



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

August 13, 2009

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE NRC
BYPRODUCT MATERIALS LICENSE APPLICATION AND
REVIEW PROCESS (OIG-06-A-11)

REFERENCE: DIRECTOR FOR THE OFFICE OF FEDERAL AND STATE
MATERIALS AND ENVIRONMENTAL MANAGEMENT
PROGRAMS MEMORANDUM DATED JUNE 30, 2009

Attached is the Office of the Inspector General's analysis and status of recommendations 1 and 2 as discussed in the agency's response dated June 30, 2009. Based on this response, recommendations 1 and 2 are closed. As there were only 2 recommendations in this report, all recommendations related to this report are now closed.

If you have questions or concerns, please call me at 415-5915 or Sherri Miotla, Team Leader, Nuclear Safety Audits, at 415-5914.

Attachment: As stated

cc: V. Ordaz, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF THE NRC BYPRODUCT MATERIALS LICENSE APPLICATION AND REVIEW PROCESS

OIG-06-A-11

Status of Recommendations

Recommendation 1: Conduct a complete vulnerability assessment of the materials program, including of the license application and review process and the methods used by licensees to purchase byproduct material from sellers.

Agency Response Dated
June 30, 2009:

Complete. In your memorandum to R. William Borchardt, dated January 12, 2009, you indicated that OIG will close these recommendations when the agency has developed a strategy and plans to implement the Materials Program Working Group's (MPWG) recommendations.

The enclosed MPWG Steering Committee meeting minutes describe the agency's plan to address the recommendations. Based on the Steering Committee's disposition of the MPWG's recommendations, actions have been assigned to the appropriate Office, Division, or Branch and implementation has begun. Accordingly, NRC staff recommends that these OIG recommendations be closed.

OIG Analysis: OIG auditors reviewed the Materials Program Working Group Steering Committee meeting minutes of March 18, 2009, and agree that the minutes describe the agency's overall plans for assessing and implementing the MPWG recommendations. OIG concludes that the agency's actions satisfy the intent of this recommendation. Therefore, recommendation 1 is now closed.

Status: Closed.

Audit Report

AUDIT OF THE NRC BYPRODUCT MATERIALS LICENSE APPLICATION AND REVIEW PROCESS

OIG-06-A-11

Status of Recommendations

Recommendation 2: Modify the license application and review process to mitigate the risks identified in the vulnerability assessment.

Agency Response Dated
June 30, 2009:

Complete. In your memorandum to R. William Borchardt, dated January 12, 2009, you indicated that OIG will close these recommendations when the agency has developed a strategy and plans to implement the Materials Program Working Group's (MPWG) recommendations.

The enclosed MPWG Steering Committee meeting minutes describe the agency's plan to address the recommendations. Based on the Steering Committee's disposition of the MPWG's recommendations, actions have been assigned to the appropriate Office, Division, or Branch and implementation has begun. Accordingly, NRC staff recommends that these OIG recommendations be closed.

OIG Analysis:

OIG auditors reviewed the Materials Program Working Group Steering Committee meeting minutes of March 18, 2009. Auditors also observed—and reviewed materials provided for—an Office of Federal and State Materials and Environmental Management Programs (FSME) program briefing provided to Commission technical assistants on August 10, 2009. FSME staff created a tool to track the implementation of the Materials Program Working Group's recommendations, and managers from several NRC offices meet weekly to monitor progress and determine the need for any additional improvements.

OIG concludes that the agency's actions satisfy the intent of this recommendation. Therefore, recommendation 2 is now closed.

Status: Closed