period, we issued 11 audit and evaluation reports, and recommended several ways to improve NRC and DNFSB safety, security, and corporate support programs. We also opened 18 NRC and DNFSB investigative cases and completed 26, 17 of which were referred to NRC and DNFSB management for action.

Our reports are intended to strengthen the NRC's and the DNFSB's oversight of their myriad endeavors and reflect the legislative mandate of the Inspector General Act, which is to identify and prevent fraud, waste, and abuse. The summaries herein showcase the variety of work our auditors and investigators have accomplished during this reporting period, dedicating their efforts to promoting the integrity, efficiency, and effectiveness of NRC and DNFSB programs and operations. I greatly appreciate their commitment to that mission.

Our success would not be possible without the collaborative efforts of my staff, the NRC, and the DNFSB to address OIG findings and implement corrective actions promptly. I thank both my staff and agency staff for their dedication, and I look forward to continued cooperation to ensure the integrity and efficiency of the agencies' operations.

Robert J. Feitel
Inspector General

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AUDITS AND EVALUATIONS HIGHLIGHTS



**Reports
Issued**

8

**Recommendations
Made**

27

**Recommendations
Closed this period**

23

Audit topics covered in this report:

- Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (see page 12);
- Audit of the U.S. Nuclear Regulatory Commission's Reactor Operator Licensing Examination Process (see page 12);
- Evaluation of the U.S. Nuclear Regulatory Commission's Policies and Procedures for Emergency Evacuation of Disabled Personnel (see page 13);
- Evaluation of the U.S. Nuclear Regulatory Commission's Use of Anti-gag Clauses in Nondisclosure Agreements (see page 14);
- Audit of the U.S. Nuclear Regulatory Commission's Contract Management of Information Technology Services (see page 14);
- Evaluation of the U.S. Nuclear Regulatory Commission's Information Technology Asset Management (see page 15);
- Performance Audit of the U.S. Nuclear Regulatory Commission's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023 (see page 16); and,
- Audit of the U.S. Nuclear Regulatory Commission's Safety Inspections of Class II Research and Test Reactors (see page 17).



**Reports
Issued**

3

**Recommendations
Made**

12

**Recommendations
Closed this period**

17

Audit topics covered in this report:

- Audit of the Defense Nuclear Facilities Safety Board's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (see page 33);
- Audit of the Defense Nuclear Facilities Safety Board's Freedom of Information Act Program (see page 33); and,
- Performance Audit of the Defense Nuclear Facilities Safety Board's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023 (see page 34).

INVESTIGATIVE HIGHLIGHTS



**Investigations
Opened**

16

**Investigations
Completed**

23

**Active
Investigations**

10

Investigations covered in this report:

- Changes to San Onofre Nuclear Generating Station Site Characteristics (see page 21);
- Special Inquiry into the Appearance of a Conflict of Interest Involving Members of the Advisory Committee on the Medical Uses of Isotopes (see page 22);
- The U.S. Nuclear Regulatory Commission Inappropriately Approved a Certificate of Compliance for Radioactive Material Packages (see page 23);
- Allegation Regarding the U.S. Nuclear Regulatory Commission's Oversight of Material Control and Accounting for Fuel Facilities (see page 26);
- The U.S. Nuclear Regulatory Commission's Failure to Exercise Oversight of Agreement State Licensees with Special Nuclear Material of Low Strategic Significance (see page 28); and,
- Violation of the Prohibited Securities Rule and Other Ethics Requirements (see page 29).



**Investigations
Opened**

2

**Investigations
Completed**

3

**Active
Investigation**

1

Investigations covered in this report:

- The Defense Nuclear Facility Safety Board's Use and Oversight of Contractor (see page 36); and,
- The Defense Nuclear Facilities Safety Board Personnel Security Program's Issuance of an Incorrect Credentialing (see page 37).

HISTORY, MISSION, AND GOALS

OIG History

In the 1970s, government scandals, oil shortages, and stories of corruption covered by newspapers, television, and radio stations took a toll on the American public's faith in its government. The U.S. Congress knew it had to take action to restore the public's trust. It had to increase oversight of federal programs and operations. It had to create a mechanism to evaluate the effectiveness of government programs. It also had to provide an independent voice for economy, efficiency, and effectiveness within the federal government that would earn and maintain the trust of the American people.

In response, Congress passed the landmark legislation known as the Inspector General Act, which President Jimmy Carter signed into law in 1978. The [IG Act](#) created independent IGs, who would protect the integrity of government; improve program efficiency and effectiveness; prevent and detect fraud, waste, and abuse in federal agencies; and, keep agency heads, Congress, and the American people currently informed of their findings.

Today, the IG concept is a proven success. IGs continue to deliver significant benefits, and thanks to IG audits, evaluations, and investigations, billions of dollars have been returned to the federal government or have been better spent based on recommendations identified through them. IG investigations have also contributed to ensuring that thousands of wrongdoers are held accountable for their actions. The IG concept and its principles of good governance, accountability, and monetary recovery have been adopted by foreign governments as well, contributing to improved governance in many nations.

Nuclear Regulatory Commission OIG

In accordance with the 1988 amendments to the Inspector General Act of 1978, the NRC's OIG was established on April 15, 1989, as an independent and objective unit to conduct and supervise audits, evaluations, and investigations relating to the NRC's programs and operations. The purpose of the OIG's audits, evaluations, and investigations is to prevent and detect fraud, waste, abuse, and mismanagement, and promote economy, efficiency, and effectiveness, in NRC programs and operations. In addition, the OIG reviews existing and proposed regulations, legislation, and directives, and comments on any significant concerns.



The NRC's mission is to license and regulate the nation's civilian use of radioactive materials to protect public health and safety, promote the common defense and security, and protect the environment. The NRC's vision is to carry out this mission as a trusted, independent, transparent, and effective nuclear regulator, consistent with the NRC's Principles of Good Regulation.

Defense Nuclear Facilities Safety Board OIG

Congress created the DNFSB as an independent agency within the executive branch to identify the nature and consequences of potential threats to public health and safety involving the U.S. Department of Energy's (DOE) defense nuclear facilities, to elevate such issues to the highest levels of authority, and to inform the public. The DNFSB is the only independent technical oversight body for the nation's defense nuclear facilities. The DNFSB is composed of experts in the field of nuclear safety with demonstrated competence and knowledge relevant to the agency's oversight functions.



The Consolidated Appropriations Act of 2014 authorized the Inspector General of the NRC to exercise the same authorities with respect to the DNFSB as the Inspector General exercises under the Inspector General Act of 1978 (5 U.S.C. App.) with respect to the NRC.

OIG Mission and Goals

The OIG is committed to ensuring the integrity of NRC and DNFSB programs and operations. Developing an effective planning strategy is a critical aspect of meeting this commitment. Such planning ensures that audit, evaluation, and investigative resources are used effectively. To that end, the OIG developed a Strategic Plan that includes the major challenges and critical risk areas facing the NRC. The plan identifies the OIG's priorities and establishes a shared set of expectations regarding the OIG's goals and the strategies it will employ to achieve them. The OIG's most recent Strategic Plan for the NRC features three goals, which generally align with the NRC's mission and goals:

- Strengthen the NRC's efforts to protect public health and safety, and the environment;
- Strengthen the NRC's security efforts in response to an evolving threat environment; and,
- Increase the economy, efficiency, and effectiveness with which the NRC manages and exercises stewardship over its resources.



PROGRAMS AND ACTIVITIES

Audits and Evaluations Program

The OIG Audits and Evaluations Program focuses on NRC and DNFSB management and financial operations, the economy or efficiency with which the agencies manage their programs or functions, and whether these programs achieve intended results. OIG auditors assess the degree to which the NRC and the DNFSB comply with laws, regulations, and internal policies in carrying out their programs. OIG auditors also test program effectiveness and the accuracy and reliability of financial statements. The overall objective of an engagement is to identify ways to enhance agency operations and promote greater economy and efficiency. Engagements comprise four phases:

- **Survey** – An initial phase of the engagement process is used to gather information on the agency’s organization, programs, activities, and functions. An assessment of vulnerable areas determines whether further review is needed;
- **Fieldwork** – Auditors gather detailed information to develop and support findings, conclusions, and recommendations;
- **Reporting** – The auditors present the information, findings, conclusions, and recommendations supported by the evidence gathered during the survey and fieldwork phases. The auditors hold exit conferences with management officials to obtain their views on issues in the draft report and present those comments in the published report, as appropriate. The published reports of OIG engagements include formal written comments in their entirety as an appendix; and,
- **Resolution** – Positive change results from the resolution process in which management takes action to improve operations based on the recommendations in the OIG’s published report. Management actions are monitored until final action is taken on all recommendations. When management and the OIG cannot agree on the actions needed to correct a problem identified in an audit or evaluation report, the issue can be referred to the NRC Chair or DNFSB Chair for resolution.

Each October, the OIG issues an [Annual Plan](#) that summarizes the audits and evaluations planned for the coming fiscal year. Unanticipated high-priority issues may arise that generate engagements not listed in the *Annual Plan*. OIG audit and evaluation staff continually monitor specific issue areas to strengthen the OIG’s internal coordination and overall planning process. Under the OIG Issue Area Monitoring (IAM) program, staff designated for IAM are assigned responsibility for keeping abreast of major agency programs and activities. The broad IAM areas address nuclear reactors, nuclear materials, nuclear waste, international programs, security, information management, and financial management and administrative programs.

Investigative Program

The OIG's responsibility for detecting and preventing fraud, waste, and abuse within the NRC and the DNFSB includes investigating possible violations of criminal statutes relating to agency programs and activities, investigating misconduct by employees and contractors, interfacing with the U.S. Department of Justice on OIG-related criminal and civil matters, and coordinating investigations and other OIG initiatives with federal, state, and local investigative agencies and other OIGs.

Investigations may be initiated as a result of allegations or referrals from private citizens; licensee employees; government employees; Congress; other federal, state, and local law enforcement agencies; OIG audits; the OIG Hotline; and, OIG initiatives directed at areas having a high potential for fraud, waste, and abuse.

Because the NRC's and DNFSB's missions involve protecting the health and safety of the public, the OIG's Investigative Program directs much of its resources and attention to investigating allegations of NRC or DNFSB staff conduct that could adversely impact matters related to health and safety. These investigations may address allegations of:

- Misconduct by high-ranking and other agency officials, such as managers and inspectors, whose positions directly impact public health and safety;
- Failure by agency management to ensure that health and safety matters are appropriately addressed;
- Failure by the NRC or DNFSB to provide sufficient information to the public and to seek and consider the public's input openly during the regulatory process;
- Conflicts of interest involving agency employees, contractors, and licensees, including such matters as promises of future employment for favorable regulatory treatment and the acceptance of gratuities; and,
- Fraud in the agencies' procurement programs involving contractors violating government contracting laws and rules.

The OIG has also implemented a series of proactive initiatives designed to identify specific high-risk areas that are most vulnerable to fraud, waste, and abuse. A primary focus of these initiatives is moderating cybersecurity risks in the business environment. The OIG is committed to improving the security of the constantly changing electronic business environment by investigating unauthorized intrusions and computer-related fraud, and by conducting computer forensic examinations. The OIG also engages in proactive initiatives focused on determining instances of procurement fraud, theft of property, government credit card abuse, and fraud in other federal programs.

OIG General Counsel Regulatory Review

Under section 4(a) of the Inspector General Act, codified at 5 U.S.C. § 404(a), the OIG reviews existing and proposed legislation, regulations, and policies, as well as the implementation of NRC Management Directives (MD) and DNFSB Directives. The OIG then makes recommendations to the agencies concerning the impact on the economy and efficiency of their programs and operations. Regulatory review is intended to help the agencies avoid implementing potentially flawed regulations or policies. The OIG does not concur or object to agency actions reflected in the regulatory documents, but rather offers comments.

Comments provided in the regulatory review process reflect the OIG's objective analysis of the language of proposed statutes, regulations, directives, and policies. The OIG structures its review to identify vulnerabilities and offer the agencies additional or alternative choices. The OIG also focuses on ensuring that agency policies and procedures do not negatively affect the OIG's operations or independence.

From April 1, 2024, to September 30, 2024, the OIG reviewed a variety of regulatory documents. In its reviews, the OIG remained cognizant of how the proposed rules or policies could affect the OIG's functioning or independence. The OIG also considered whether the rules or policies could significantly affect NRC or DNFSB operations or be of high interest to NRC or DNFSB staff and stakeholders. In conducting its reviews, the OIG applied its knowledge and awareness of underlying trends and overarching developments at the agencies and in the areas they regulate.

For the period covered by this Semiannual Report to Congress, the OIG did not identify any issues that would significantly compromise its independence or conflict with its audit or investigative functions. The OIG did, however, identify certain proposed staff policies that might affect, to some extent, the work of the OIG. In these cases, the OIG proposed edits or changes that would mitigate the impacts and requested responses from the staff. Agency staff either accepted the OIG's proposals or offered a well-supported explanation as to why the proposed changes were not accepted. The OIG's reviews for the period covered by this Semiannual Report are described in further detail below.

NRC Management Directives

NRC MD 7.8, *Outside Employment*, provides the policies and procedures that implement the NRC's [supplemental ethics rule](#), a rule requiring NRC employees to obtain prior approval before engaging in certain types of compensated outside employment. The NRC revised this MD to update the guidance for employees seeking approval of outside employment, included hyperlinks to the agency's Ethics Gateway web application and ethics SharePoint site, and clarified that the NRC's Chair will appoint a Designated Agency Ethics Official from the agency's Office of the General Counsel. The OIG provided comments on the revised MD to help clarify the directive's terminology and procedures, and proposed reordering certain language in the MD to

explain better the role of the NRC's four regional counsels in reviewing outside-employment requests coming from the respective regions.

The OIG also reviewed the following MDs or other guidance documents during this reporting period: MD 3.9, *NRC Staff and Contractor Speeches, Presentations, Papers, and Journal Articles on Regulatory and Technical Subjects*; MD 3.15, *Multimedia Services*; MD 5.3, *Agreement State Participation in Working Groups*; MD 7.10, *Political Activity*; MD 9.23, *Organization and Functions, Office of Nuclear Security and Incident Response*; MD 9.28, *Organization and Functions, Office of Nuclear Regulatory Research*; MD 9.29, *Organization and Functions, Regional Offices*; MD 10.38, *Position Management*; MD 10.161, *Civil Rights Program, Affirmative Employment and Diversity Management, and Diversity, Equity, and Inclusion Outreach*; MD 12.4, *NRC Communications Security (COMSEC) Program*; and, MD 12.9, *NRC Operations Security Program*. While the OIG provided editorial or formatting suggestions for some of these directives, it had no substantive comments on them.

DNFSB Directives

The OIG reviewed Directive Number D-221.1, *Official Travel*, which establishes policies and responsibilities for official business travel involving DNFSB employees. The OIG recommended adding language to this directive that addresses, or at least incorporates by reference, the responsibilities of the agency's Executive Director of Operations (EDO) that are listed in the directive's associated operating procedure. The OIG also recommended that the DNFSB verify the operating procedure, or other agency guidance, that addresses recent changes to the Federal Travel Regulation (FTR) involving premium economy travel, including those summarized in the General Service Administration's Bulletin FTR 23-07 (Aug. 21, 2023).

Directive Number D-231.2, *Freedom of Information Act (FOIA) Program*, sets forth the DNFSB's policy for complying with FOIA and certain additional authorities that may be relevant to an agency's FOIA obligations. The DNFSB updated its prior FOIA directive, which dated back to 2001, to capture intervening changes in the law and revise agency procedures. The OIG recommended that the DNFSB clarify certain terminology in the directive, better define the roles of the EDO and the FOIA Public Liaison, and explain that, consistent with FOIA, only a "senior agency official" can be designated to serve as the Chief FOIA Officer.

Finally, the OIG reviewed Directive Number D-241.3, *DNFSB Official Reception and Representation Funds*, which establishes the policies governing the agency's distribution, use, and accounting of such funds. The OIG recommended that the DNFSB clarify what type of notification is required before using reception and representation funds at an event where neither the agency's Chair nor Vice Chair would be present. The OIG also recommended adding a citation to the Government Accountability Office's Principles of Federal Appropriations Law in the "References" section of the directive.

Other OIG Activities

This summer, the OIG welcomed four student interns—college students Angelina Nguyen, Zoe Cross, Laura Levine, and law student Leanna Feinleib—to experience working with the federal government and with the OIG.

“Thank goodness for the student interns,” said Inspector General Robert J. Feitel, “who have done so much to enhance our work. While Angelina, Zoe, Laura, and Leanna certainly benefitted from learning about our important work, they also brought so much to the table to make us better. They brought helping hands, fresh eyes, diverse academic interests, unique perspectives, and enthusiasm for the work we do. We hope that they’ve had positive and enriching experiences working with the OIG!”

Angelina Nguyen is a junior studying cyber security at the University of Mary Washington and plans to minor in sports marketing and management. Zoe Cross is a senior at the University of Maryland, College Park, studying criminal justice with a minor in global terrorism. Laura Levine is also a senior at the University of Maryland. She expects to graduate with her bachelor’s degree in political science in 2025 and a master’s degree in applied political analytics the following year. Finally, Leanna Feinleib earned her bachelor’s degree in criminology, law and society, concentrating her studies in homeland security, from George Mason University. She is now a second-year law student at the University of Maryland’s Francis King Carey School of Law, planning to complete her juris doctor in 2026.

The OIG offers internship opportunities to students each year and has welcomed several former interns to its ranks as full-time OIG employees over the years.



Pictured from left are Legal Intern Leanna Feinleib, Deputy Inspector General Ziad Buhaissi, Audit Intern Laura Levine, General Counsel Michael Clark, Assistant Inspector General for Audits and Evaluations Hruta Virkar, Inspector General Robert J. Feitel, Audit Intern Angelina Nguyen, Chief of Staff and Deputy General Counsel Edward O’Connell, and Audit Intern Zoe Cross.



U.S. Nuclear Regulatory Commission Management Challenges and Audit, Evaluation, and Investigative Summaries

NRC MANAGEMENT CHALLENGES

The following were the most serious management and performance challenges facing the U.S. Nuclear Regulatory Commission in FY 2024* as identified by the Inspector General:

- Challenge 1: Ensuring safety and security through risk-informed regulation of established and new nuclear technologies, as well as cyber and physical security activities impacting the NRC's mission;
- Challenge 2: Overseeing the decommissioning process and the management of decommissioning trust funds;
- Challenge 3: Implementing new legislative requirements related to NRC core mission areas and corporate support;
- Challenge 4: Ensuring the effective acquisition, management, and protection of information technology and data;
- Challenge 5: Hiring and retaining sufficient highly skilled employees to carry out the NRC mission;
- Challenge 6: Overseeing the safe and secure use of nuclear materials and storage and disposal of high- and low-level waste;
- Challenge 7: Managing financial and acquisitions operations to enhance fiscal prudence and transparency of resource management;
- Challenge 8: Maintaining public outreach related to the agency's regulatory process; and,
- Challenge 9: Planning for and assessing the impact of Artificial Intelligence and Machine Learning on nuclear safety and security.

* For more information on these challenges, see [OIG-24-A-01](#), *The Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the Nuclear Regulatory Commission in Fiscal Year 2024*.

AUDITS AND EVALUATIONS DIVISION

Summaries—NRC

Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024

OIG Strategic Goal: Corporate Support

The Federal Information Security Modernization Act (FISMA) of 2014 established information security management requirements for agencies, including the requirement for an annual independent assessment by each agency's IG. The annual assessments provide agencies with the data needed to determine the effectiveness of overall information security programs and to develop strategies and best practices to improve information security. The OIG contracted with Sikich CPA LLC (Sikich) to conduct an independent audit of the NRC's overall information security program and practices in response to the FY 2024 IG FISMA Reporting Metrics. The audit objective was to assess the effectiveness of the information security policies, procedures, and practices of the NRC.

Audit Results

This report made four recommendations to strengthen the NRC's information security program. Based on its assessment of the period October 1, 2023, through June 30, 2024, Sikich found that although the NRC has established an effective agency-wide information security program and effective information security practices, some weaknesses may impact the agency's ability to protect the NRC's systems and information optimally.

Addresses Management and Performance Challenge #5

Audit of U.S. Nuclear Regulatory Commission's Reactor Operator Licensing Examination Process

OIG Strategic Goal: Safety

The NRC's four regional offices are responsible for issuing licenses for reactor operators and senior reactor operators of commercial nuclear power plants in accordance with the NRC's regulations at 10 Code of Federal Regulations (C.F.R.) Part 55, *Operators' Licenses*. Following the completion of a facility-administered training program, the initial licensing examination is administered. The examinations are prepared, administered, and graded using the guidance in NUREG-1021, *Operator Licensing Examination Standards for Power Reactors*. The audit objective was to determine the effectiveness, efficiency, and integrity of the NRC's oversight of the reactor operator licensing examination process.

Audit Results

This report made one recommendation to identify process gaps and update NUREG-1021 to ensure that guidance in future revisions remains current and addresses emerging issues.

The NRC's oversight of the reactor operator licensing examination process is effective, efficient, and reliable. However, the agency could benefit from providing additional guidance and clarity in the current NUREG-1021 (Rev. 12). Specifically, NUREG-1021 lacks clarity in policy interpretation and contains process gaps the NRC had not identified during its update of the regulation. This lack of clarity in the guidance could lead to delays and errors processing reactor operator licensing applications and rendering requalification decisions.

Addresses Management and Performance Challenge #1

Evaluation of the U.S. Nuclear Regulatory Commission's Policies and Procedures for Emergency Evacuation of Disabled Personnel

OIG Strategic Goal: Corporate Support

Facilities occupied by federal government tenants are required to maintain occupant emergency plans describing actions occupants should take to ensure safety if a fire or other emergency occurs. These plans should address a broad range of hazards and threats, meet facility-specific needs, involve coordination with local emergency responders, and consider applicable codes and regulations.

The OIG initiated this evaluation in response to an employee's allegation. The objective of the evaluation was to assess the extent to which the NRC's emergency evacuation policies and procedures for the agency's headquarters complex consider the needs of personnel with various disabilities.

Evaluation Results

This report made four recommendations: three recommendations to improve two-way communication systems, area of refuge signage, and fire door accessibility, and one recommendation to enhance training for personnel needing or rendering assistance during an emergency evacuation.

The OIG found that the NRC headquarters occupant emergency plan includes adequate procedures to facilitate the emergency evacuation of disabled personnel and other personnel needing assistance. However, the agency must update two-way communication systems, area of refuge signage, and fire door accessibility to align with safety codes and better support personnel needing assistance during emergency evacuations. In addition, NRC headquarters personnel could benefit from more frequent limited-scope training to supplement annual full-scope evacuation and accountability drills.

Addresses Management and Performance Challenge #8

Evaluation of the U.S. Nuclear Regulatory Commission’s Use of Anti-gag Clauses in Nondisclosure Agreements

OIG Strategic Goal: Corporate Support

The anti-gag provision in the Whistleblower Protection Enhancement Act (WPEA) requires all federal agency nondisclosure policies, forms, or agreements to include specific language from 5 U.S.C. section 2302(b)(13), explicitly notifying federal employees of the right to report wrongdoing. Under this provision, agencies may not impose nondisclosure agreements (NDAs) or nondisclosure policies without language informing employees that the statutory right to blow the whistle supersedes the terms and conditions of the NDA or policy. Among other things, NDAs must inform employees of the overriding right to communicate with Congress, Inspectors General, and the U.S. Office of Special Counsel. No agency may seek, through an NDA or otherwise, to chill such communications. In March 2024, Senator Charles E. Grassley (R-IA) requested that all Inspectors General confirm their agencies are including the required “anti-gag” language from the WPEA in agency NDAs.

The evaluation objective was to determine if the NRC’s NDAs and nondisclosure policies comply with 5 U.S.C. section 2302(b)(13).

Evaluation Results

This report made three recommendations to address the compliance of the NRC’s NDAs with the requirements of 5 U.S.C. section 2302(b)(13). The OIG found that the NRC’s NDAs involving federal employees do not comply with the requirements of 5 U.S.C. section 2302(b)(13). Specifically, NRC employees hired before the WPEA was enacted were not retroactively informed of their whistleblower rights. In addition, some NDAs between the NRC and other federal agencies lack required anti-gag language. Further, the OIG found that anti-gag language is not included in NRC Form 176A, *Security Acknowledgement*.

Addresses Management and Performance Challenge #4

Audit of the U.S. Nuclear Regulatory Commission’s Contract Management of Information Technology Services

OIG Strategic Goal: Corporate Support

The NRC strives to keep current with proven technologies to provide the agency with a secure and reliable information technology (IT) infrastructure and capabilities that increase productivity and maximize value. To better the agency’s position in providing quality IT services, the Office of the Chief Information Officer (OCIO) has adopted an agile approach to procuring, developing, maintaining, and delivering IT services. The OCIO has moved away from a large seat contract with a single vendor for the agency’s IT needs to the agency owning and managing its IT assets and overseeing multiple vendors that deliver IT services. The audit objective was to determine if the NRC is efficiently and effectively managing IT-related contracts for the agency’s information technology services and support.

Audit Results

This report made two recommendations to improve the NRC's management and contract closeouts. The OIG found that the NRC could improve its IT services and support through more consistent management with an emphasis on service level agreements (SLAs) and the timely closeout of IT-related contracts.

Consistent with federal regulations and prudent business practices, contract requirements should be clearly defined, and the appropriate performance standards should be developed so the NRC can measure the contractor's performance. The NRC does not consistently use SLAs when awarding IT contracts, however, because the agency has no specific guidance on how or when to use SLAs. As a result, the NRC may be limiting its ability to measure contractor performance and might not receive the services the agency requires or purchases.

The NRC is required to close out contracts in an orderly and timely manner. However, the NRC is not always prompt in contract closeouts and in deobligating excess funds. Delays occur because the NRC does not always prioritize contract closeouts and does not have a tracking method for contracts in the closeout process. Delayed contract closeouts have led to a surplus of unliquidated obligations that could be put to better use.

Addresses Management and Performance Challenge #4

Evaluation of the U.S. Nuclear Regulatory Commission's Information Technology Asset Management

OIG Strategic Goal: Corporate Support

In December 2023, the OIG's Audits and Evaluations Division received an OIG Hotline complaint stating that NRC IT assets are not returned upon employee separation from the NRC, IT assets are not located where they are shown to be in the Configuration Management Database in the Information Technology Service Management (ITSM) toolset, new IT assets are not being logged into the appropriate database, and decommissioning procedures are not followed for IT assets.

The evaluation objective was to determine the facts and circumstances regarding allegations of information technology asset mismanagement.

Evaluation Results

This report made six recommendations to improve the NRC's information technology asset management program. The OIG determined that the NRC's IT assets were not managed effectively throughout aspects of the IT lifecycle management process.

The OIG found that some NRC assets were not returned upon employee separation from the NRC. Specifically, three employees separated from the NRC without returning a total of four laptops.

In addition, NRC IT assets were not located where shown in the Configuration Management Database. The OIG found that 666 of 980 items were not in the locations assigned in the ITSM toolset. Further, new IT assets were not logged into the appropriate database until 3 months after the NRC received the assets. The OIG also found that NRC decommissioning procedures were not followed for IT assets.

Addresses Management and Performance Challenge #4

Performance Audit of the U.S. Nuclear Regulatory Commission's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023

OIG Strategic Goal: Corporate Support

The OIG engaged Sikich to conduct a performance audit of the NRC's compliance with the Payment Integrity Information Act of 2019 (PIIA) for FY 2023 in accordance with Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, section II.4.5, and with section VI.A. of OMB Memorandum M-21-19, which transmits Appendix C to OMB Circular No. A-123, *Requirements for Payment Integrity Improvement*.

The objective of this audit was to determine whether the NRC complied with the requirements of the PIIA for FY 2023. Accordingly, Sikich assessed the NRC's compliance with OMB guidance and corresponding reporting instructions. Sikich determined that the NRC met the applicable requirements for PIIA compliance for the five programs Sikich identified as susceptible to improper payments or unknown payments.

Audit Results

Sikich found that the NRC complied with the requirements of the PIIA for FY 2023. As required, the NRC published applicable payment integrity information with the annual financial statement and in the accompanying materials to its annual financial statements for the most recent fiscal year in accordance with payment integrity information guidance provided in OMB Circular A-136. The NRC posted the annual financial statement and accompanying materials required under OMB guidance on the agency website with a link to paymentaccuracy.gov, conducted an intellectual property risk assessment for each program with annual outlays greater than \$10 million at least once in the last 3 years, and adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.

Sikich also found the NRC's reporting of and performance in reducing and recapturing improper payments and unknown payments to be generally accurate and complete. In response to Sikich's findings, the NRC concluded that a payment recapture audit would not be cost effective. The NRC's FY 2023 improper payment risk assessment concluded that there were no improper payments for the programs that met the PIIA threshold for testing.

Addresses Management and Performance Challenge #7

Audit of the U.S. Nuclear Regulatory Commission's Safety Inspections of Class II Research and Test Reactors

OIG Strategic Goal: Safety

The NRC regulates research and test reactors (RTRs) to ensure that licensees' systems and operations are in accordance with regulatory requirements and provide acceptable protection of public health and safety.

"Class II" refers to those RTRs that are licensed to operate at power levels less than 2 megawatts. The NRC's Class II RTR inspection program is designed to provide sufficient flexibility to optimize the use of inspection resources and provide inspection commensurate with the safety significance of the RTR.

The audit objective was to determine whether the NRC performs safety inspections at Class II RTRs in accordance with agency guidance and inspection program objectives.

Audit Results

This report made seven recommendations to improve the NRC's policies, procedures, and program controls for managing safety inspections of Class II RTRs.

The NRC performs safety inspections at Class II RTRs in accordance with agency guidance; however, opportunities exist to improve policies, procedures, and controls for managing safety inspections of Class II RTRs. The OIG found that RTR inspection hours were not accurately charged. The NRC does not consistently track post-qualification and refresher training requirements and does not consistently review requests to meet inspector qualification requirements using alternate methods, such as equivalency justifications.

In addition, the NRC does not retain RTR inspection program information centrally and has not periodically reviewed RTR inspection program guidance as required by agency policy.

Addresses Management and Performance Challenge #4

Audits and Evaluations in Progress— NRC

Audit of the U.S. Nuclear Regulatory Commission’s Travel Charge Card Program

OIG Strategic Goal: Corporate Support

The audit objective is to assess whether the NRC’s policies and procedures are effective in preventing and detecting travel charge card misuse and payment delinquencies.

Addresses Management and Performance Challenge #7

Audit of the U.S. Nuclear Regulatory Commission’s Recruitment and Retention Activities

OIG Strategic Goal: Corporate Support

The audit objective is to assess the NRC’s effectiveness in recruiting and retaining staff to address critical skills shortfalls.

Addresses Management and Performance Challenge #5

Audit of the U.S. Nuclear Regulatory Commission’s Use of Operating Experience in Emergency Diesel Generator Oversight

OIG Strategic Goal: Safety

The audit objective is to determine whether the NRC effectively uses operating experience information to oversee the emergency diesel generators at nuclear power plants.

Addresses Management and Performance Challenge #1

Audit of the U.S. Nuclear Regulatory Commission’s Web-Based Licensing System

OIG Strategic Goal: Safety

The audit objective is to determine whether the Web-Based Licensing system effectively manages the NRC’s materials licensing and inspection information and provides for the security, availability, and integrity of the system data.

Addresses Management and Performance Challenge #9

Audit of the U.S. Nuclear Regulatory Commission's Technical Qualifications Programs

OIG Strategic Goal: Safety

The audit objective is to determine the adequacy of the NRC's process to manage, track, and monitor its technical qualification programs.

Addresses Management and Performance Challenge #6

Evaluation of the U.S. Nuclear Regulatory Commission's Telework Program

OIG Strategic Goal: Corporate Support

The evaluation objective is to assess the NRC's use and oversight of its telework program and the administration of locality payments for telework employees.

Addresses Management and Performance Challenge #8

Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 at the Technical Training Center

OIG Strategic Goal: Corporate Support

The audit objective is to conduct an independent assessment of the NRC's FISMA implementation for FY 2024 at the agency's Technical Training Center.

Addresses Management and Performance Challenge #4

Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 at Region IV

OIG Strategic Goal: Corporate Support

The audit objective is to conduct an independent assessment of the NRC's FISMA implementation for FY 2024 at Region IV.

Addresses Management and Performance Challenge #4

Audit of the U.S. Nuclear Regulatory Commission's Fiscal Year 2024 Financial Statements

OIG Strategic Goal: Corporate Support

The audit objectives are to express opinions on the agency's financial statements and internal controls, review compliance with applicable laws and regulations, and review controls in the NRC's computer systems that are significant to the financial statements.

Addresses Management and Performance Challenge #7

INVESTIGATIONS DIVISION

Case Summaries—NRC

Changes to San Onofre Nuclear Generating Station Site Characteristics

OIG Strategic Goal: Safety

Complaint

The OIG initiated this investigation based on a complaint that the NRC “misrepresent[ed] and distort[ed] actual facts” during public interactions regarding the agency’s review of 10 C.F.R. 2.206 petitions pertaining to the design-basis flooding event at San Onofre Nuclear Generating Station (SONGS).

A section 2.206 petition is a request, which anyone may file, for the NRC to take action—including modifying, suspending, or revoking a license—regarding a licensee or other person within the NRC’s jurisdiction. A design-basis flood is the flood that poses the most severe hazards to the safety of a nuclear power plant; under 10 C.F.R. 52.79(a)(4)(i), nuclear power plants must be designed to withstand that flood.

Investigative Results

The OIG did not substantiate the allegation that the NRC misrepresented and distorted facts in connection with its intake of the section 2.206 petitions.

The OIG found, however, that site characteristic data in the 2022 SONGS Defueling Safety Analysis Report (DSAR) are inconsistent with site characteristic data the licensee provided to the California Coastal Commission (CCC) during the 2015 state-level coastal development permitting process. The data in the 2022 DSAR are essentially the same design-basis flooding information the licensee provided to the NRC during initial licensing in 1981. Yet, during its investigation of matters related to the 2.206 petitions, the OIG reviewed a 2015 CCC report that contains data from and relies on a 2013 site-specific analysis, conducted as part of calculations for a probable maximum tsunami at SONGS. The design-basis flood value for still water level as reported in the 2022 DSAR is more than 6 feet lower than as reported in the 2015 CCC report.

Still water level is the average water elevation, including the effects of tides and storms but excluding the effects of wind waves and wave runup on shorelines and other embankments. Mean lower low water (MLLW) is the average level of the lowest tide for each day for a 19-year period. If the SONGS design-basis flood value for still water level has risen by more than 6 feet MLLW, such an increase challenges the original flood level estimates used in the NRC’s design-basis evaluations of SONGS Units 2 and 3 and the adequacy of mitigating actions.

In addition, in evaluating the probable maximum tsunami at SONGS Units 2 and 3, the 2015 CCC report considers wave runup elevations from far-field tsunami sources, again relying on the 2013 analysis. In contrast, the 2022 DSAR bases the probable maximum tsunami on local offshore fault zones.

The OIG did not identify an immediate safety concern regarding SONGS but conveyed to the NRC related information so the agency can assess the information's regulatory significance.

NRC Response

The NRC is reviewing the information the OIG shared regarding the discrepancy between the SONGS site characteristic data the licensee reported to the NRC and the data the licensee provided to the CCC. The NRC committed to reviewing this issue in an inspection planned for the first quarter of FY 2025 and to documenting its resolution of this matter in an inspection report.

Addresses Management and Performance Challenge #1

Special Inquiry into the Appearance of a Conflict of Interest Involving Members of the Advisory Committee on the Medical Uses of Isotopes

OIG Strategic Goal: Safety

Investigative Results

As discussed in the October 2023 – March 2024 Semiannual Report to Congress, the OIG found that two members of the NRC's Advisory Committee on the Medical Uses of Isotopes (ACMUI), which was providing advice related to petition for rulemaking number PRM-35-22, were active participants in a professional organization carrying out a campaign opposing PRM-35-22.

The ACMUI comprises a variety of health care professionals who advise the NRC on technical and policy issues regarding medical uses of radioactive material. A petition for rulemaking is a request, submitted by a person or entity, for a federal agency to adopt, revise, or withdraw a regulation. PRM-35-22, *Reporting Nuclear Medicine Injection Extravasations as Medical Events*, is a petition requesting the NRC require medical event reporting of radiopharmaceutical extravasations that result in localized dose equivalents exceeding 0.5 Sievert (50 rem).

In general, a medical event is a radiopharmaceutical dose administration that differs from the prescribed dose, drug, or recipient; when the difference exceeds the limits described in 10 C.F.R. 35.3045, the licensee must report the medical event to the NRC. An extravasation is the unintentional leakage of an intravenously administered solution into tissue around the infusion or injection site.

Title 5 C.F.R. 2635.502, *Personal and business relationships*, provides that when a federal employee determines a reasonable person with knowledge of the relevant facts would question the employee's impartiality in a matter, the employee should not participate in the matter without agency authorization. In this case, two ACMUI

members failed to follow the procedures in section 2635.502 when the members participated in ACMUI's review of PRM-35-22 without prior authorization.

The OIG also found that the NRC lacked sufficient policies and internal controls to avoid both actual and apparent conflicts of interest for ACMUI members.

NRC Response

The NRC responded to the OIG's findings by committing to five program enhancements, one completed and four underway:

1. The NRC updated the ACMUI member hiring process with candidate interview questions related to ethics and conflict of interest responsibilities;
2. The NRC will improve processes for assessing, documenting, tracking, coordinating with its Office of the General Counsel, and routinely inspecting determinations of conflicts of interest and appearance of conflicts of interest within the ACMUI;
3. The ACMUI will revise its bylaws with more information regarding the scope of federal conflict of interest requirements and members' responsibilities to disclose potential conflicts of interest and appearance of conflicts of interest;
4. During the ACMUI's annual ethics training for all members, NRC ethics officials will provide additional information on conflicts of interest, appearance of conflicts of interest, and 5 C.F.R. 2635.502 covered relationships; and,
5. The NRC will revise the ACMUI member's guide (NUREG/BR-0309) with additional detail on members' conflict of interest and appearance of conflict-of-interest responsibilities.

In addition, the NRC is considering tracking ACMUI members' affiliations and conflict of interest screenings through the WebACTS platform employed by the NRC's Advisory Committee on Reactor Safeguards.

Addresses Management and Performance Challenges #1, #6, and #8

The U.S. Nuclear Regulatory Commission Inappropriately Approved a Certificate of Compliance for Radioactive Material Packages

OIG Strategic Goal: Safety

Complaint

The OIG initiated this investigation based on a complaint that the Office of Nuclear Material Safety and Safeguards (NMSS) inappropriately issued Holtec International Corporation (Holtec) Radiological Material Package Certificate of Compliance (CoC) #9375, Revision 0.

A CoC authorizes an organization to ship nuclear material in an approved transport system (package). Before modifying a previously approved package, an organization must obtain a revision of the CoC.

Allegedly, the issuance of CoC #9375, Revision 0, was inappropriate because it permitted Holtec to fabricate transportation containment boundary system components, for use in a radioactive non-fuel waste package, using American Society of Testing and Materials Standard A514 (ASTM A514).

Investigative Results

The OIG substantiated the allegation that the NRC issued CoC #9375, Revision 0, inappropriately. Title 10 C.F.R. Part 71 regulates the packaging and transportation of radioactive material. NUREG-2216, *Standard Review Plan for Transportation Packages for Spent Fuel and Radioactive Material*, provides guidance to NRC staff for reviewing a licensee's application for a transportation package under Part 71. NUREG-2216 section 7.4.2.2 provides that transportation containment boundary system components should be designed and constructed in accordance with section III of the American Society of Mechanical Engineers' Boiler and Pressure Vessel Code (ASME Code).

ASTM A514 is a steel known for its high-yield strength and weldability. ASTM A514 is not, however, a permissible material for transportation containment boundary system components under ASME Code section III.

The OIG found that two NRC materials technical reviewers failed to identify that the use of ASTM A514 steel as described in CoC #9375, Revision 0—as well as in CoC #9375, Revision 1, as originally submitted—constituted the use of an unapproved material. Almost 1 year after the NRC issued CoC #9375, Revision 0, an NRC senior materials technical reviewer identified the issue and then implemented the Request for Additional Information process with Holtec, leading to correction of the issue.

The OIG determined that Holtec could have fabricated a package using the ASTM A514 standard under CoC #9375, Revision 0, without the NRC's knowledge. Holtec had the opportunity, for approximately 18 months, to fabricate a package using ASTM A514, and Holtec planned to use such a package in Sweden, but NRC regulations do not always require a licensee to notify the NRC before commencing fabrication. In this case, NRC regulations did not require Holtec to notify the NRC because the package's decay heat load was not more than 5 kilowatts and the package's normal operating pressure was not more than 103 kilopascals gauge.

The OIG also found that in April 2021, the NRC drafted LIC-FM-8, Revision No. 0, *Peer Review Process*, a divisional instruction on conducting peer reviews of licensing actions, but the NRC had not yet approved or otherwise dispositioned the instruction as of February 2024 (when the OIG communicated its findings to the NRC).

Lastly, the OIG observed that the NRC's Safety Evaluation Report for CoC #9375, Revision 0 and Revision 1, incorrectly referenced NUREG-1609, *Standard Review Plan for Transportation Packages for Radioactive Material*, instead of NUREG-2216, *Standard Review Plan for Transportation Packages for Spent Fuel and Radioactive Material*.

NRC Response

In response to the OIG's finding that the NRC inappropriately issued CoC #9375, Revision 0, and that two NRC reviewers failed to identify that the proposed use of ASTM A514 was impermissible, the NRC took four steps to ensure it conducts high-quality licensing reviews and to focus on staff qualifications:

1. By discussing the details of this case, NMSS materials reviewers heightened their awareness of the need to determine whether applicants are using permissible materials;
2. The Materials and Structure Branch in NMSS committed to conducting mentoring activities and peer reviews routinely;
3. NMSS finalized division instruction ADM-FM-5, *Administrative Process for Qualification*; and,
4. The Materials and Structure Branch implemented a branch-specific qualification plan, including a training plan that familiarizes materials reviewers with code-required materials and other technical topics.

In response to the OIG's finding that Holtec could have fabricated a package using ASTM A514 without the NRC's knowledge, the NRC acknowledged that while vendors commonly provide to the agency a courtesy notice prior to fabrication, 10 C.F.R. 71.93(c) did not require notification prior to fabrication in this instance. Holtec provided no courtesy notification of fabrication using the Revision 0 specifications, and the NRC's April 2024 inspection of the Holtec fabrication facility revealed no evidence that Holtec fabricated a package using those specifications. In February 2023, the NRC received a courtesy notification from Holtec indicating that Holtec planned to commence its first fabrication of the package (using compliant materials) in March 2023.

In response to the OIG's finding that the agency had not yet dispositioned a 2021 draft divisional instruction for staff conducting peer reviews of licensing actions, the NRC stated that the instruction had since been finalized and issued. The NRC explained that it had deferred completion of the instruction to mitigate a high workload while supervisors focused on hiring staff, but that for many years supervisors, at individual discretion, had used peer reviews when developing safety evaluations. The newly finalized instruction documents the best practices from those earlier staff practices.

Lastly, in response to the OIG's observation about the incorrect reference, the NRC acknowledged that the proper reference would have been to NUREG-2216.

Addresses Management and Performance Challenge #6

Allegation Regarding the U.S. Nuclear Regulatory Commission's Oversight of Material Control and Accounting for Fuel Facilities

OIG Strategic Goal: Safety and Security

Complaint

The OIG received a complaint that unqualified inspectors performed material control and accounting (MC&A) inspections at fuel facilities from 2021 through 2023, and that some qualified MC&A inspectors have not completed the required refresher and continuing training. In addition, the complainant stated that there is a “huge, short staffing” of Region II MC&A inspectors, due to departures and other factors, leaving only one qualified MC&A inspector in the Division of Fuel Facility Inspections (DFFI).

Under 10 C.F.R. Part 74, licensees are required to maintain an MC&A program to track and verify onsite special nuclear material to prevent attempted theft or unauthorized production. The NRC performs both routine and reactive inspections of licensees' MC&A programs. MC&A inspectors have specialized training and experience in MC&A.

Investigative Results

The OIG did not substantiate that unqualified MC&A inspectors conducted inspections from 2021 through 2023, because Region II augmented its inspection staff with qualified MC&A inspectors who had transferred to other positions in the agency. The number of qualified MC&A inspectors in the responsible division (DFFI) had decreased since 2017 such that DFFI had to augment its inspection resources from 2021 to 2023. DFFI augmented its inspection resources with previously qualified inspectors from headquarters and former DFFI inspectors who had since assumed different assignments and moved to other organizations in Region II.

The OIG further found that most of the augmenting MC&A inspectors had not completed all Inspection Manual Chapter 1247, Appendix C5 qualification refresher and continuing training requirements. After the OIG began its reviews of the MC&A inspection program, and because of a separate OIG special inquiry regarding independent spent fuel storage installation inspectors, Region II initiated substantive corrective actions to address the issues the OIG had identified.

NRC Response

The NRC responded to the OIG's findings with descriptions of how the agency will track and monitor ten actions intended to correct the falling number of qualified MC&A inspectors in DFFI and to ensure MC&A inspectors complete refresher and continuing training:

1. DFFI is prioritizing MC&A qualifications in its periodic staff planning reviews and is proactively assigning MC&A qualification training to cover forecasted gaps in staffing needs. DFFI is tracking these efforts through regular meetings on staffing;

2. Since the OIG provided its findings to the NRC, one DFFI inspector has completed MC&A training and successfully qualified as an MC&A inspector; through the regular meetings on staffing, DFFI continues to track a second inspector's progress toward qualification, which is expected by the end of 2024;
3. As needed, when an MC&A inspector departs DFFI for another part of the NRC, DFFI and the inspector's new supervisor will establish an informal agreement for the inspector to continue to provide MC&A inspection coverage;
4. As needed, when unforeseen circumstances arise, Region II will work collaboratively, both inside and outside Region II, to augment inspections with fungible resources such as MC&A subject matter experts;
5. Region II's Mission Focus Team monitors the development of regional office instructions on qualifications and meets regularly;
6. To be supported by the regional office instructions as well, Region II encourages employees to complete subsequent- and cross-qualifications, thereby increasing fungibility of inspection resources. Subsequent- and cross-qualifications are currently voluntary;
7. Region II has coordinated with the Office of the Chief Human Capital Officer (OCHCO) to determine whether, consistent with the Collective Bargaining Agreement, Region II has the authority to mandate subsequent- and cross-qualification outside of an employee's job function;
8. Due to the NRC's low demand for training MC&A inspectors compared to DOE demand for MC&A training, the NRC's primary training pipeline for MC&A inspectors is the DOE training center. The NRC has successfully worked, as needed, with the DOE to request priority for NRC MC&A inspector candidates at the DOE training center;
9. DFFI leadership is tracking and monitoring DFFI's coordination with OCHCO and the OCIO on improvements to the NRC's Training Management System to track qualification trainings automatically; and,
10. DFFI has reviewed a currently required refresher training—HAZWOPER—and proposed that, because this training duplicates other training, inspectors instead complete trainings that provide equivalent competencies, such as licensee-specific training and Site Access Training. DFFI has submitted a related proposal to the Office of Nuclear Material Safety and Safeguards, with its progress to be monitored through regular leadership engagement.

The NRC committed to continuing to track these corrective actions to completion as part of the agency's efforts to meet the MC&A program objectives.

Addresses Management and Performance Challenges #1 and #6

The U.S. Nuclear Regulatory Commission's Failure to Exercise Oversight of Agreement State Licensees with Special Nuclear Material of Low Strategic Significance

OIG Strategic Goal: Safety

Complaint

The OIG initiated this investigation based on a complaint that, for more than 40 years, the NRC failed to oversee physical protection requirements for Agreement State licensees possessing special nuclear material of low strategic significance (SNM-LSS).

Investigative Results

The OIG substantiated that, for more than 40 years, the NRC failed to exercise common defense and security oversight in accordance with 10 C.F.R. 150.14 for licensees possessing SNM-LSS in various "Agreement States." An Agreement State is any state with which the NRC (or its predecessor, the Atomic Energy Commission) has entered into an agreement, under 42 U.S.C. 2021, authorizing the state to license and inspect byproduct, source, or special nuclear materials used or possessed within the state's borders. Title 10 C.F.R. Part 150 defines activities in Agreement States over which the NRC's regulatory authority continues.

The OIG found that agency employees became aware of this failure to exercise regulatory oversight in 2018, but that the NRC did not implement remedial actions until 2023. Specifically, in March 2023, the agency issued an interim method to address the issue in Temporary Instruction 2800/044, *Assessment of Physical Protection Requirements Under 10 C.F.R. 150.14 for Agreement State Licensees Possessing, Using, or Transporting [SNM-LSS]*. Under the Temporary Instruction, regional inspectors are required to conduct specified inspections over 2 years beginning in March 2023.

In addition, the OIG found that the NRC's future actions to fulfill its regulatory oversight responsibilities are undecided and its timing is indefinite. Currently, the NRC lacks a formal process to ensure new Agreement State licensees with SNM-LSS notify the NRC when they become subject to 10 C.F.R. 73.67 inspection requirements.

NRC Response

In response to the OIG's findings, the NRC committed to determining whether future inspections of Agreement State licensees possessing SNM-LSS are required. The NRC anticipates completing its evaluation of the results of the initial inspections, performed under Temporary Instruction 2800/044, by June 2025. Depending on those results and the safety and security significance of the SNM-LSS material, the NRC would develop an SNM-LSS inspection procedure and update its guidance to reflect an appropriate frequency for the NRC or Agreement States to perform the inspections.

The NRC also committed to ensuring, by June 2025, it is informed when Agreement States grant new licenses for SNM-LSS. Several regulations require Agreement State licensees, such as NRC licensees, to submit reports to the Nuclear Material Management and Safeguards System if the licensee ships, receives, or adjusts its onsite inventory for materials in designated quantities. The NRC will use that system to identify licensees that possess SNM-LSS. The NRC will also request information about licensees possessing SNM-LSS from Agreement States annually through the currently established Annual Count of Active Radioactive Material Licenses in the National Material Program.

Addresses Management and Performance Challenge #6

Violation of the Prohibited Securities Rule and Other Ethics Requirements

OIG Strategic Goal: Corporate Management

Complaint

The OIG initiated this investigation based on a complaint from ethics officials in the Office of the General Counsel (OGC) that a Senior Executive Service (SES) employee failed to comply with financial disclosure requirements. The officials also alleged that the employee was not fully cooperative with OGC's efforts to bring him into compliance with those requirements. Allegedly, the employee owned two prohibited securities while employed by the NRC.

Investigative Results

The OIG substantiated that upon his appointment to the NRC, the SES employee filed an incomplete Office of Government Ethics (OGE) Form 278e, *Executive Branch Personnel Public Financial Disclosure Report*. Under 5 U.S.C. 13103 and 5 C.F.R. 2634.201, certain candidates for, nominees to, and holders of federal employment must file public financial disclosure reports containing the financial information enumerated in 5 C.F.R. Part 2634, Subpart C. Individuals must file this information by completing OGE Form 278e. In this case, the employee filed a 278e new-entrant report that did not contain all his reportable assets.

The OIG also found that the employee was not timely in his responses to OGC's requests that he provide information to complete his 278e new-entrant report, resulting in the report never being completed during his tenure with the NRC. Instead, the employee voluntarily separated from the NRC and filed a 278e termination report after he left the agency.

In addition, the OIG found that the employee owned two prohibited securities while employed by the NRC. The employee's ownership of these securities violated the NRC's supplemental ethics rule at 5 C.F.R. 5801.102, *Prohibited securities*. The OIG found no evidence, however, that the employee acted in his official NRC capacity intending to advance his financial interests in the prohibited securities.

NRC Response

In response to the OIG's findings, the NRC affirmed its commitment to fostering ethical leadership and ensuring employee compliance with ethical responsibilities and obligations, particularly among supervisors. The NRC has updated its Senior Executive Service and Senior Level employee welcome letters to emphasize the importance of supervisors complying with ethical responsibilities, as well as to provide incoming senior government employees with updated contact information for the OGC ethics team. The NRC also updated its annual ethics training for filers of public financial disclosures to underscore the importance of supervisors' ethical responsibilities.

Under 5 U.S.C. 3322, a federal agency must make a permanent notation in an employee's official personnel record when the employee was the subject of a personnel investigation that had an adverse finding regarding the employee, was in the competitive or excepted service, and resigned from government employment before the investigation was resolved. In this case, the NRC determined that a 5 U.S.C. 3322 notation in the employee's official personnel record was not applicable because an SES employee is neither in the competitive service nor the excepted service.

Addresses Management and Performance Challenge #5



Defense Nuclear Facilities Safety Board Management Challenges and Audit, Evaluation, and Investigative Summaries

DNFSB MANAGEMENT CHALLENGES

The following were the most serious management and performance challenges facing the Defense Nuclear Facilities Safety Board in FY 2024* as identified by the Inspector General:

- Challenge 1: Leading a healthy and sustainable organizational culture and climate;
- Challenge 2: Ensuring the effective acquisition and management of mission-specific infrastructure, including cyber, physical, and personnel security, and data;
- Challenge 3: Continuing a systematic safety focus in the DNFSB's technical safety oversight and reviews;
- Challenge 4: Recruiting, retaining, and developing executive and technical staff; and,
- Challenge 5: Elevating the DNFSB's public visibility and credibility and maintaining constructive relationships with the DOE and external stakeholders.

* For more information on these challenges, see [DNFSB-24-A-01](#), *The Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the Defense Nuclear Facilities Safety Board in Fiscal Year 2024*.

AUDITS AND EVALUATIONS DIVISION

Summaries—DNFSB

Audit of the Defense Nuclear Facilities Safety Board's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024

OIG Strategic Goal: Corporate Support

The FISMA of 2014 established information security management requirements for agencies, including the requirement for an annual independent assessment by the agency's IG. The annual assessments provide agencies with the data needed to determine the effectiveness of overall information security programs and to develop strategies and best practices to improve information security. The OIG contracted with Sikich to conduct an independent audit of the DNFSB's overall information security program and practices in response to the FY 2023 IG FISMA Reporting Metrics.

The objective of this performance audit was to assess the effectiveness of the information security policies, procedures, and practices of the DNFSB.

Audit Results

Sikich made four new recommendations to assist the DNFSB in strengthening its information security program.

Addresses Management and Performance Challenge #2

Audit of the Defense Nuclear Facilities Safety Board's Freedom of Information Act Program

OIG Strategic Goal: Corporate Support

The OIG conducted this audit because the OIG last audited the DNFSB's Freedom of Information Act (FOIA) program in 2014 and the FOIA Improvement Act of 2016 changed processes, roles, and responsibilities concerning federal agency FOIA programs.

Five key officials are involved in managing the DNFSB's FOIA program, including the Chief FOIA Officer, FOIA Attorney, and FOIA Public Liaison. Annually, the DNFSB receives approximately 20 to 30 FOIA requests, and retains contract support staff to help process these requests.

The audit objective was to assess the consistency and timeliness of the DNFSB's FOIA request decisions and to assess the agency's effectiveness in communicating FOIA policies to FOIA requesters.

Audit Results

In this report, the OIG made eight recommendations intended to improve and strengthen the agency's FOIA program.

The DNFSB's FOIA request processing and communications are sometimes untimely, inconsistent with FOIA requirements, or insufficient to apprise requesters of the reasons for the agency's decision. Due to outdated agency guidance, FOIA decisions may be inconsistent with statutory requirements.

Agency processes must be documented and have adequate controls to ensure data reliability. However, FOIA program records and information are often missing or erroneous. These issues occur because the DNFSB lacks controls for its FOIA request management tool and an electronic records repository system. As a result, the agency's FOIA program knowledge management and public reporting could be compromised.

The time and materials service contract the DNFSB uses for FOIA program support identifies FOIA-specific terms, but some terms were not met. This failure occurred because the contracting officer's representative (COR) was relatively inexperienced and inadequately supported, and the agency's FOIA program staff did not adequately communicate with the COR. Addressing these matters is important because time and materials contracts are considered high-risk and thus require enhanced oversight by experienced program staff.

Addresses Management and Performance Challenge #3

Performance Audit of the Defense Nuclear Facilities Safety Board's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023

OIG Strategic Goal: Corporate Support

The OIG engaged Sikich to conduct a performance audit of the DNFSB's compliance with the PIIA for FY 2023 in accordance with OMB Circular A-136, *Financial Reporting Requirements*, section II.4.5, and with section VI.A. of OMB Memorandum M-21-19, which transmits Appendix C to OMB Circular No. A-123, *Requirements for Payment Integrity Improvement*. Sikich assessed the DNFSB's compliance with OMB guidance and corresponding reporting instructions and determined that the DNFSB met the applicable requirements for PIIA compliance for the one program it identified as susceptible to improper payments or unknown payments.

The audit objective was to determine whether the DNFSB complied with the requirements of the PIIA for FY 2023.

Audit Results

Sikich concluded that the DNFSB complied with the requirements of the PIIA for FY 2023. As required, the DNFSB published applicable payment integrity information with its annual financial statement and in the accompanying materials to its annual financial statements for the most recent fiscal year in accordance with payment integrity information guidance provided in OMB Circular A-136. The DNFSB also posted the annual financial statement and accompanying materials required under OMB guidance on the agency website with a link to paymentaccuracy.gov. In addition, the DNFSB conducted an improper payments risk assessment for each program with annual outlays greater than \$10 million at least once in the last 3 years, and it adequately considered whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.

Sikich also found the DNFSB's reporting of, and its performance in reducing and recapturing improper payments and unknown payments to be generally accurate and complete. The DNFSB reviewed Sikich's findings and concluded that a payment recapture audit would not be cost effective. In its FY 2023 improper payment risk assessment, the DNFSB also concluded that there were no improper payments for its programs that met the PIIA threshold for testing.

Addresses Management and Performance Challenge #2

Audits in Progress—DNFSB

Audit of the Defense Nuclear Facilities Safety Board's Fiscal Year 2024 Financial Statements

OIG Strategic Goal: Corporate Support

The audit objectives are to express opinions on the agency's financial statements and internal controls, review compliance with applicable laws and regulations, and review controls in the DNFSB's computer systems that are significant to the financial statements.

Addresses Management and Performance Challenge #2

Audit of the Defense Nuclear Facilities Safety Board's Review Agendas

OIG Strategic Goal: Safety

The audit objective is to determine the DNFSB's effectiveness in developing and applying its review agendas.

Addresses Management and Performance Challenge #1

INVESTIGATIONS DIVISION

Case Summaries—DNFSB

The Defense Nuclear Facilities Safety Board's Use and Oversight of Contractor

OIG Strategic Goal: Corporate Management

Complaint

The OIG initiated this investigation based on a complaint that the Board discriminated against DNFSB employees competing for the Executive Director of Operations (EDO) position. The alleged discrimination involved removing technical education and experience requirements from the EDO job announcement, thereby allowing outside applicants a higher chance of being selected for the position. It was also alleged that the Board wanted to hire only an outside candidate for the EDO position. It was further claimed that the Board procured a contractor to provide input on the job announcement and to work on Equal Employment Opportunity (EEO) issues, but later concealed the contractor's involvement in that work.

During the investigation, the OIG reviewed whether some of the deliverables the contractor provided to the agency were within the scope of work. The OIG also reviewed whether government contracting personnel provided appropriate oversight of the contract and deliverables.

Investigative Results

The OIG did not substantiate that the Board discriminated against DNFSB employees by inappropriately removing technical requirements from the EDO vacancy announcement. The Atomic Energy Act of 1954, as amended, does not mandate the EDO possess a technical background, and the backgrounds of the prior EDO and several acting EDOs do not reveal a precedent that requires the EDO to have a significant technical background. Further, the OIG found that the Board considered and interviewed two internal candidates for the position—one with a technical background and one with a limited technical background.

The OIG found that the contractor provided the DNFSB edits on the EDO vacancy announcement and edits to newly adopted policies involving the Executive Review Board. The OIG did not substantiate that the Board attempted to conceal the contractor's involvement in that work, nor that providing those edits was outside the scope of work of the contract.

The OIG also found, however, that the contractor provided certain legal services that were outside the scope of work and should have been provided by the agency's OGC. The Board also implemented one of the policies the contractor drafted without gaining concurrence from the OGC. After the OGC and the EDO informed the Board of their concerns, the Board rescinded the policy.

The OIG further found that government contracting personnel at the DNFSB failed to provide adequate oversight of this contract. Contracting personnel did not review the contractor deliverables or notify the contract's activities manager that the services provided were outside the scope of work. Finally, the OIG found that contracting personnel failed to follow Federal Acquisition Regulation guidelines by not modifying the contract's scope of work to include the noncontracted deliverables, thereby denying the contractor the opportunity to assert the right to an adjustment in cost.

DNFSB Response

In response to the OIG's finding of inadequate contract oversight, and because the main recipients of the contracted services are the agency head and other Board members, the Office of the EDO has assumed contract administration duties for this contract. The EDO is now the activity manager for the contract, and one of the EDO's senior program advisors, with more than a decade of experience in government contracting, is now the contract's COR.

In response to the OIG's findings that the agency accepted deliverables that were outside the scope of work without a contract modification, the DNFSB will publish written guidance in FY 2025 regarding the roles and responsibilities of contracting officers, CORs, and technical monitors. The DNFSB noted that this contractor impliedly agreed that the deliverables were within the scope of work by providing the deliverables and not requesting a modification, but the EDO and COR increased collaboration with the OGC and the contracting officer to ensure future work items are within the scope of work.

Addresses Management and Performance Challenges #2 and #4

The Defense Nuclear Facilities Safety Board Personnel Security Program's Issuance of an Incorrect Credentialing

OIG Strategic Goal: Corporate Management

Complaint

The OIG initiated this investigation based on a complaint that the agency mistakenly issued a new employee a Personal Identity Verification (PIV) credential with a "Q" clearance designator when the employee did not have a "Q" clearance.

Investigative Results

The OIG substantiated that the DNFSB issued a new employee a PIV credential with a "Q" clearance designator when the employee did not have a "Q" clearance. A "Q" clearance is a security clearance issued by the DOE. A DNFSB employee responsible for DNFSB security operations filled out and submitted DOE Form 206.4, *Information Sheet for Sponsorship of HSPD-12 Credential*, for entry into the USAccess system by selecting the field for "Q" instead of "BAO" (Building Access Only). The USAccess system is a General Services Administration system used to issue government PIV credentials. The same security employee who incorrectly filled out DOE Form 206.4 also performed the final review of the form.

Approximately 3 years later, the DNFSB security employee who filled out the DOE Form 206.4 became aware of the inaccurate PIV credential. The security employee took no corrective action until approximately 8 months later, when the employee canceled the credential and requested a replacement. The DNFSB took minimal steps to recover the canceled credential in a timely manner. The OIG found that the security employee provided inaccurate information to the Board Chair and failed to provide complete and pertinent information to the OIG during its investigation.

The OIG could not rule out the possibility that the mistakenly credentialed employee gained access to classified information or DNFSB sensitive areas. The DNFSB maintained surveillance footage of the Sensitive Area/Limited Area (SALA) entrance for 30 days only and did not monitor and enforce the agency's sign-in policy for accessing this space. Therefore, the mistakenly credentialed employee could have "piggybacked" into the SALA with another employee and neglected to sign into the logbook. To piggyback, an unauthorized individual enters a restricted area with an authorized employee without having to swipe the individual's PIV credential. At the same time, the records available to the OIG for review did not show the mistakenly credentialed employee attempted to use his PIV credential to access the SALA, and the employee did not sign into the SALA logbook.

DNFSB Response

In response to the OIG's findings that an employee responsible for DNFSB security operations incorrectly completed a DOE Form 206.4 to sponsor an employee without a Q clearance for a PIV credential with a Q clearance indicator, took no action to correct the error until approximately 8 months after he became aware of the error, provided inaccurate information to the Board, and failed to provide complete and pertinent information to the OIG during its investigation, the DNFSB considered disciplinary action; however, the employee separated from the DNFSB after becoming aware of the proposed disciplinary action.

In accordance with 5 U.S.C. 3322, the DNFSB made a permanent notation in the security employee's official electronic personnel folder.

In response to the OIG's finding that the DNFSB incorrectly issued the PIV credential with the "Q" clearance designator, the agency heightened senior level visibility of DNFSB security operations by creating a GS-15 Director position to oversee the Security Division within the Office of the Executive Director of Operations.

In addition, the DNFSB has reviewed its security program—including how the agency cooperates and divides safeguards and security responsibilities with the DOE—and is implementing a project plan to improve the program. Pursuant to the project plan, the agency intends to create or update security policies and processes, certify the SALA according to DOE guidance, and mandate Security Division staff complete educational development plans.

Addresses Management and Performance Challenges #2, #4, and #5



Summary of Accomplishments

AUDITS AND EVALUATIONS DIVISION

NRC

Audits and Evaluations Completed

Report No. Date Issued	Report Title	Open Recommendations as of 09/30/24	Total Potential Cost Savings
OIG-24-A-11 09/30/2024	Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024	4	0
OIG-24-A-10 09/30/2024	Audit of the U.S. Nuclear Regulatory Commission's Reactor Operator Licensing Examination Process	1	0
OIG-24-E-03 09/27/2024	Evaluation of the U.S. Nuclear Regulatory Commission's Policies and Procedures for Emergency Evacuation of Disabled Personnel	4	0
OIG-24-E-02 09/20/2024	Evaluation of the U.S. Nuclear Regulatory Commission's Use of Anti-gag Clauses in Nondisclosure Agreements	3	0
OIG-24-A-09 07/03/2024	Audit of the U.S. Nuclear Regulatory Commission's Contract Management of Information Technology Services	2	\$1,108,544
OIG-24-E-01 07/03/2024	Evaluation of the U.S. Nuclear Regulatory Commission's Information Technology Asset Management	6	\$37,000
OIG-24-A-08 05/20/2024	Performance Audit of the U.S. Nuclear Regulatory Commission's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023	0	0
OIG-24-A-07 04/11/2024	Audit of the U.S. Nuclear Regulatory Commission's Safety Inspections of Class II Research and Test Reactors	7	0

Contract Audit Reports

The NRC OIG did not have any contract engagements from April 1, 2024, through September 30, 2024.

NRC Audit and Evaluation Resolution Activities

OIG Reports Issued with Recommendations that Funds be Put to Better Use

Reports	Number of Reports	Funds to be Put to Better Use
A. For which no management decision had been made by the commencement of the reporting period	0	0
B. Issued during the reporting period	2	\$1,145,544
Subtotal (A + B)	2	\$1,145,544
C. For which a management decision was made during the reporting period:		
i. Dollar value of disallowed costs	0	0
ii. Dollar value of costs not disallowed	0	0
D. For which no management decision had been made by the end of the reporting period	0	0

DNFSB

Audits and Evaluations Completed

Report No. & Date Issued	Report Title	Open Recommendations as of 09/30/24	Total Potential Cost Savings
DNFSB-24-A-05 09/30/2024	Audit of the Defense Nuclear Facilities Safety Board's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024	4	0
DNFSB-24-A-04 08/13/2024	Audit of the Defense Nuclear Facilities Safety Board's Freedom of Information Act Program	8	0
DNFSB-24-A-03 05/20/2024	Performance Audit of the Defense Nuclear Facilities Safety Board's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2023	0	0

Contract Audit Reports

The OIG did not complete any DNFSB contract audit reports for the reporting period.

DNFSB Audit and Evaluation Resolution Activities

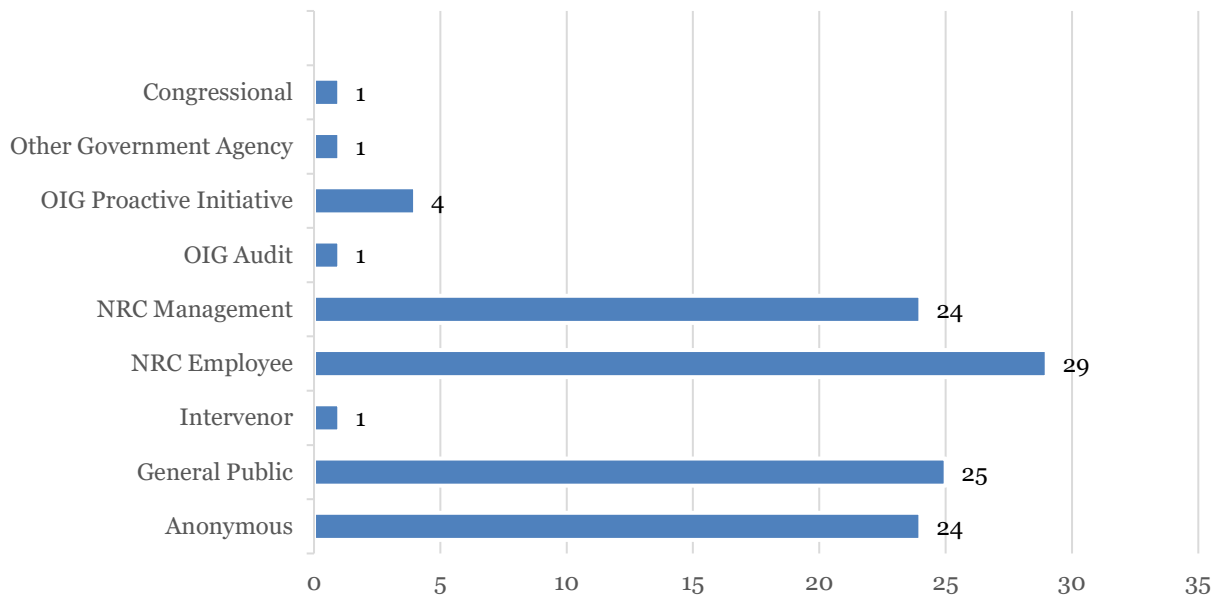
The OIG did not complete any DNFSB audit reports with monetary impact during this reporting period.

INVESTIGATIONS DIVISION

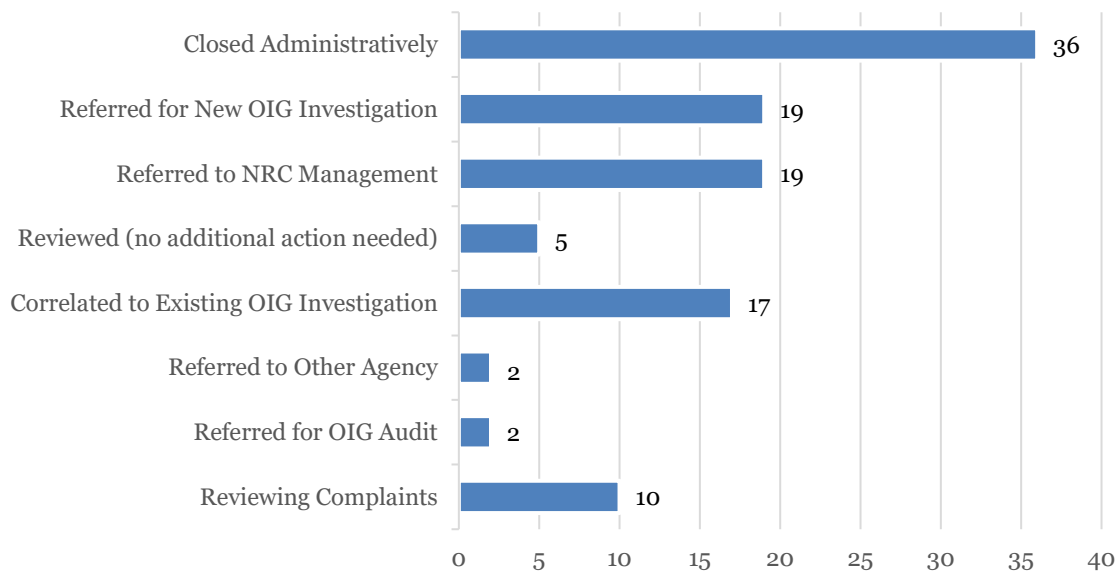
NRC *Allegations Received*

Sources of Allegations

110 complaints received (53 from the NRC OIG Hotline)



Disposition of Allegations



Status of Investigations

Federal

DOJ Referrals	3	Criminal Information/Indictments	0
Accepted.....	0	Criminal Convictions.....	0
Declined	3	Civil Penalties	0
Pending	0	Recoveries.....	0
Criminal Information/Indictments	0		
Arrests.....	0	NRC Administrative Actions	
Criminal Conviction/Civil Settlement	1	Review/Change of Agency Process	7
Civil Recovery (recoveries pending)	\$181,500	Other (counseling/training).....	5
		Retirement/Resignation	3
		Pending Agency Action	11
		Potential Cost Savings	0

State and Local

Referrals 0

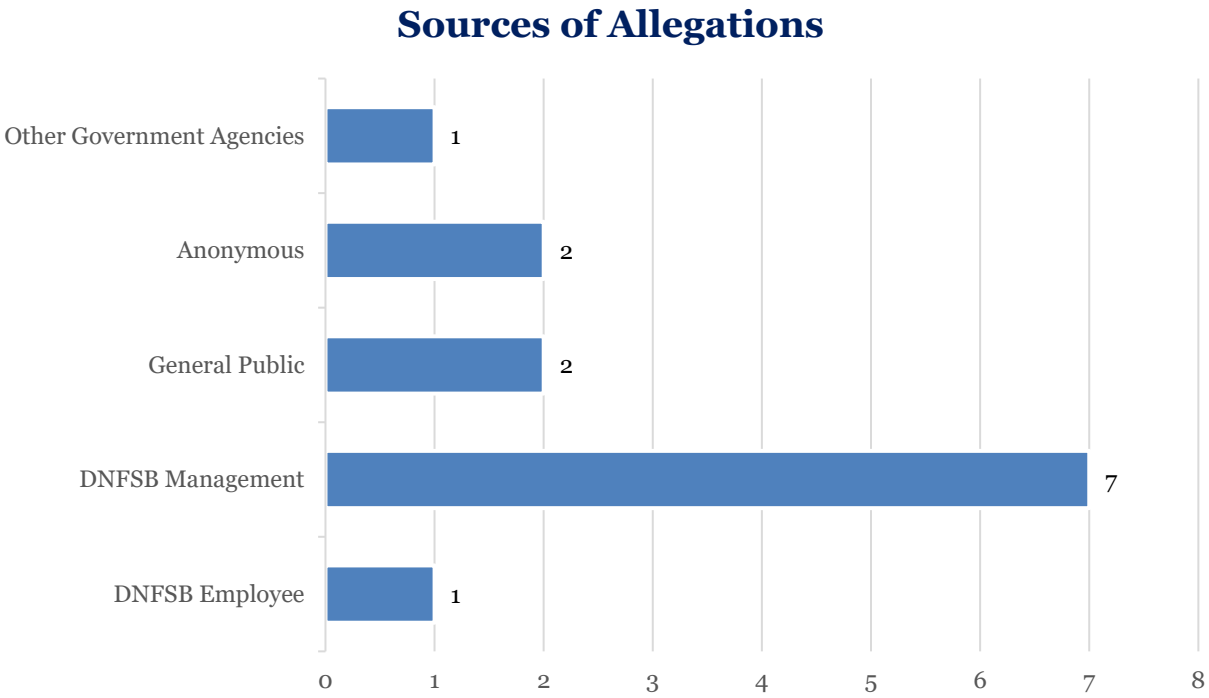
Summary of Investigations

Classification of Investigations	Opened Cases	Completed Cases	Reports Issued*	Active Cases
Criminal	1	0	0	1
Employee Misconduct	4	2	2	3
External Fraud	1	8	8	1
Other	1	1	1	0
Internal Fraud	1	0	0	1
Management Misconduct	5	4	4	2
Miscellaneous	0	1	1	0
Misuse of Govt. Property	1	0	0	1
Technical Complaints	1	7	7	0
Mishandling of Technical Allegations	1	0	0	1
TOTAL:	16	23	23	10

*Number of reports issued represents the number of completed cases for which allegations were substantiated and the results were reported outside of the OIG.

DNFSB

Allegations Received



Of the 13 complaints, 12 were received from the OIG Hotline. Of the 13 complaints, 7 were completed administratively, 1 was referred to DNFSB management for action, 1 was referred for OIG Investigation, and 4 are in the review process.

Status of Investigations

Federal		Criminal Information/Indictments	0
DOJ Referrals	1	Criminal Convictions.....	0
Criminal Information/Indictments.....	0	Civil Penalty Fines	\$0
Criminal Conviction.....	0	Recoveries.....	\$0
Civil Penalty Fines	\$0		
Recoveries	\$0	DNFSB Administrative Actions	
State and Local		Pending Agency Action	0
Referrals.....	0	Review/Change of Agency Process	1
		Retirements/Resignations	1

Summary of Investigations

Classification of Investigations	Opened Cases	Completed Cases	Reports Issued*	Active Cases
Employee Misconduct	1	1	1	1
Management Misconduct	1	2	2	0
TOTAL:	2	3	3	1

**Number of reports issued represents the number of completed cases for which allegations were substantiated and the results were reported outside of the OIG.*



NRC and DNFSB Unimplemented Audit and Evaluation Recommendations

Open NRC and DNFSB Recommendations

The following are NRC and DNFSB audit and evaluation reports that have open OIG recommendations as of September 30, 2024. The OIG continues to work with NRC and DNFSB officials to resolve and close the recommendations. Each link provides a status of the corresponding recommendation as reported on [Oversight.gov](https://www.oversight.gov) and as available on the [OIG's website](#).

NRC

Audit of the NRC's Decommissioning Funds Program (OIG-16-A-16)
2 of 9 recommendations open since June 8, 2016

[Recommendation 1](#)

[Recommendation 2](#)

Independent Evaluation of the NRC's Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2019 (OIG-20-A-06)
3 of 7 recommendations open since April 29, 2020

[Recommendation 2c](#)

[Recommendation 5](#)

[Recommendation 6](#)

Independent Evaluation of the NRC's Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2020 (OIG-21-A-05)
5 of 13 recommendations open since March 19, 2021

[Recommendation 5](#)

[Recommendation 6](#)

[Recommendation 8](#)

[Recommendation 12](#)

[Recommendation 13](#)

Audit of the NRC's Implementation of the Enterprise Risk Management Process (OIG-21-A-16) 7 of 8 recommendations open since September 28, 2021

[Recommendation 1](#)

[Recommendation 2](#)

[Recommendation 3](#)

[Recommendation 4](#)

[Recommendation 6](#)

[Recommendation 7](#)

[Recommendation 8](#)

Independent Evaluation of the NRC's Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2021 (OIG-22-A-04)
5 of 18 recommendations open since December 20, 2021

[Recommendation 6](#)

[Recommendation 7](#)

[Recommendation 8](#)

[Recommendation 11](#)

[Recommendation 13](#)

Audit of the NRC's Permanent Change of Station Program (OIG-22-A-05)
1 of 4 recommendations open since January 19, 2022

[Recommendation 1](#)

Audit of the NRC's Drop-In Meeting Policies and Procedures (OIG-22-A-12)
2 of 4 recommendations open since August 12, 2022

[Recommendation 1](#)

[Recommendation 4](#)

Audit of the NRC's Strategic Workforce Planning Process (OIG-22-A-13)
3 of 3 recommendations open since September 26, 2022

[Recommendation 1](#)

[Recommendation 2](#)

[Recommendation 3](#)

Audit of the NRC's Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2022 (OIG-22-A-14)
4 of 7 recommendations open since September 29, 2022

[Recommendation 2](#)

[Recommendation 4](#)

[Recommendation 6](#)

[Recommendation 7](#)

Audit of the U.S. Nuclear Regulatory Commission's Oversight of Irretrievable Well Logging Source Abandonments (OIG-23-A-04)
4 of 5 recommendations open since May 4, 2023
[Recommendation 1.1](#) [Recommendation 1.2](#) [Recommendation 1.4](#)
[Recommendation 2.1](#)

Audit of the U.S. Nuclear Regulatory Commission's Processes for Deploying Reactive Inspection Teams (OIG-23-A-06) 1 of 3 recommendations open since May 10, 2023
[Recommendation 3.1](#)

Audit of the U.S. Nuclear Regulatory Commission's (NRC) Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2023 (OIG-23-A-10) 2 of 3 recommendations open since August 21, 2023
[Recommendation 1](#) [Recommendation 3](#)

Audit of the U.S. Nuclear Regulatory Commission's Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2023 Region I: King of Prussia, Pennsylvania (OIG-24-A-03)
2 of 4 recommendations open since January 25, 2024
[Recommendation 1](#) [Recommendation 3](#)

Audit of the U.S. Nuclear Regulatory Commission's Security Oversight of Category 1 and Category 2 Quantities of Radioactive Material (OIG-24-A-06)
2 of 3 recommendations open since March 25, 2024
[Recommendation 1.1](#) [Recommendation 1.3](#)

Audit of the U.S. Nuclear Regulatory Commission's (NRC) Safety Inspections of Class II Research and Test Reactors (OIG-24-A-07)
7 of 7 recommendations open since April 11, 2024
[Recommendation 1.1](#) [Recommendation 1.2](#) [Recommendation 2.1](#)
[Recommendation 2.2](#) [Recommendation 2.3](#) [Recommendation 3.1](#)
[Recommendation 4.1](#)

Evaluation of the U.S. Nuclear Regulatory Commission's Information Technology Asset Management (OIG-24-E-01) 6 of 6 recommendations open since July 3, 2024
[Recommendation 1.1](#) [Recommendation 1.2](#) [Recommendation 2.1](#)
[Recommendation 3.1](#) [Recommendation 4.1](#) [Recommendation 4.2](#)

Audit of the U.S. Nuclear Regulatory Commission's Contract Management of Information Technology Services (OIG-24-A-09)
2 of 2 recommendations open since July 3, 2024
[Recommendation 1.1](#) [Recommendation 2.1](#)

Evaluation of the U.S. Nuclear Regulatory Commission's Use of Anti-gag Clauses in Nondisclosure Agreements (OIG-24-E-02)
3 of 3 recommendations open since September 20, 2024
[Recommendation 1.1](#) [Recommendation 2.1](#) [Recommendation 3.1](#)

Evaluation of the U.S. Nuclear Regulatory Commission's Policies and Procedures for Emergency Evacuation of Disabled Personnel (OIG-24-E-03)
4 of 4 recommendations open since September 27, 2024
[Recommendation 1.1](#) [Recommendation 1.2](#) [Recommendation 1.3](#)
[Recommendation 2.1](#)

Audit of the U.S. Nuclear Regulatory Commission’s Reactor Operator Licensing Examination Process (OIG-24-A-10)
1 of 1 recommendation open since September 30, 2024
[Recommendation 1.1](#)

Audit of the U.S. NRC’s Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (OIG-24-A-11)
4 of 4 recommendations open since September 30, 2024
[Recommendation 1](#) [Recommendation 2](#) [Recommendation 3](#)
[Recommendation 4](#)

DNFSB

Audit of the DNFSB’s Human Resources Program (DNFSB-20-A-04)
4 of 6 recommendations open since January 27, 2020
[Recommendation 1](#) [Recommendation 2](#) [Recommendation 3](#)
[Recommendation 4](#)

Independent Evaluation of the DNFSB’s Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2019 (DNFSB-20-A-05)
4 of 11 recommendations open since March 31, 2020
[Recommendation 3](#) [Recommendation 5](#) [Recommendation 8](#)
[Recommendation 11](#)

Independent Evaluation of DNFSB’s Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for Fiscal Year 2020 (DNFSB-21-A-04)
5 of 14 recommendations open since March 25, 2021
[Recommendation 1](#) [Recommendation 2](#) [Recommendation 3](#)
[Recommendation 9](#) [Recommendation 11](#)

Independent Evaluation of the DNFSB’S Implementation of the Federal Information Security Modernization Act (FISMA) of 2014 for FY 2021 (DNFSB-22-A-04)
4 of 24 recommendations open since December 21, 2021
[Recommendation 4](#) [Recommendation 9](#) [Recommendation 11](#)
[Recommendation 23](#)

Audit of the Defense Nuclear Facilities Safety Board’s Implementation of the Federal Information Security Modernization Act of 2014 (DNFSB-23-A-04)
1 of 1 recommendation open since September 29, 2023
[Recommendation 1](#)

Audit of the Defense Nuclear Facilities Safety Board's Freedom of Information Act Program (DNFSB-24-A-04) 8 of 8 recommendations open since August 13, 2024
[Recommendation 1.1](#) [Recommendation 1.2](#) [Recommendation 1.3](#)
[Recommendation 1.4](#) [Recommendation 2.1](#) [Recommendation 2.2](#)
[Recommendation 3.1](#) [Recommendation 3.2](#)

Audit of the Defense Nuclear Facilities Safety Board’s Implementation of the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (DNFSB-24-A-05) 4 of 4 recommendations open since September 30, 2024
[Recommendation 1](#) [Recommendation 2](#) [Recommendation 3](#)
[Recommendation 4](#)



Appendix

REPORTING REQUIREMENTS

The Inspector General Act of 1978, as amended in 1988, specifies reporting requirements for semiannual reports. This index cross-references those requirements to the pages where they are fulfilled in this report.

Citation	Reporting Requirements	Page(s)
Section 4(a)(2)	Review of legislation and regulations	7–8
Section 5(b)(1)	Significant problems, abuses, and deficiencies	12–38
Section 5(b)(2)	Recommendations for corrective action	12–17, 33–35
Section 5(b)(3)	Prior significant recommendations not yet completed	48–50
Section 5(b)(4)	Matters referred to prosecutive authorities	N/A
Section 5(b)(6)	Listing of audit reports	40, 42
Section 5(b)(6)	Listing of audit reports with questioned costs or funds put to better use	40–41
Section 5(b)(7)	Summary of significant reports	12–38
Section 5(b)(8)	Statistical tables for audit reports — questioned costs	N/A
Section 5(b)(9)	Statistical tables for audit reports — funds to be put to better use	41
Section 5(b)(10)	Audit reports issued before commencement of the reporting period (a) for which no management decision has been made, (b) which received no management comment within 60 days, and (c) with outstanding, unimplemented recommendations, including aggregate potential costs savings.	N/A
Section 5(b)(11)	Significant revised management decisions	N/A
Section 5(b)(12)	Significant management decisions with which the OIG disagreed	N/A
Section 5(b)(13)	FFMIA section 804(b) information	N/A
Section 5(b)(14) (15)(16)	Peer review information	53
Section 5(b)(17)	Investigations statistical tables	43–46
Section 5(b)(18)	Description of metrics	N/A
Section 5(b)(19)	Investigations of senior Government employees where misconduct was substantiated	N/A
Section 5(b)(20)	Whistleblower retaliation	N/A
Section 5(b)(21)	Interference with IG independence	N/A
Section 5(b)(22)(A)	Audit or evaluations that were closed and the reports not made public	N/A
Section 5(b)(22)(B)	Investigations involving senior Government employees that were closed and the reports not made public	29–30

PEER REVIEWS

Audits and Evaluations Division

The U.S. National Science Foundation OIG peer reviewed the OIG's audit and evaluation program in accordance with Government Auditing Standards and Council of the Inspectors General on Integrity and Efficiency (CIGIE) requirements. Peer reviews are rated pass, pass with deficiencies, or fail. In a report dated August 28, 2024, the OIG received the highest external peer review rating of pass.

Investigations Division

The Peace Corps OIG peer reviewed the OIG's investigative program. The final report, dated June 2, 2024, reflected that the OIG's investigative program is in full compliance with the quality standards established by CIGIE and the Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority. These safeguards and procedures provide reasonable assurance of conforming with professional standards in the planning, execution, and reporting of investigations.

HOTLINE PROGRAM

The Hotline Program provides NRC and DNFSB employees, other government employees, licensee/utility employees, contractors, and the public with a confidential means of reporting suspicious activity concerning fraud, waste, abuse, and employee or management misconduct. Mismanagement of agency programs or danger to public health and safety may also be reported. The OIG does not attempt to identify persons contacting the Hotline.

What should be reported?

- Contract and Procurement Irregularities
- Conflicts of Interest
- Theft and Misuse of Property
- Travel Fraud
- Misconduct
- Abuse of Authority
- Misuse of Government Credit Card
- Time and Attendance Abuse
- Misuse of IT Resources
- Program Mismanagement

How do I contact the OIG?



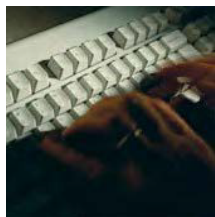
Call the OIG Hotline:

1-800-233-3497

TTY/TDD: 7-1-1, or

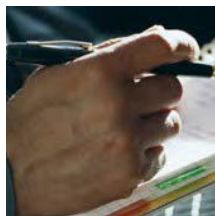
1-800-201-7165 7:00 a.m. – 4:00 p.m. (ET)

After hours, please leave a message.



Submit an Online Form:

<https://nrcoig.oversight.gov/oig-hotline>



Write:

U.S. Nuclear Regulatory Commission

Office of the Inspector General

Hotline Program,

MS O12-A12

11555 Rockville Pike

Rockville, Maryland 20852-2738