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

OIG-NRC-25-E-01

April 28, 2025

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MEMORANDUM

DATE: April 28, 2025

TO: Mirela Gavrilas
Executive Director for Operations

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

SUBJECT: EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S TELEWORK PROGRAM (OIG-NRC-25-E-01)

Attached is the Office of the Inspector General's (OIG) evaluation report titled: *Evaluation of the U.S. Nuclear Regulatory Commission's Telework Program*.

The report presents the results of the subject evaluation. An exit conference was held on March 27, 2025. Agency staff indicated that they had no formal comments for inclusion in this report. Agency management stated their general agreement with the findings and recommendations in this report.

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

We appreciate the cooperation extended to us by members of your staff during the evaluation. If you have any questions or comments about our report, please contact me at 301.415.1982 or Danielle Mahal, Team Leader, at 301.415.5965.

Attachment:
As stated

cc: J. Martin, ADO
D. Lewis, DADO
J. Jolicoeur, OEDO

Results in Brief

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

OIG-NRC-25-E-01
April 28, 2025

Why We Did This Review

As required by the Telework Enhancement Act of 2010, the NRC established a telework program that allows employees to perform their duties from an approved location other than their assigned worksite. The Act mandates that federal agency officials create written telework agreements between employees and their supervisors to formalize the terms set forth in agency policies and procedures. Additionally, agency officials are required to accurately designate an employee's official duty station, as this directly affects the calculation of locality pay. Maintaining accurate records of an employee's work location is necessary to ensure compliance with federal pay regulations.

The OIG initiated this evaluation in response to a letter from Senator Joni Ernst (R-Iowa), on August 28, 2023, requesting an agency-wide review of the NRC's telework program.

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

What We Found

The Office of the Inspector General (OIG) identified several issues with the use and oversight of the U.S. Nuclear Regulatory Commission's (NRC) telework program, including missing telework agreements and inaccurate telework records, both of which are required by law for proper program administration. Additionally, we found inadequate compliance with documentation standards, which could result in inconsistent adherence to policies and inaccuracies in employee records. Finally, we identified discrepancies in some official duty stations and failure to comply with telework agreement terms, potentially resulting in incorrect locality pay.

What We Recommend

This report makes seven recommendations to strengthen the telework program's document management and oversight processes to ensure full compliance with federal laws and regulations.

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APPENDICES

ABBREVIATIONS AND ACRONYMS

C.F.R.	Code of Federal Regulations
EDO	Executive Director for Operations
HR	Human Resources
MD	Management Directive
NRC	Nuclear Regulatory Commission
OCHCO	Office of the Chief Human Capital Officer
OIG	Office of the Inspector General
OPM	Office of Personnel Management
SF-50	Standard Form 50
TADA	Telework Agreement Data Application
U.S.C.	United States Code

I. BACKGROUND

The Telework Enhancement Act of 2010 establishes requirements for federal agencies to implement telework.[1] The Act defines telework as "a work flexibility arrangement under which an employee performs the duties and responsibilities of such employee's position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work."[2] The Act mandates that federal agencies establish telework policies, determine employee eligibility, and notify employees of their eligibility to telework.

As of May 18, 2024, the NRC had 2,848 employees who were eligible to participate in the telework program.[3] NRC employees requesting to participate in the telework program must adhere to the policies and procedures outlined in Management Directive (MD) 10.166, *Telework*.

Under MD 10.166, employees may request a telework arrangement if their job duties are portable and can be effectively performed away from the assigned agency worksite. The NRC's telework procedures define three types of telework arrangements to accommodate both employee needs and operational requirements:

1) **Fixed:** A recurring arrangement with a fixed schedule that designates the days and hours each pay period in which work will be performed at the employee's approved off-site location.
2) **Project-Based:** A short-term arrangement when an employee's work assignments, or a portion thereof, can be performed at the employee's approved off-site location.
3) **Special Circumstance:** A temporary arrangement for a relatively short period of time in which work will be performed at the employee's approved off-site location due to a personal incapacitation or personal hardship.

Under a fixed telework arrangement, employees can request a full-time telework schedule, which is defined as working only at the approved telework location and not being scheduled to report to the assigned agency worksite.

[1] Public Law No: 111-292, codified at 5 U.S.C. §§ 6501–6506.

[2] 5 U.S.C. § 6501(3).

[3] Data obtained from NRC's submission to the Office of Management and Budget: Budget Data Request No. 24-24, Preparation of Government-Wide Telework and Real Property Report.

Full-time telework agreements are generally approved for one year and are reevaluated for renewal annually.

Applicable Laws and Regulations

The Telework Enhancement Act of 2010 mandates that federal agencies establish telework policies. These policies must:

1) Ensure telework does not harm employee performance or agency operations;
2) Require a written agreement outlining the telework arrangement;
3) Deny telework for employees failing to meet agreement terms;
4) Exclude employees whose duties involve secure materials or require on-site presence; and,
5) Integrate telework into the agency's continuity of operations plans.

The Act mandates that federal agency officials create written telework agreements between employees and their supervisors to formalize the terms set forth in agency policies and procedures. Additionally, the Act emphasizes the importance of agency oversight to ensure telework programs comply with federal policies. Each agency is required to appoint a Telework Managing Officer responsible for overseeing the program and serving as the primary liaison with the Office of Personnel Management (OPM).

Title 5 of the Code of Federal Regulations (C.F.R.) Section 531.605 outlines the requirements for determining an employee's official duty station and includes guidance specific to telework arrangements. The official duty station is the location where the employee regularly performs their duties, and it is used to determine the employee's locality pay. Locality pay is an additional compensation paid to a federal employee based on the geographic area of their official duty station.[4]

For telework employees, the official duty station is the location of the agency worksite, provided the employee is scheduled to report to the worksite at least twice every biweekly pay period on a regular and recurring basis. If the employee is not required to report to the agency worksite at least twice per biweekly pay period, the official duty station is the employee's telework site.[5] Agency officials are required to determine and document an official duty

[4] 5 C.F.R. § 531.602. Locality pay rates are established by OPM to account for differences in labor market pay and conditions across various geographic areas in the United States.

[5] 5 CFR § 531.605(d). Exceptions to this standard may apply for temporary situations, such as medical recovery, emergencies, extended leave, and temporary duty travel.

station in the employee's personnel record using Standard Form 50 (SF-50), *Notification of Personnel Action*.

Roles and Responsibilities

The Chief Human Capital Officer serves as the Telework Managing Officer for the NRC and is responsible for policy development and implementation of the NRC's telework program. Additionally, the Chief Human Capital Officer designates an Agency Telework Coordinator to manage the program's daily activities. This includes maintaining records of all teleworkers, disseminating program guidance to offices, providing employees with telework policy guidance, reviewing draft telework agreements and supporting documents for compliance, and generating statistical reports for the program to various stakeholders. NRC supervisors have operational responsibilities for the telework program, such as evaluating employee requests for telework, approving telework agreements, ensuring employees work in conformance with their approved telework agreements, and monitoring employee performance to ensure program standards are met.

The OIG initiated this evaluation in response to a letter from Senator Joni Ernst (R-Iowa), on August 28, 2023, requesting an agency-wide review of the NRC's telework program. The Senator's letter contained questions related to the telework program, including matters of pay and building occupancy, which have been answered by NRC officials; the agency's response to Senator Ernst is provided in Appendix B of this report.

II. OBJECTIVE

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

III. FINDINGS

The OIG identified several issues with the use and oversight of the NRC's telework program, including missing telework agreements and inaccurate telework records, both of which are required by law for proper program administration. Additionally, we found inadequate compliance with documentation standards, which could result in inconsistent adherence to policies and inaccuracies in employee records. Finally, we identified discrepancies in some official duty stations and failure to comply with telework agreement terms, potentially resulting in incorrect locality pay.

1. Missing Agreements and Incorrect Telework Status

The Telework Enhancement Act of 2010 mandates a written telework agreement for any employee to participate in telework. The OIG could not locate 196 telework agreements in the Office of the Chief Human Capital Officer (OCHCO) telework database for employees who were reported as telework participants in the NRC's payroll system as of May 18, 2024. Additionally, the telework status for 97 employees differed when comparing the payroll system to the telework database. The OIG determined that reconciliations between the telework database and personnel records in the payroll system do not occur, resulting in outdated and incorrect telework records. These deficiencies demonstrate a need for improved data management and reconciliation processes, as the issues identified pose a risk of noncompliance with federal laws and regulations.

What Is Required

Telework Participation Requires a Written Agreement

The Telework Enhancement Act of 2010 states that "a written telework agreement is mandatory in order for any employee to participate in telework." This requirement is reinforced in MD 10.166, *Telework,* and the procedures on the NRC's Telework Website, which state that each NRC office is responsible for obtaining the necessary approvals and submitting telework agreements to OCHCO.[6]

The approved telework agreement serves as the supporting documentation for any required updates made to an employee's telework status in the Federal Personnel and Payroll System, the NRC's payroll system. Written guidance provided by OCHCO to the Human Resources (HR) Specialists, effective August 2023, states telework should be coded as RW (Remote Work) in the payroll system for employees on full-time or special circumstances telework. All other telework employees are considered non-remote and are coded into one of two categories: TF (Frequent Routine Teleworker) for employees with a fixed telework schedule, or TS (Situational Teleworker) for those who

[6] OCHCO HR Programs and Services, Telework site page, accessed on August 7, 2024, from internal SharePoint site.

telework on an occasional or project basis. Furthermore, the code NN (Non-Teleworker) is used for employees who do not telework. HR Specialists assign these statuses based on an employee's approved telework agreement, and the appropriate code is entered into the NRC's payroll system for tracking and reporting.

What We Found

Missing Agreements and Incorrect Telework Status

To assess the accuracy and completeness of the NRC's telework records, the OIG compared the telework figures generated from the NRC's payroll system as of May 18, 2024, to the telework database maintained by OCHCO.[7] Our comparison revealed discrepancies, including employees who were indicated as telework participants in the payroll system who did not have corresponding telework agreements in the database. Additionally, some employees' telework statuses were misclassified, particularly between remote and non-remote categories.

Specifically, the OIG found that 196 telework agreements were missing in the telework database, representing approximately 7 percent of the telework participants identified in the payroll system. Furthermore, the telework status for 97 employees differed between the payroll system and the telework database, affecting the accuracy of about 3 percent of the program records. Figure 1 compares records between the payroll system and the telework database.

Figure 1: Comparison of Payroll System and Telework Database Records

Telework Category	Payroll System	Telework Database	Missing Agreements	Misclassified Agreements
Non-Remote	2,547	2,290	189	68
Remote	249	213	7	29
Total	**2,796**	**2,503**	**196**	**97**

Source: OIG generated. The figures above exclude OIG personnel.

[7] The OIG used payroll data as of May 18, 2024, because the NRC used this same data for its submission to the Office of Management and Budget in response to Budget Data Request No. 24-24, Preparation of Government-Wide Telework and Real Property Report.

Why This Occurred

Inaccurate Telework Records and Lack of Reconciliation

The NRC's telework agreements are not consistently filed and reconciled. According to the Agency Telework Coordinator, some agreements may be missing because an employee record was not created in the telework database. Additionally, the coordinator stated that certain groups are exempt from the requirement to have an agreement, such as employees within the Commissioners' offices, administrative judges, and advisory committee members. However, these exemptions are not documented in NRC policies or procedures, and the payroll system did not reflect any groups as exempt.

The OIG inquired whether the telework data is reconciled with the payroll system, and an OCHCO analyst confirmed that this process does not occur. Although OCHCO provides the HR Specialists guidance on using the correct telework status codes for the payroll system, the corrections were not consistently applied. Additionally, personnel records were not properly validated against the telework agreements.

Why This Is Important

Risk of Non-Compliance with Federal Laws and Regulations

Inaccurate records hinder the NRC's ability to detect and correct instances of non-compliance with federal laws and regulations, such as when a written agreement is not in place for a telework participant. Additionally, the absence of agreements raises concerns about oversight, as it may allow employees to engage in telework without complying with established program policies and procedures.

Recommendations

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

1.1. Establish a process to verify that all telework agreements are submitted and reviewed to maintain oversight and data integrity.

1.2. Conduct periodic reconciliations between the telework agreements and the NRC's payroll system to ensure the accuracy and completeness of employees' telework statuses.

2. Inadequate Compliance with Documentation Standards

According to NRC policies and procedures, employees are required to submit written agreements, consisting of standard forms, and obtain the necessary approvals to participate in the telework program. Incomplete agreements limit oversight, making it difficult to ensure that employees adhere to the established telework policies. Furthermore, annual renewal forms for employees on full-time telework are essential for documenting any changes to an employee's telework location. Failure to obtain initial or annual renewal forms could lead to inaccuracies in employee records.

The OIG reviewed 40 agreements and found that 11 (27.5 percent) were missing required forms, and some documents were missing approval signatures. Additionally, our review of full-time telework agreement files found many were missing the annual renewal forms. These issues resulted from a manual document management process that lacks validation controls and limits the NRC's ability to ensure agreements are complete and properly implemented.

What Is Required

Documentation Standards for Telework Agreements

According to MD 10.166, *Telework*, NRC employees are required to submit a formal written agreement to participate in the telework program. The process involves completing required forms and supporting memoranda based on the type of agreement requested.

The use of standard forms is intended to ensure all telework agreements are properly documented and align with NRC program guidance.[8] Figure 2 outlines the required forms and additional requirements for each telework type.

Figure 2: Standard Forms and Documentation Based on Telework Type

Telework Type	Standard Forms	Additional Requirements
Fixed	621, 622, 624, 625	• Supporting Memo and Plan (if fewer than two in-office days per pay period) • Annual Evaluation/Extension (full-time)
Project-Based	624, 625	• Prior notice and approval for each telework instance
Special Circumstance	624, 625	• Supporting Memo and Plan • Extension Request Memo and Plan, if needed

Source: OIG generated. The agreement types are defined in the Background section of this report.

The NRC's use of standard forms serves as a formal method of documenting the terms of the telework arrangement. These forms are designed to capture key agreement details, including the employee's work schedule, work location, and the duration of the agreement. This documentation is essential for maintaining accurate personnel records. The NRC's procedures also provide the approval requirements, which vary depending on the requested schedule for the telework arrangement. For example, telework arrangements requesting fewer than two in-office days per pay period require additional levels of approval, such as approval by the Chief Human Capital Officer.

What We Found

Inadequate Compliance with Documentation Standards

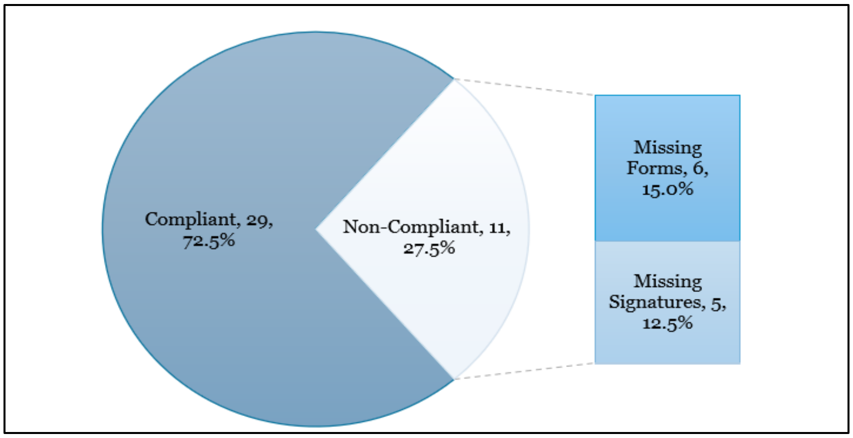
The OIG reviewed a judgmental sample of 40 telework agreements, representing all types of NRC telework arrangements, to evaluate adherence to the established procedures.[9] The OIG found that 11 agreements

[8] The NRC standard forms are as follows:
Form 621, Employee Request to Participate in the Telework Program;
Form 622, Evaluation of Employee Request to Participate in the Telework Program;
Form 624, Telework Program Participation Agreement; and,
Form 625, Telework Program Employee Self-Certification Safety Checklist.

[9] A judgmental sample was used to ensure that all three types of agreements as outlined in Figure 2 were represented and that the additional requirements within each type were reviewed.

(27.5 percent) were not in compliance with NRC policy, with issues occurring across all telework types. Among the non-compliant agreements, six were missing required forms, and five lacked the necessary approvals. Figure 3 summarizes the results of our review.

Figure 3: Review of 40 Telework Agreements



Source: OIG generated

In addition, the OIG found many full-time telework agreement files were missing annual renewal forms.[10] Our review of the annual renewal forms for full-time telework, covering the period from the initial agreement date through July 2024, revealed that 105 of 315 forms (33 percent) were missing. The Agency Telework Coordinator explained that the files reviewed by the OIG included forms for employees under a reasonable accommodation who are not required to submit the annual renewal form.[11] However, these employees accounted for only nine of the missing annual renewal forms. We also noted this exemption for employees under a reasonable accommodation is not explicitly documented in the telework policy or procedures.

[10] The NRC standard form for annual renewal is Form 709: Annual Evaluation/Extension of Full Time Telework Agreement.

[11] The Americans with Disabilities Act of 1990 defines a "reasonable accommodation" as an adjustment to a job or work environment that enables a qualified individual with a disability to perform essential job functions without causing undue hardship to the employer. Telework approval under a reasonable accommodation is evaluated under a different statutory authority than the telework policy.

Why This Occurred

Manual Process for Document Management and Approval

The NRC's document management process for the telework program is manual. It relies on emails and saving documents to SharePoint and lacks sufficient validation controls to ensure agreements are complete and compliant. The OCHCO officials acknowledged the deficiencies with the agreements identified by the OIG, stating they do not have a dashboard to monitor the agreements, and the reporting capability is limited. They stated that these issues are being addressed through the creation of a new application by the Office of the Chief Information Officer, named the Telework Agreement Data Application (TADA). Once implemented, TADA is expected to automate and streamline the document management process. At the time of our evaluation, the application was still under development.

Why This Is Important

Incomplete Documentation Limits Oversight

Incomplete agreements limit oversight, making it difficult to ensure employees adhere to established telework policies. Furthermore, annual renewal forms for employees on full-time telework are essential for documenting any changes to an employee's work location. Failure to obtain initial or annual renewal forms could lead to inaccuracies in employee records.

Recommendation

The OIG recommends that the EDO:

2.1. Implement and document validation procedures to ensure submitted telework agreements are complete and records are maintained in compliance with NRC procedures.

3. Official Duty Station Discrepancies in Personnel Records

The OIG identified discrepancies between the work locations listed in telework records and those listed in other personnel records, particularly for employees with special circumstance telework agreements. The OIG also found that communications instructing the HR Specialist to update the personnel records were not retained in the official records. The absence of this documentation limited our ability to independently reconcile changes between the telework agreements and personnel records. Furthermore, we found there was no process in place to verify that HR Specialists completed the requested actions, making it challenging to determine when actions, such as retroactive corrections, were initiated or completed.

What Is Required

Updates to Personnel Records Due to Telework Agreements

Title 5 of the C.F.R. Section 531.605 requires agency officials to determine and document an official duty station in the employee's personnel record using Standard Form 50 (SF-50), Notification of Personnel Action. According to the procedures described by the Agency Telework Coordinator and observed by the OIG during the evaluation, changes to an employee's official duty station resulting from a telework agreement are communicated to the HR Specialist through an email requesting the duty station change for the period of the approved agreement. The HR Specialist is then responsible for updating the personnel records in the payroll system and documenting the change on the employee's SF-50.

What We Found

Official Duty Station Discrepancies in Personnel Records

The OIG reviewed all official duty station changes associated with telework agreements that were processed between October 1, 2021, and July 16, 2024, to verify the accuracy and timeliness of updates to personnel records. During our review of the 117 personnel actions processed, we identified 6 discrepancies related to the updating of personnel records, including:

- Five instances where the official duty station was not updated in the employee personnel records at the time the special circumstance agreement was approved.
- One instance where the official duty station effective dates on the SF-50 did not match the approved special circumstance agreement.

A former NRC Telework Coordinator told the OIG that these six instances had been self-identified prior to our evaluation, and corrective actions were taken. Documentation provided to the OIG confirmed that retroactive pay adjustments, totaling $12,429.83, were processed approximately seven months after the errors occurred, but for only four of the six employees. Evidence of corrective actions or pay adjustments could not be provided for the remaining two employees. One of the employees left the agency before the error was identified, but the lack of corrective action regarding the other employee could not be explained.

The discrepancies we found occurred primarily for special circumstance telework agreements, as these often involve official duty station changes for a short duration and require accuracy at the agreement's initial approval and expiration. As a result, we reviewed all special circumstance telework agreements designated in the OCHCO telework database that had expired on or before July 16, 2024. Of the 59 agreements reviewed, we found two additional duty station discrepancies resulting from a delay between the expiration of a special circumstance agreement and the initiation of a new agreement, making it difficult to determine when the employee transitioned to the new duty station. These instances highlight the need to strengthen procedures to ensure timely updates and improve documentation practices to identify and resolve issues promptly.

Why This Occurred

Ineffective Communication and Lack of Process

Ineffective communication and lack of processes for the completion of requested actions hinder the NRC's ability to verify the accuracy and timeliness of updates to personnel records. Our evaluation found that communication instructing the HR Specialist to update personnel records is not retained with the telework agreement or personnel records. The former Agency Telework Coordinator provided us copies of email communications upon our request, as they were not available in the official records. The absence of this documentation limited our ability to independently reconcile changes between the telework agreements and personnel records. Additionally, there is no process in place to verify that the HR Specialist completes the requested actions, making it challenging to determine when actions, such as retroactive corrections, are initiated and completed.

Why This Is Important

Timely and Accurate Updates to Records Prevent Discrepancies

Timely and accurate updates to personnel records are essential in preventing discrepancies and ensuring reliable information. Furthermore, effective documentation practices enable agency officials to quickly identify and address discrepancies, ensuring that corrective actions are taken in a timely and efficient manner.

Recommendations

The OIG recommends that the EDO:

3.1 Require all official duty station changes resulting from telework to be supported by an approved agreement and ensure all relevant documentation is retained within the telework records.

3.2 Implement a process to track the completion of corrective actions for discrepancies and ensure any unresolved issues are properly addressed.

3.3 Implement a tracking system to monitor telework agreements nearing expiration, ensuring that necessary updates, such as changes to official duty stations, are made promptly and in accordance with established procedures.

4. Failure to Adhere to Telework Agreement Terms

The OIG identified four instances where employees failed to adhere to the terms outlined in their telework agreements. The OIG also found that the NRC lacks procedures specifically focused on ensuring employee compliance with agreement terms. Established procedures could help avoid pay discrepancies that may occur if employees do not adhere to the official duty station requirements. Employees who fail to meet in-office attendance requirements or work from an unapproved location increase the risk of non-compliance with federal pay regulations, as they could receive higher locality pay than they are entitled to.

What Is Required

Employees Must Adhere to the Telework Agreement Terms

According to MD 10.166, *Telework*, employees are required to adhere to the terms of their telework agreements. These agreements must specify conditions and terms, including work locations, schedules, and expectations. Additionally, MD 10.43, *Time and Labor Reporting*, requires employees to record their time and attendance every pay period in the Human Capital Management system and the hours worked in-office or in telework status. Supervisors are responsible for validating and approving time and attendance for their employees to ensure compliance with this directive.

What We Found

Failure to Adhere to Telework Agreements Terms

The OIG identified four instances where employees failed to adhere to the terms outlined in their telework agreements. During our review of the 117 personnel actions[12] and 59 special circumstance agreements, the OIG found three instances where employees did not comply with the terms of their agreements. Specifically, the employees failed to adhere to their agreements' official duty station requirements. As a result, the OIG conducted an additional review of 20 employees with agreements listing telework locations significantly distant from the official duty station. Our review of the employees' time reporting identified one additional employee who failed to comply with the agreement's duty station requirements.[13] These four instances raise a concern because agreements with telework locations at a significant distance from the official duty station could result in an employee receiving a higher locality pay than that to which they would be entitled (i.e., locality pay based on office location rather than telework location). We have referred these cases to the OIG's Investigations Division for further review, as they potentially resulted in overpayments estimated at $37,811.[14]

[12] As stated earlier in this report, these personnel actions involved duty station changes by employees with telework agreements.

[13] For this sample, the OIG conducted a review of time reporting for the period of January 2024 through May 2024 to assess general compliance with agreement terms. For individuals identified as potentially non-compliant, we conducted a more extensive review of the time reporting data based on the effective dates of their telework agreement.

[14] The estimated overpayment amount may not reflect actual recovery, as it is subject to further validation and consideration of additional supporting documentation.

Why This Occurred

Lack of Oversight Impacts Compliance and Pay Accuracy

The NRC lacks procedures specifically focused on ensuring employee compliance with telework agreement terms. Procedures in this area could help avoid pay discrepancies that may occur if employees do not adhere to the official duty station requirements. For example, procedures requiring periodic reviews of time reporting for employees whose telework locations are a significant distance from their official duty stations could help the NRC identify and address issues in a timely manner.

Why This Is Important

Risk of Non-Compliance with Federal Pay Regulations

Employees who fail to meet in-office attendance requirements or work from an unapproved location increase the risk of non-compliance with federal pay regulations, as they could receive higher locality pay than they are entitled to.

Recommendation

The OIG recommends that the EDO:

4.1 Develop procedures to mitigate the risk of inaccurate locality pay resulting from employees not reporting to their official duty station as required by the terms of their telework agreements.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

The OIG recommends that the Executive Director for Operations:

1.1. Establish a process to verify that all telework agreements are submitted and reviewed to maintain oversight and data integrity.

1.2. Conduct periodic reconciliations between the telework agreements and the NRC's payroll system to ensure the accuracy and completeness of employees' telework statuses.

2.1. Implement and document validation procedures to ensure submitted telework agreements are complete and records are maintained in compliance with NRC procedures.

3.1 Require all official duty station changes resulting from telework to be supported by an approved agreement and ensure all relevant documentation is retained within the telework records.

3.2 Implement a process to track the completion of corrective actions for discrepancies and ensure any unresolved issues are properly addressed.

3.3 Implement a tracking system to monitor telework agreements nearing expiration, ensuring that necessary updates, such as changes to official duty stations, are made promptly and in accordance with established procedures.

4.1 Develop procedures to mitigate the risk of inaccurate locality pay resulting from employees not reporting to their official duty station as required by the terms of their telework agreements.

V. OTHER MATTERS

On January 20, 2025, the President issued the *Return to In-Person Work* memorandum, requiring agency heads to "take all necessary steps to terminate remote work arrangements and require employees to return to work in-person at their respective duty stations on a full-time basis[.]" While this memorandum has required changes in the NRC's implementation of telework since January 20, 2025, it did not affect the objectives, scope, and findings in this report, which are based on NRC policies in effect before that date. Additionally, because the Presidential memorandum provides that agencies may continue to allow telework under certain circumstances, this report's findings should be relevant to the NRC's future implementation of telework.

VI. NRC COMMENTS

The OIG held an exit conference with the agency on March 27, 2025. Before the exit conference, agency management reviewed the discussion draft version of this report and did not provide any comments. Agency management stated their general agreement with the findings and recommendations in this report.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

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

Scope

The evaluation focused on the NRC's use and oversight of the telework program and the administration of locality payments for telework employees from October 1, 2021, through July 16, 2024. We conducted this evaluation at NRC headquarters in Rockville, Maryland, from May 2024 to January 2025.

Methodology

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

- *Telework Enhancement Act of* 2010, Public Law No: 111-292, codified at 5 U.S.C. §§ 6501–6506;
- Title 5 of the Code of Federal Regulations, Section 531.605(d), Determining an Employee's Official Worksite;
- OPM's Operating Manual, *The Guide to Processing Personnel* Actions, dated March 2017;
- OPM's Guide to Telework and Remote Work in the Federal Government, dated November 2021;
- OPM Fact Sheet: Official Worksite for Location-Based Pay Purposes;
- NRC Management Directive 10.166, *Telework*; and,
- MD 10.43, *Time and Labor Reporting*

The OIG interviewed personnel from the Office of the Chief Human Capital Officer at both headquarters and regional offices. Our analysis included reviews of NRC telework agreements, telework status and official duty station information from the payroll system, relevant personnel action notifications, and time reporting data.

The OIG conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. The OIG believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the evaluation objectives. Throughout the evaluation, auditors considered the possibility of fraud, waste, and abuse in the program.

The evaluation was conducted by Danielle Mahal, Team Leader; Jimmy Wong, Audit Manager; and, Ashley Bonano, Auditor.

NRC Response to Questions on the Telework Program (Dated June 24, 2024)

1) Based upon IT login information, office swipe-ins, and other measurable and observable factors, how many employees spend the majority of their working hours in a region with a lower locality pay rate than where their designated primary workstation is located, but continue to receive the higher locality pay associated with the primary workstation?

The NRC mirrors the Federal regulations concerning locality pay and determining an employee's official worksite. As outlined in 5 CFR 531.605 (d)(1), "If an employee is scheduled to work at least twice in a (biweekly) pay period on a regular and recurring basis at the regular worksite for the employee's position of record, the regular worksite (where the employee's work activities are based) is the employee's official worksite." For employees who do not meet (d)(1), (d)(3) states that "the employee's worksite is the location of the employee's telework site." Pursuant to the above-referenced regulation, locality pay is not based upon where the employee spends the majority of their working hours but is based upon the employee's official duty station of record.

Changes in duty station are based on approved telework agreements.

2) How much money could be saved by adjusting locality pay for teleworking employees who reside outside of the region where their primary workstation is located to the true location from where they perform the majority of their work?

The NRC would not realize a cost savings because per the above-referenced regulation and NRC implementing policy, the employee's duty station would not be adjusted for teleworking employees when they report to the office 4 or more days per pay period. For employees reporting less than 4 days per pay period, the employee's salary has already been adjusted to the locality pay based upon where the employee resides.

3) Has the agency taken any action to readjust current locality pay or calculate the locality pay of new or existing hires accounting for the true geographical location from where each employee who teleworks spends the majority of their working hours, rather than the physical location of their position of record?

Since the NRC mirrors 5 CFR 531.605(d), the agency has not readjusted locality pay to where the employee spends the majority of their working hours unless they are not scheduled to report to the worksite at least twice each biweekly pay period.

4) What actions are the agency taking to ensure better oversight and quality control of remote work and what other actions could be taken?

The NRC telework program is outlined in agency policy directives and the Collective Bargaining Agreement. In addition, the Agency has information available regarding the telework approval process, best practices, and tips for successful telework. The employee and their supervisor enter into a written telework agreement and depending on the amount of telework requested, the approving official varies. For remote (or full-time) telework requests, the Chief Human Capital Officer approves and if changes in duty station are necessary, the Agency Telework Coordinator notifies the appropriate staff to process the associated personnel action.

Employee performance management requirements for teleworkers and remote workers are the same as those for non-teleworking employees. When an employee participates in telework, performance expectations and accountability do not differ by virtue of the telework arrangement. All employees, teleworkers and non-teleworkers, are expected to comply with Management Directive (MD) 10.67, “General Grade Performance Management System”; MD 10.166, “Telework”; and the Collective Bargaining Agreement.

Employees are formally evaluated annually based on their individual performance plans which are comprised of elements and standards. Supervisors hold required performance meetings throughout the year (start of year, midyear, end of year) as well as informal meetings in-between. The NRC uses the following to track performance across its enterprise: the NRC Strategic Plan for FY 2022-2026; Internal Control Plans; the Quarterly Performance Review; and the Annual Performance Plan and Report.

5) What is the typical daily onsite attendance in the agency’s office buildings as a proportion of its total workforce?

The average number of occupants on site in the agency’s office buildings, including contractors, is approximately 1,127 / 37 percent (982 / 34 percent without contractor employees). When adjusting for compressed work schedules where a Friday is the prevalent day off, the Monday through Thursday average number of employees at headquarters is approximately 1,296 / 43 percent, including contractors (1,161 / 41 percent without contractor employees).

6) Has the agency issued any guidance, established incentives, or otherwise enticed its workforce to return to working from the office buildings? If so, have these efforts proven successful?

The NRC issued guidance to all NRC staff regarding re-entry to in-person work at its headquarters buildings, regional offices, and Technical Training Center. On November 7, 2021, the NRC was in its "full re-entry" posture. The NRC established a working group and communications plan to ensure the re-entry was implemented intelligently and with the safety and well-being of our employees at the center of our decision-making. NRC leadership actively engaged in ongoing communications with our workforce and sought employee and labor union feedback and input. We conducted multiple surveys, hosted town hall meetings, encouraged the use of our open-door policies, and conducted all-employee meetings on a variety of topics, including the look of our future work posture in our new work environment. Written guidance and frequently asked questions are posted on the NRC's internal SharePoint sites for all employees to access.

The NRC headquarters office has eliminated monthly parking fees, has opened a coffee kiosk that serves coffee, cold drinks, and breakfast and lunch items, and has coordinated food vendors to be onsite for lunch offerings Tuesday through Thursday.

Additionally, offices (headquarters and regions) have the flexibility to incentivize their staff for in-person interaction through in-person staff meetings, core workdays, and social activities.

We continue to meet our mission while demonstrating a high level of service, dignity and respect, and a commitment to excellence that enables us to perform effectively, equitably, and efficiently while never compromising our regulatory responsibilities.

7) In how many instances has the agency exercised its authority under 5 C.F.R. § 531.605(d)(2) to waive the twice-in-a-pay-period in-person standard? How many of those exceptions have been revoked each month, since July 2021? As of today, how many employees remain excepted from the twice-in-a-pay-period standard?

The NRC has not exercised the stated authority.

8) Comparing the capacity of usable area to the actual in-office attendance, what is the utilization of building space?

a) The agency's office space as a whole (headquarters and the regions) averages 33 percent occupied on a given workday, 39 percent occupied when adjusting for compressed work schedules (Monday through Thursday), and 41 percent occupied during the peak period of occupancy.

b) NRC does not own or lease real property, each of the agency's occupancies are through GSA. Therefore, the NRC does not have any vacant buildings or even vacant floors in any of its locations (with the exception of occasional temporary swing space necessary for renovations). The agency does however have under-utilized workstations in terms of percentage of occupancy. At headquarters, to quantify the amount of underutilized space (workstations) and associated costs, staff needs adequate time to analyze and evaluate the challenges and successes of the recently implemented hoteling policy. Once complete the agency will consider the additional reduction opportunities, calculate the potential associated cost avoidance, and will release additional space as appropriate. In the regions, to reduce the amount of under-utilized space, by FY 2025, NRC will halve the size of 3 regional offices equating to a cost avoidance of $3.9M per year.

9) What is the monetary and environmental cost of maintaining underutilized space in terms of energy usage and emissions?

The NRC does not own or lease real property, each of the agency's occupancies are through GSA. The NRC does not have any vacant buildings or vacant floors in any of its locations (with the exception of occasional temporary swing space necessary for renovations). However, the agency possesses under-utilized workstations in terms of percentage of occupancy. The NRC has progressively made strides to reduce energy usage and emissions where the Agency has delegated authority to operate two of its headquarters buildings. Some actions taken include the replacements of old equipment with newer high efficiency designs, improved LED lighting and motion sensor controls to reduce consumption of the workstation or area when it is unoccupied, the implementation of light harvesting techniques, the upgrade of high-flow restroom fixtures, and more efficient automatic touchless faucets. Therefore, the costs associated with any underutilized space regarding energy usage and emissions, are negligible due to the actions previously implemented.

10) What, if any, actions are being taken or planned to reduce underutilization of building and office space?

The NRC continually evaluates its real property portfolio for opportunities to improve space utilization and reduce its real property footprint. The agency is actively reducing the gap between the existing number of workstations in comparison to our housing requirements to optimize the utilization of space. As the nature of the workplace changes (e.g., increased telework, new technologies, etc.), the agency is reassessing workspace design and workplace strategy while considering mission requirements, actual occupancy, and the corelating utilization rates. Space reductions are being achieved by consolidating in place, releasing marketable blocks of space, changing and reducing the design of our workstations, and the implementation of hoteling. Examples of this are recent leases through GSA resulting in the significant reduction of the sizes of 3 regional locations by approximately half their current or previous sizes by FY 2025, in addition to the release of 4 floors of the Two White Flint North building at NRC's headquarters from FY 2021 through FY 2025.

The NRC's current real property management objective is to reduce the size of the agency's portfolio by over 30 percent by the end of FY 2025, as compared to the beginning of FY 2020. This reduction equates to over 350,000 useable square feet (USF). By the end of FY 2024, the NRC will have released over 245,000 USF as compared to FY 2020, with plans to release an additional 105,000 USF in FY 2025.

As the agency adapts to the hoteling process over the next year, staff will analyze the participation, successes, and challenges before recommending additional space releases in FY 2026 or beyond.

11) How is telework impacting the delivery of services and response times by the agency? Have waiting lists or backlogs increased or decreased?

The NRC continues to perform its regulatory oversight functions (licensing, inspection, and enforcement) while operating under our established telework policy. We continue to meet our performance objectives including timeliness of licensing actions and completion of inspections. Waiting lists or backlogs have not been affected due to telework.

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COMMENTS AND SUGGESTIONS

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In addition, if you have suggestions for future OIG audits, please provide them using this link.

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

If you are an NGO or BE that has been specifically identified in this report and you believe you have not been otherwise notified of the report's availability, please be aware that under section 5274 such an NGO or BE may provide a written response to this report no later than 30 days from the report's publication date. Any response you provide will be appended to the published report as it appears on our public website, assuming your response is within the scope of section 5274. Please note, however, that the OIG may decline to append to the report any response, or portion of a response, that goes beyond the scope of the response provided for by section 5274. Additionally, the OIG will review each response to determine whether it should be redacted in accordance with applicable laws, rules, and policies before we post the response to our public website.

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