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U.S. Nuclear Regulatory Commission
Mail Stop T-5 F09
Washington, DC 20555-0001
Fax: 301-415-5130
Email: FOIA.resource@nrc.gov
[Online FOIA Request Form](#)

Note: See following page for list of included NRC OIG Investigation Reports

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INCLUDED NRC OIG INVESTIGATION RECORDS – All Dated in 2012

1. Questionable Travel Claims by the Office of Nuclear Material Safety and Safeguards Employees (OIG Case No. 08-51)
2. Proactive Initiative: Government Credit Card Misuse (OIG Case No. 10-06)
3. Possible Cost Mischarging by NRC Contractor: Lockheed Martin (OIG Case No. 10-45)
4. Misuse of NRC Citibank Travel Credit Card and Change of Station Fraud by an Office of New Reactors Employee (OIG Case No. 11-01)
5. Disposition of Office of Investigations Cases by the Office of Enforcement (OIG Case No. 11-27)
6. Misuse of Government Position and Unprofessional Conduct by Research Employee (OIG Case No. 11-31)
7. Potential Region IV Manager Misconduct Involving Need to Know Investigative Information Pertaining To An FBI Investigation (OIG Case No. 11-44)
8. Potential Ethics Violation (OIG Case No. 11-46)
9. Release of Predecisional Information Regarding Commission's Comsecy Vote (OIG Case No. 11-47)
10. Time and Attendance Abuse and Inappropriate Relationships with Contractor Personnel by NRC Computer Security Office Employee (OIG Case No. 11-61)
11. Misuse of Government Computer by an [REDACTED] (OIG Case No. 11-62)
12. NRC Chairman Direction to NRC Staff Regarding ACRS Review of the Japan Fukushima Daiichi Plants Incident (OIG Case No. 12-005)
13. Conducting a Private Business at NRC Workplace During Official Duty Hours (Case No. 12-06)
14. [REDACTED] NRC Employee Sleeping In His Office (OIG Case No. 12-11)
15. Alleged Inappropriate Images of a Sexual Nature on Government Issued Blackberry (OIG Case 12-13)
16. Former [REDACTED] Deputy Director Falsifying Time and Attendance Information (OIG Case No. 12-14)
17. Questionable Use of Travel Funds by Senior Regional Manager (OIG Case No. 12-39)
18. Continued Concerns of How NRC Handled Issues Regarding Vallecitos Nuclear Center and Banda Group International (OIG Case No. 12-43)
19. Alleged Intimidation of the [REDACTED] by NRC Commissioner (OIG Case No. 12-62)
20. NRC OI Investigation Did Not Address Concerns Raised at San Onofre Nuclear Station (SONGS) (OIG Case No. 12-47)
21. Failure to Inspect North Anna Nuclear Plant Unit 1 after Earthquake (OIG Case No. 12-02)
22. Unauthorized Sharing of Network Password and Misuse of E-Mail System by an Office Of Administration Employee (Case No. 12-12)

**RESPONSE TO FREEDOM OF
INFORMATION ACT (FOIA) / PRIVACY
ACT (PA) REQUEST**

2013-0192

1

RESPONSE
TYPE

FINAL



PARTIAL

REQUESTER

DATE

NOV 07 2013

PART I. -- INFORMATION RELEASED

- ☐ No additional agency records subject to the request have been located.
- ☐ Requested records are available through another public distribution program. See Comments section.
- ☐ Agency records subject to the request that are identified in the specified group are already available for public inspection and copying at the NRC Public Document Room.
- ☐ Agency records subject to the request that are contained in the specified group are being made available for public inspection and copying at the NRC Public Document Room.
- ☒ Agency records subject to the request are enclosed.
- ☐ Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (see comments section) for a disclosure determination and direct response to you.
- ☒ We are continuing to process your request.
- ☐ See Comments.

PART I.A -- FEES

AMOUNT*

\$

- ☐ You will be billed by NRC for the amount listed. ☒ None. Minimum fee threshold not met.
- ☐ You will receive a refund for the amount listed. ☐ Fees waived.

* See comments
for details**PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE**

- ☐ No agency records subject to the request have been located. For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.
- ☒ Certain information in the requested records is being withheld from disclosure pursuant to the exemptions described in and for the reasons stated in Part II.
- ☒ This determination may be appealed within 30 days by writing to the FOIA/PA Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Clearly state on the envelope and in the letter that it is a "FOIA/PA Appeal."

PART I.C COMMENTS (Use attached Comments continuation page if required)

SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER

Donna L. Sealing



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) / PRIVACY ACT (PA) REQUEST

DATE

NOV 07 2013

PART II.A -- APPLICABLE EXEMPTIONS

GROUP

A

Records subject to the request that are contained in the specified group are being withheld in their entirety or in part under the Exemption No.(s) of the PA and/or the FOIA as indicated below (5 U.S.C. 552a and/or 5 U.S.C. 552(b)).

- ☐ Exemption 1: The withheld information is properly classified pursuant to Executive Order 12958.
- ☐ Exemption 2: The withheld information relates solely to the internal personnel rules and practices of NRC.
- ☐ Exemption 3: The withheld information is specifically exempted from public disclosure by statute indicated.
- ☐ Sections 141-145 of the Atomic Energy Act, which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165).
- ☐ Section 147 of the Atomic Energy Act, which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167).
- ☐ 41 U.S.C., Section 4702(b), prohibits the disclosure of contractor proposals in the possession and control of an executive agency to any person under section 552 of Title 5, U.S.C. (the FOIA), except when incorporated into the contract between the agency and the submitter of the proposal.
- ☐ Exemption 4: The withheld information is a trade secret or commercial or financial information that is being withheld for the reason(s) indicated.
- ☐ The information is considered to be confidential business (proprietary) information.
- ☐ The information is considered to be proprietary because it concerns a licensee's or applicant's physical protection or material control and accounting program for special nuclear material pursuant to 10 CFR 2.390(d)(1).
- ☐ The information was submitted by a foreign source and received in confidence pursuant to 10 CFR 2.390(d)(2).
- ☐ Disclosure will harm an identifiable private or governmental interest.
- ☐ Exemption 5: The withheld information consists of interagency or intraagency records that are not available through discovery during litigation. Applicable privileges:
- ☐ Deliberative process: Disclosure of predecisional information would tend to inhibit the open and frank exchange of ideas essential to the deliberative process. Where records are withheld in their entirety, the facts are inextricably intertwined with the predecisional information. There also are no reasonably segregable factual portions because the release of the facts would permit an indirect inquiry into the predecisional process of the agency.
- ☐ Attorney work-product privilege. (Documents prepared by an attorney in contemplation of litigation)
- ☐ Attorney-client privilege. (Confidential communications between an attorney and his/her client)
- ☐ Exemption 6: The withheld information is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy.
- ☒ Exemption 7: The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated.
- ☒ (A) Disclosure could reasonably be expected to interfere with an enforcement proceeding (e.g., it would reveal the scope, direction, and focus of enforcement efforts, and thus could possibly allow recipients to take action to shield potential wrong doing or a violation of NRC requirements from investigators).
- ☒ (C) Disclosure could constitute an unwarranted invasion of personal privacy.
- ☒ (D) The information consists of names of individuals and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources.
- ☒ (E) Disclosure would reveal techniques and procedures for law enforcement investigations or prosecutions, or guidelines that could reasonably be expected to risk circumvention of the law.
- ☐ (F) Disclosure could reasonably be expected to endanger the life or physical safety of an individual.
- ☐ OTHER (Specify)

PART II.B -- DENYING OFFICIALS

Pursuant to 10 CFR 9.25(g), 9.25(h), and/or 9.65(b) of the U.S. Nuclear Regulatory Commission regulations, it has been determined that the information withheld is exempt from production or disclosure, and that its production or disclosure is contrary to the public interest. The person responsible for the denial are those officials identified below as denying officials and the FOIA/PA Officer for any denials that may be appealed to the Executive Director for Operations (EDO).

| DENYING OFFICIAL | TITLE/OFFICE | RECORDS DENIED | APPELLATE OFFICIAL | | |
|------------------|--|----------------|--------------------------|--------------------------|-------------------------------------|
| | | | EDO | SECY | IG |
| Joseph McMillan | Assistant Inspector General for Investigations | Group A | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Appeal must be made in writing within 30 days of receipt of this response. Appeals should be mailed to the FOIA/Privacy Act Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, for action by the appropriate appellate official(s). You should clearly state on the envelope and letter that it is a "FOIA/PA Appeal."




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

OFFICE OF THE
INSPECTOR GENERAL

April 10, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: 
Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: QUESTIONABLE TRAVEL CLAIMS BY THE OFFICE OF
NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
EMPLOYEES (OIG CASE NO. 08-51)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to questionable travel claims by three employees of the Office of Nuclear Material Safety and Safeguards.

This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

A copy of this report was also provided to the Office of the General Counsel (OGC) for civil action consideration under the Program Fraud Civil Remedies Act, and any other action taken in response to this report must be coordinated with OGC.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without the written permission of the OIG.

Attachment: Report of Investigation w/ exhibits

cc:  OGC, w/ exhibits
 ADM/DFS/PSB w/o exhibits

CONTACT: Rossana Raspa, OIG
415-5925

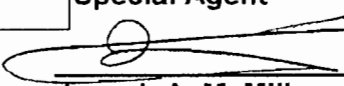
A/1

OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Questionable Travel Claims by the Office of Nuclear Material Safety and Safeguards Employees

| | | |
|---|----------------|-------------|
| (b)(7)(C) | Case No. 08-51 | (b)(7)(C) |
| (b)(7)(C) | Special Agent | Team Leader |
|  | | 4/13/12 |
| Joseph A. McMillan, Assistant Inspector General for Investigations | | Date |

THIS REPORT IS RELEASABLE ONLY BY THE U.S. NUCLEAR REGULATORY
COMMISSION, OFFICE OF THE INSPECTOR GENERAL.

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WRITTEN PERMISSION OF THE NRC OIG.

EXEMPT FROM RELEASE UNDER FREEDOM OF INFORMATION ACT
EXEMPTIONS (5), (6) OR (7) AND PRIVACY ACT EXEMPTIONS (j)(2) OR (k)(1)

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**Questionable Travel Claims by
the Office of Nuclear Material Safety
and Safeguards Employees**

Case No. 08-51

April 10, 2012

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STATUTES AND REGULATIONS

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

SECTION 101, Basic Obligation of Public Service (subsections 5, 7, 9, and 14):

"(5) Employees shall put forth honest effort in the performance of their duties."

"(7) Employees shall not use public office for private gain."

"(9) Employees shall protect and conserve Federal property and shall not use it for other than authorized activities."

"(14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts."

41 CFR, Subpart F, The Federal Travel Regulation (FTR)

Chapter 301, Temporary Duty (TDY) Travel Allowances:

§301-2.1 Must I have authorization to travel?

Yes, generally you must have written or electronic authorization prior to incurring any travel expense. If it is not practicable or possible to obtain such authorization prior to travel, your agency may approve a specific authorization for reimbursement of travel expenses after travel is completed. However, written or electronic advance authorization is required for items in §301-2.5(c), (i), (n), and (o) of this part.

§301-2.2 What travel expenses may my agency pay?

Your agency may pay only those expenses essential to the transaction of official business, which include:

- (a) Transportation expenses as provided in Part 301-10 of this chapter;
- (b) Per diem expenses as provided in Part 301-11 of this chapter;
- (c) Miscellaneous expenses as provided in Part 301-12 of this chapter; and
- (d) Travel expenses of an employee with special needs as provided in Part 301-13 of this chapter.

§301-2.5 What travel arrangements require specific authorization or prior approval?

You must have a specific authorization or prior approval for [among other things]:

(g) Use of a rental car;

(m) Travel expenses related to travel to a foreign area;

§301-10.6 What is my liability if I do not travel by the authorized method of transportation?

If you do not travel by the method of transportation required by regulation or authorized by your agency, any additional expenses you incur which exceed the cost of the authorized method of transportation will be borne by you.

§301-10.7 How should I route my travel?

You must travel to your destination by the usually traveled route unless your agency authorizes or approves a different route as officially necessary.

§301-10.8 What is my liability if, for personal convenience, I travel by an indirect route or interrupt travel by a direct route?

Your reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. You will be responsible for any additional costs.

§301-11.20 May my agency authorize a rest period for me while I am traveling?

(a) Your agency may authorize a rest period not in excess of 24 hours at either an intermediate point or at your destination if:

- (1) Either your origin or destination point is OCONUS;
- (2) Your scheduled flight time, including stopovers, exceeds 14 hours;
- (3) Travel is by a direct or usually traveled route; and
- (4) Travel is by coach-class service.

(b) When a rest stop is authorized the applicable per diem rate is the rate for the rest stop location.

§301-11.21 Will I be reimbursed for per diem or actual expenses on leave or non-workdays (weekend, legal Federal Government holiday, or other scheduled non-workdays) while I am on official travel?

(a) In general, you will be reimbursed as long as your travel status requires your stay to include a non-workday, (e.g., if you are on travel through Friday and again starting Monday you will be reimbursed for Saturday and Sunday), however, your agency should determine the most cost effective situation (i.e., remaining in a travel status and paying per diem or actual expenses or permitting your return to your official station).

(b) Your agency will determine whether you will be reimbursed for non-workdays when you take leave immediately (e.g., Friday or Monday) before or after the non-workday(s).

§301-10.450 When and from whom may I rent a vehicle for official travel when authorized?

(a) Your agency must determine that use of a rental vehicle is advantageous to the Government and must specifically authorize such use.

§301-52.11 What must I do to challenge a disallowed claim?

You must:

(a) File a new claim.

(b) Provide full itemization for all disallowed items reclaimed.

(c) Provide receipts for all disallowed items reclaimed that require receipts, except that you do not have to provide a receipt if your agency already has the receipt.

(d) Provide a copy of the notice of disallowance.

(e) State the proper authority for your claim if you are challenging your agency's application of the law or statute.

(f) Follow your agency's procedures for challenging disallowed claims.

(g) If after reconsideration by your agency your claim is still denied, you may submit your claim for adjudication to the GSA Board of Contract Appeals in accordance with 48 CFR Part 6104.

§301-52.12 What happens if I attempt to defraud the Government?

(a) You forfeit reimbursement pursuant to 28 U.S.C. 2514; and

(b) You may be subject under 18 U.S.C. 287 and 1001 to one, or both, of the following:

(1) A fine of not more than \$10,000, or

(2) Imprisonment for not more than 5 years.

NRC Management Directive 14.1, "Official Temporary Duty Travel," Parts 3, 4, and 5 are consistent with the above regulations.

SUBJECTS

(b)(7)(C), (b)(7)(D)

Office of Nuclear Material Safety and Safeguards (NMSS)
U.S. Nuclear Regulatory Commission (NRC)

(b)(7)(C), (b)(7)(D)

NMSS/NRC

(b)(7)(C), (b)(7)(D)

NMSS/NRC

ALLEGATION

This Office of the Inspector General (OIG), NRC, investigation was initiated based on information provided by the NMSS. Supervisors within NMSS reviewed travel vouchers that were submitted by (b)(7)(C), (b)(7)(D) for a trip that was taken to

(b)(7)(C), (b)(7)(D) According to NMSS supervisors, the three employees were attempting to claim expenditures on their travel vouchers to which they were not entitled based on applicable Federal regulations, including the Federal Travel Regulation (FTR), and NRC Management Directive Volume 14, "Official Temporary Duty Travel."

FINDINGS

OIG determined that (b)(7)(C), (b)(7)(D) were authorized to travel to (b)(7)(C), (b)(7)(D) for the official Government purpose of visiting two nuclear facilities run by the AREVA Corporation and located in (b)(7)(C), (b)(7)(D). However, during the approximate 2-week period of travel, all three employees incurred and claimed expenses not related to their official Government purpose.

OIG determined that all three employees spent several, extended periods of time in (b)(7)(C), (b)(7)(D) that were unnecessary and unrelated to the official purpose of their travel, while claiming Government per diem at the (b)(7)(C), (b)(7)(D) rate for this time.

- First, all three employees arrived early in (b)(7)(C), (b)(7)(D) at the start of their travel period without justification, and spent periods of up to 2 3/4 days on per diem in (b)(7)(C), (b)(7)(D) prior to departing on Monday, (b)(7)(C), (b)(7)(D) for their first official duty location

(b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D)

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(b)(7)(C),(b)(7)(D)

in (b)(7)(C),(b)(7)(D) which was (b)(7)(C),(b)(7)(D) approximately 430 miles to the south. This time spent in (b)(7)(C),(b)(7)(D) did not meet the criteria set forth in the FTR for authorization as an official rest stop eligible for payment of per diem.

- Second, all three employees returned to (b)(7)(C),(b)(7)(D) on the Friday (b)(7)(C),(b)(7)(D) of their first week in (b)(7)(C),(b)(7)(D) after completing their work in (b)(7)(C),(b)(7)(D) supposedly for the purpose of reviewing documents at an AREVA office in the (b)(7)(C),(b)(7)(D) suburbs. However, OIG determined that this document review did not occur. Moreover, OIG determined that the employees knew prior to their departure for (b)(7)(C),(b)(7)(D) that this document review was not scheduled to occur. The employees spent that Friday and the ensuing weekend in (b)(7)(C),(b)(7)(D) and did not perform any work. In addition, a local holiday not observed by the U.S. Government occurred on the following Monday (b)(7)(C),(b)(7)(D) and on that day the employees also did not work. OIG also determined that, while en route from (b)(7)(C),(b)(7)(D) on Tuesday (b)(7)(C),(b)(7)(D) all three employees participated in personal sightseeing and leisure activities for all but the approximately 4 hours of actual driving time between (b)(7)(C),(b)(7)(D). While per diem is authorized for non-workdays occurring within a period of official travel under FTR §301-11.21, multiple days were spent in a non-work status and no leave of any kind was taken during this period.

(b)(7)(C) (b)(7)(D)

(b)(7)(C),(b)(7)(D)

- Third, after completing their work in (b)(7)(C),(b)(7)(D) on Thursday (b)(7)(C),(b)(7)(D) each of the three employees stayed in (b)(7)(C),(b)(7)(D) on Government per diem at the end of their travel period for 1 to 2 additional nights, without need or justification, prior to returning to the United States. This occurred between (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D)

In addition, OIG determined that (b)(7)(C),(b)(7)(D) inappropriately claimed the cost of a train ticket used for one segment of ground travel within (b)(7)(C),(b)(7)(D) notwithstanding the availability of a vehicle which had been rented by (b)(7)(C),(b)(7)(D).

OIG also determined that (b)(7)(C),(b)(7)(D) had misused his Government travel card in connection with the trip by charging a ticket for his wife using the Government travel card. (b)(7)(C),(b)(7)(D) had the charge for his wife's ticket removed after the fact and claimed that the charging of his wife's ticket was a simple error.

OIG determined that each employee received the following reimbursements for travel expenses which they were not entitled to receive:

- (b)(7)(C),(b)(7)(D) claimed and received a total of (b)(7)(C),(b)(7)(D) that he was not entitled to receive.

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- (b)(7)(C), (b)(7)(D) claimed and received a total of (b)(7)(C), (b)(7)(D) that he was not entitled to receive.
- (b)(7)(C), (b)(7)(D) claimed and received a total of (b)(7)(C), (b)(7)(D) that he was not entitled to receive.

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BASIS FOR FINDINGS

Background

In the planning and conduct of this trip, the employees were required, under their basic obligation of Government service, to exercise prudence and good stewardship of Government funds. Under 41 CFR and NRC Management Directive (MD) 14.1, employees are required to utilize the most direct and least expensive means and routes of travel while on official business and any additional costs incurred by an employee must be paid personally by the employee.

OIG learned, based on a review of the applicable trip report, travel authorizations, and vouchers that the official purpose of this trip was to visit and perform work at the AREVA nuclear facilities in (b)(7)(C), (b)(7)(D) over an approximately 2-week period in (b)(7)(C), (b)(7)(D). The period spent en route to or working in (b)(7)(C), (b)(7)(D) was from Monday, (b)(7)(C), (b)(7)(D) to Thursday, (b)(7)(C), (b)(7)(D). The period spent en route to or working in (b)(7)(C), (b)(7)(D) was from Tuesday, (b)(7)(C), (b)(7)(D) to Thursday, (b)(7)(C), (b)(7)(D). Thus, to accommodate these activities, the minimum time in (b)(7)(C), (b)(7)(D) necessary would have been from (b)(7)(C), (b)(7)(D) which would have allowed Sunday, (b)(7)(C), (b)(7)(D) and Friday, (b)(7)(C), (b)(7)(D) to be used as travel days. Appropriate per diem rates throughout the entire period would have been the general rate for (b)(7)(C), (b)(7)(D) applicable to both (b)(7)(C), (b)(7)(D). The general rate for (b)(7)(C), (b)(7)(D) is \$99 for meals and incidental expenses (M & IE) and \$161 for lodging. The higher per diem rate for (b)(7)(C), (b)(7)(D) would not have been available given that the work locations were (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D).

(For further details, see Exhibits 1 through 4.)

The travel authorizations, NRC Forms 279, for this trip were substantially similar, with minor variations, for all three employees. Each authorization was signed by (b)(7)(C), (b)(7)(D) in (b)(7)(C), (b)(7)(D) NMSS. The start dates were either (b)(7)(C), (b)(7)(D) or (b)(7)(C), (b)(7)(D) and the end dates were either (b)(7)(C), (b)(7)(D) or (b)(7)(C), (b)(7)(D). The actual duty points identified in the itinerary section, box 18, of all three travel authorizations were (b)(7)(C), (b)(7)(D). The itinerary was presented, in order, on all three travel authorizations as Rockville (origin duty station) (b)(7)(C), (b)(7)(D) Rockville (return duty station). The purpose of travel/remarks section in box 25 of each authorization stated, "Purpose: site visits at (b)(7)(C), (b)(7)(D). Box 22a is checked on each authorization to authorize the reimbursement of common carrier expenses, in this case airline tickets, with a notation in box 25 reading, "Below contract carrier fare," with handwritten annotation by unknown persons on unknown dates indicating, "Employee paid for his

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own airline ticket." Box 22c of the authorizations for both (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) is checked to authorize the reimbursement of rental car expenses, with a notation in box 25 reading, "Local transportation needed between train-stations and multiple sites and any schedule changes." (b)(7)(C), (b)(7)(D) did not have this endorsement on his authorization. The authorizations for (b)(7)(C), (b)(7)(D) are nearly identical with the exception of changes in employee name and personal identifying information. Both provide an authorized maximum cost in box 13d, of (b)(7)(C), (b)(7)(D) for each employee. The authorized maximum cost on (b)(7)(C), (b)(7)(D) Form 279, in box 13d, which does not include rental car expenses, is (b)(7)(C), (b)(7)(D). These travel authorizations were approved with availability of funds to travel on (b)(7)(C), (b)(7)(D).

(For further details, see Exhibits 5, 6, and 7.)

The NRC Form 445, "Request for Approval of Foreign Travel," for (b)(7)(C), (b)(7)(D) approved on (b)(7)(C), (b)(7)(D) reads in box 10, "Purpose of Travel," as follows:

(b)(7)(C), (b)(7)(D)

The clause regarding the (b)(7)(C), (b)(7)(D) location refers to an AREVA office near (b)(7)(C), (b)(7)(D) and was relied upon by the employees in including (b)(7)(C), (b)(7)(D) in their itinerary midway through the trip. The proposed itinerary in box 14 of this form, however, only includes (b)(7)(C), (b)(7)(D) for the dates (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) for the dates (b)(7)(C), (b)(7)(D). However, the authorization for the trip as a whole covers the dates (b)(7)(C), (b)(7)(D) specifying arrival in (b)(7)(C), (b)(7)(D) and contact with AREVA staff on (b)(7)(C), (b)(7)(D).

(For further details, see Exhibit 8.)

Overview of Actual Travel and Claims

In reviewing the travel vouchers submitted by (b)(7)(C), (b)(7)(D) OIG learned that all three employees bought commercially available airline tickets to (b)(7)(C), (b)(7)(D) that were not Government contract/city pair fares, justifying these as having face values of less than the contract fare, and claimed them as common carrier expenses for reimbursement on their vouchers. This was in accordance with the endorsements on

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each employee's authorization. In addition, OIG learned that one employee claimed reimbursement for a train ticket for travel within (b)(7)(C), (b)(7)(D) that was unnecessary given the availability of a Government-paid rental car.

The three employees all departed the United States between (b)(7)(C), (b)(7)(D) and arrived in (b)(7)(C), (b)(7)(D) between (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D). All spent 1 or more days in (b)(7)(C), (b)(7)(D) on per diem, including lodging, prior to departing for their first official duty station (b)(7)(C), (b)(7)(D) on (b)(7)(C), (b)(7)(D). All three employees spent the period of Monday (b)(7)(C), (b)(7)(D) to Thursday (b)(7)(C), (b)(7)(D) either en route to or working at (b)(7)(C), (b)(7)(D) as authorized, and legitimately claimed per diem and expenses related to their work for that period. All three employees then went to (b)(7)(C), (b)(7)(D) on Friday, (b)(7)(C), (b)(7)(D) and remained in (b)(7)(C), (b)(7)(D) from that day through Monday (b)(7)(C), (b)(7)(D) on per diem, while not engaged in official business. OIG noted that Monday (b)(7)(C), (b)(7)(D) was a (b)(7)(C), (b)(7)(D) which is not observed by U.S. Government employees. All three employees departed on Tuesday (b)(7)(C), (b)(7)(D) for (b)(7)(C), (b)(7)(D) their second official duty station, remaining there on work status, as authorized, through Thursday, (b)(7)(C), (b)(7)(D) and legitimately claimed per diem and expenses related to their work for that period. All three employees then returned to (b)(7)(C), (b)(7)(D) on Friday, (b)(7)(C), (b)(7)(D) and spent 1 or more days in (b)(7)(C), (b)(7)(D) on per diem prior to departing for home, with all employees arriving in the United States on either (b)(7)(C), (b)(7)(D) or (b)(7)(C), (b)(7)(D).

(For further details, see Exhibits 2, 3, 4, and 9.)

E-mails Among Employees Regarding Travel

E-mails obtained by the OIG indicated that all three employees were aware prior to departing for (b)(7)(C), (b)(7)(D) that (b)(7)(C), (b)(7)(D) per diem was not authorized for the period that included Friday (b)(7)(C), (b)(7)(D) to Monday (b)(7)(C), (b)(7)(D). A series of e-mails sent on (b)(7)(C), (b)(7)(D) among (b)(7)(C), (b)(7)(D) indicate that (b)(7)(C), (b)(7)(D) had become aware that the applicable M & IE rate for (b)(7)(C), (b)(7)(D) on his and (b)(7)(C), (b)(7)(D) travel authorizations had been reduced to the lower general (b)(7)(C), (b)(7)(D) rate from the higher (b)(7)(C), (b)(7)(D) rate. (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) of this, and told (b)(7)(C), (b)(7)(D) of complaining about the change to his supervisor. (b)(7)(C), (b)(7)(D) added that his supervisor had told him that the employees did not have to stay in (b)(7)(C), (b)(7)(D) in the course of their trip. (b)(7)(C), (b)(7)(D) response to (b)(7)(C), (b)(7)(D) announced his intention to "put the full (b)(7)(C), (b)(7)(D) per diem on [his] voucher anyway" and posed the question, "what if we determine we have to go to (b)(7)(C), (b)(7)(D) headquarters in (b)(7)(C), (b)(7)(D) after all?" (b)(7)(C), (b)(7)(D) also stated, in another e-mail to both (b)(7)(C), (b)(7)(D) "If we end up having to go to (b)(7)(C), (b)(7)(D) then we should get compensated for lodging at the (b)(7)(C), (b)(7)(D) rate. If not, we might have to eat the difference." (b)(7)(C), (b)(7)(D) sent an e-mail to (b)(7)(C), (b)(7)(D) stating his concurrence with that position.

(For further details, see Exhibit 10.)

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Interviews of Dealis (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D)

AREVA employees (b)(7)(C), (b)(7)(D) were the primary points of contact at AREVA for the trip and accompanied the employees on the actual travel. (b)(7)(C), (b)(7)(D) stated that some documents the NRC employees would need to review were located at AREVA's office in the (b)(7)(C), (b)(7)(D) metropolitan area, and would have required the employees to spend time in the (b)(7)(C), (b)(7)(D) area. However, both (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) told OIG that the NRC employees were notified approximately 6 weeks before the trip that a visit to the AREVA office in (b)(7)(C), (b)(7)(D) to review documentation would not be necessary. (b)(7)(C), (b)(7)(D) stated that in late January, after conferring with (b)(7)(C), (b)(7)(D) personnel, it was determined that all documentation needed for the review would be available at the (b)(7)(C), (b)(7)(D) locations. They stated that there was no possible way that the NRC employees would not have known this fact because they would have needed the information in advance to properly plan their trip to (b)(7)(C), (b)(7)(D).

(For further details, see Exhibit 11.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D)
(b)(7)(C), (b)(7)(D) NMSS, who supervised the employees at the time their claims were filed, stated that the employees led her to believe that a visit to the AREVA (b)(7)(C), (b)(7)(D) location would be necessary, and that they did not know that it would not be necessary until the travel was underway. (b)(7)(C), (b)(7)(D) found that this was not the case by contacting (b)(7)(C), (b)(7)(D) who confirmed that the employees were notified in late January of the itinerary change. (b)(7)(C), (b)(7)(D) provided a copy of an e-mail exchange between herself and (b)(7)(C), (b)(7)(D) reflecting that the change in itinerary was known 6 weeks in advance of travel.

(For further details, see Exhibits 12 and 13.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) who was until (b)(7)(C), (b)(7)(D) the Director of (b)(7)(C), (b)(7)(D) and approved by signature all travel authorizations related to this trip, stated that the employees who participated in the (b)(7)(C), (b)(7)(D) trip to (b)(7)(C), (b)(7)(D) were all briefed specifically in preparation for the trip on the use of trains, rental cars, and AREVA courtesy transportation while in (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) related that he became aware of the issues with the travel to (b)(7)(C), (b)(7)(D) once the employees began to submit their travel vouchers. (b)(7)(C), (b)(7)(D) stated that he and the first-level supervisors who dealt directly with the employees were not happy about the expenditures that the employees were attempting to claim on their travel.

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(b)(7)(C),(b)(7)(D) vouchers (b)(7)(C),(b)(7)(D) said that he had several meetings with (b)(7)(C),(b)(7)(D) regarding the issues on the travel vouchers and made it clear to the employees that they had taken liberties that Government employees on official travel should not be taking. (b)(7)(C),(b)(7)(D) stated specific examples of issues that he believed to not be supportable such as extended hotel stays, per diem for (b)(7)(C),(b)(7)(D) when there was no official business there, rental car expenses plus gas, parking, and the overall amount of personal days versus official workdays. (b)(7)(C),(b)(7)(D) explained that he told (b)(7)(C),(b)(7)(D) that he would need to give very specific justification for all expenditures that he wished to claim on his travel voucher. (b)(7)(C),(b)(7)(D) stated that he told (b)(7)(C),(b)(7)(D) that he had to have all the travel vouchers cleared by first-level supervisors first before coming to him. (b)(7)(C),(b)(7)(D) stated that (b)(7)(C),(b)(7)(D) approached him in (b)(7)(C),(b)(7)(D) with a reclaim travel voucher for him to sign. (b)(7)(C),(b)(7)(D) stated that he believed that (b)(7)(C),(b)(7)(D) had already had the reclaim travel voucher reviewed by his direct first-level supervisor and that this supervisor approved the voucher. Based on this belief (b)(7)(C),(b)(7)(D) stated that he signed and approved it to be processed for payment.

(For further details, see Exhibit 14.)

Interview of (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) Office of the Chief Financial Officer (OCFO), NRC, explained that the Prudent Employee Rule, as provided in NRC MD 14.1, applies here. This rule states:

Employees are expected to exercise the same care in incurring expenses as a prudent person would exercise when traveling on personal business. NRC will NOT accept excess costs, circuitous routes, delays, or luxury accommodations and services under this standard. Employees shall be responsible for excess costs and any additional expenses incurred for personal preference or convenience.

(b)(7)(C),(b)(7)(D) said that the appropriate travel schedule, based on the employees' actual work-related activities, would have included departure from the United States on Sunday (b)(7)(C),(b)(7)(D) with Monday morning arrival in (b)(7)(C),(b)(7)(D) and continued travel on Monday to (b)(7)(C),(b)(7)(D) so the employees would be ready for work on Tuesday. (b)(7)(C),(b)(7)(D) For departure from (b)(7)(C),(b)(7)(D) stated that Friday (b)(7)(C),(b)(7)(D) would have been the appropriate day; after completing work in (b)(7)(C),(b)(7)(D) on Thursday, an early morning departure for the approximate 4-hour drive to (b)(7)(C),(b)(7)(D) was feasible with multiple flights from (b)(7)(C),(b)(7)(D) to the United States available throughout the day. (b)(7)(C),(b)(7)(D) advised that the general (b)(7)(C),(b)(7)(D) per diem rate would apply throughout the trip and that ¾ of the general (b)(7)(C),(b)(7)(D) M & IE rate would be available for the first and last day of the trip. The higher (b)(7)(C),(b)(7)(D) rate would not properly apply at any time.

(For further details, see Exhibits 15 and 16.)

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Details of (b)(7)(C),(b)(7)(D)

Based on a review of (b)(7)(C),(b)(7)(D) travel authorization and claim and reclaim vouchers, OIG learned that (b)(7)(C),(b)(7)(D) was authorized to travel to (b)(7)(C),(b)(7)(D) between (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D).

His time in (b)(7)(C),(b)(7)(D) is reflected in the following calendar:

| <div>(b)(7)(C),(b)(7)(D)</div> Travel Calendar <div>(b)(7)(C),(b)(7)(D)</div> | | | | | | |
|--|----------------------------|---------------------|----|----|-----------------|-----------------|
| | | | | | | 1 |
| | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | | | | | |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | | | | Actual travel | Extra day |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| Feasible travel | (b)(7)(C),(b)(7)(D) | | | | | Regular day off |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| Regular day off | Local holiday U.S. workday | (b)(7)(C),(b)(7)(D) | | | Feasible travel | Extra day |
| 30 | 31 | | | | | |
| Actual travel | | | | | | |

(b)(7)(C),(b)(7)(D) initial travel voucher claim was filed on (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D) was paid (b)(7)(C),(b)(7)(D) on (b)(7)(C),(b)(7)(D). His initial claims were higher, but some expenses were disallowed, as indicated in handwritten changes made by OCFD personnel. He then filed a reclaim for a portion of the disallowed expenses on (b)(7)(C),(b)(7)(D) and was, as a result, paid (b)(7)(C),(b)(7)(D) on (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) claimed or reclaimed 2 3/4 days per diem, including 2 days' lodging, at (b)(7)(C),(b)(7)(D) rates for the dates (b)(7)(C),(b)(7)(D). To arrive on time to work at (b)(7)(C),(b)(7)(D) on Tuesday, (b)(7)(C),(b)(7)(D) would have required only 3/4 day M & IE at the (b)(7)(C),(b)(7)(D) rate.

(b)(7)(C),(b)(7)(D) initially claimed the (b)(7)(C),(b)(7)(D) rate for the dates (b)(7)(C),(b)(7)(D) then filed a reclaim and was paid at (b)(7)(C),(b)(7)(D) rates for those dates. While 2 of these days were weekend days, Friday (b)(7)(C),(b)(7)(D) and Monday (b)(7)(C),(b)(7)(D) were United States workdays,

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notwithstanding that (b)(7)(C),(b)(7)(D) was a (b)(7)(C),(b)(7)(D) His initial claim properly limited per diem to the general rate for (b)(7)(C),(b)(7)(D) applicable to (b)(7)(C),(b)(7)(D) however, on reclaim he sought and received (b)(7)(C),(b)(7)(D) rates for that period.

(b)(7)(C),(b)(7)(D) claimed or reclaimed 2¾ days per diem, including 2 days' lodging, at (b)(7)(C),(b)(7)(D) rates for the dates (b)(7)(C),(b)(7)(D) Upon completion of his work in (b)(7)(C),(b)(7)(D) he could have flown home no later than Friday (b)(7)(C),(b)(7)(D) requiring only ¾ days' per diem at (b)(7)(C),(b)(7)(D) rates.

The following table captures (b)(7)(C),(b)(7)(D) per diem claims, along with per diem amounts that OIG found to be mission essential through review of the authorization, voucher and trip reports, and the applicable per diem rates. The "Variance" column which reflects the difference between the "Mission Essential" column and the "Paid" column, lists the per diem reimbursements that (b)(7)(C),(b)(7)(D) received but was not entitled to receive. For days where the "Variance" column reads "OK," the traveler claimed, and was paid, less than the maximum per diem, and the difference is not included in the total variance.

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| <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; padding: 2px;">(b)(7)(C), (b)(7)(D)</div> Per Diem Claims and Reimbursements </div> | | | | | |
|---|------------------------------|----------------|------------------|-------------|-----------------|
| Date | Mission Essential | Claimed | Reclaimed | Paid | Variance |
| <div style="border: 1px solid black; padding: 5px;">(b)(7)(C), (b)(7)(D)</div> | | | | | |

In addition, (b)(7)(C), (b)(7)(D) rented and operated the authorized rental car for the three employees. OIG learned that the employees were authorized a full-size automobile, which was upgraded to a larger van in order to accommodate the employees' spouses and their luggage.

(b)(7)(C), (b)(7)(D) received a total of (b)(7)(C), (b)(7)(D) that he was not entitled to receive for the (b)(7)(C), (b)(7)(D) trip.

(For further details, see Exhibits 2, 5, and 17.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) advised OIG that the purpose of the official travel to (b)(7)(C), (b)(7)(D) was to visit the AREVA nuclear facilities of (b)(7)(C), (b)(7)(D)

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Although (b)(7)(C), (b)(7)(D) admitted that he had significant input into the planning of the travel, he frequently attributed decisions on various aspects of the schedule to AREVA representatives. (b)(7)(C), (b)(7)(D) claimed that the initial, 46-hour period of "down time" in (b)(7)(C), (b)(7)(D) upon arrival on Saturday, (b)(7)(C), (b)(7)(D) prior to reporting for work in (b)(7)(C), (b)(7)(D) was justified because he wrote that timeframe into his travel authorization and it was approved by NRC management. (b)(7)(C), (b)(7)(D) also took the position that an extended rest period was justified because of the difficulty of driving several hundred miles in an unfamiliar country after an overnight flight with limited sleep. (b)(7)(C), (b)(7)(D) admitted that the rental vehicle used by the employees in (b)(7)(C), (b)(7)(D) was upgraded from the authorized full-size car to a van in order to accommodate the employees' wives.

(b)(7)(C), (b)(7)(D) asserted that he was unaware that the document review in the (b)(7)(C), (b)(7)(D) area on Friday, (b)(7)(C), (b)(7)(D) would not be needed from the time that planning began for the trip early in (b)(7)(C), (b)(7)(D) until he arrived in (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) could not explain why communications between NRC management and AREVA representatives (b)(7)(C), (b)(7)(D) reflected that the (b)(7)(C), (b)(7)(D) activity was canceled approximately 6 weeks before the employees departed, and why (b)(7)(C), (b)(7)(D) had stated that the NRC employees were informed of this at the time. (b)(7)(C), (b)(7)(D) suggested that the recollections of AREVA personnel regarding the (b)(7)(C), (b)(7)(D) document review were inaccurate and a product of "hindsight."

(b)(7)(C), (b)(7)(D) admitted that he took the (b)(7)(C), (b)(7)(D) off rather than traveling to (b)(7)(C), (b)(7)(D) and performing work on that day. (b)(7)(C), (b)(7)(D) asserted that this was justified because the (b)(7)(C), (b)(7)(D) hosts would be unavailable on that day, and because the itinerary was "written that way" by the AREVA representatives and approved by NRC management. (b)(7)(C), (b)(7)(D) admitted that he did not work 8 hours on Tuesday, (b)(7)(C), (b)(7)(D) the day the employees drove from (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) also acknowledged that the group stopped at the tourist attraction of (b)(7)(C), (b)(7)(D) for a number of hours during the course of that day for a meal and other non-work activities.

(b)(7)(C), (b)(7)(D) acknowledged purchasing an airline ticket in (b)(7)(C), (b)(7)(D) for his wife with his Government travel credit card, but attributed this to an error by the airline, which he later took action to correct and to have the charge on the Government card removed. He stated that he was trying to purchase tickets for both himself and his wife, with only his ticket on the Government credit card. This purchase was for the flight to (b)(7)(C), (b)(7)(D) for the (b)(7)(C), (b)(7)(D) trip. (b)(7)(C), (b)(7)(D) admitted that all three employees for that trip purchased airline tickets from online vendors and not through the official Government travel agent. (b)(7)(C), (b)(7)(D) stated that the purchased tickets were below the contract fare rates, and admitted that while he "felt good" about saving the Government money, part of the reason for doing this was that he was traveling with his spouse. (b)(7)(C), (b)(7)(D) also acknowledged that unlike the use of a Government contract ticket, this practice poses a risk of his losing the airfare paid or incurring change fees in the event of changes to the travel itinerary.

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(b)(7)(C),(b)(7)(D) stated that he filed a reclaim for expenses incurred on this trip that his branch chief had initially denied. This reclaim was approved by (b)(7)(C),(b)(7)(D) did not elaborate on his reasons for filing a reclaim but stated that (b)(7)(C),(b)(7)(D) and "Travel [auditors or reviewers]" decided the reclaimed expenses were appropriate.

(For further details, see Exhibit 18.)

Details of (b)(7)(C),(b)(7)(D) Travel

Based on a review of (b)(7)(C),(b)(7)(D) travel authorization and claim voucher, OIG learned that (b)(7)(C),(b)(7)(D) was authorized to travel to (b)(7)(C),(b)(7)(D) between (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) arrived in (b)(7)(C),(b)(7)(D) a day before the other employees and spent that additional time in (b)(7)(C),(b)(7)(D) claiming (b)(7)(C),(b)(7)(D) per diem for a portion of that time. His time in (b)(7)(C),(b)(7)(D) is displayed in the following calendar:

| (b)(7)(C),(b)(7)(D) Travel Calendar | | | | | | |
|-------------------------------------|----------------------------|---------------------|----|---------------|-----------------|-----------------|
| | | | | | | 1 |
| | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | | | | | |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | | | Actual travel | Extra day | Extra day |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| Feasible travel | (b)(7)(C),(b)(7)(D) | | | | | Regular day off |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| Regular day off | Local holiday U.S. workday | (b)(7)(C),(b)(7)(D) | | | Feasible travel | Actual travel |
| 30 | 31 | | | | | |
| | | | | | | |

OIG learned that (b)(7)(C),(b)(7)(D) travel voucher claim was filed on (b)(7)(C),(b)(7)(D) approved via signature of (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D) was paid (b)(7)(C),(b)(7)(D) on (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) claimed 1 3/4 days per diem, including 1 night's lodging, for

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Thursday, (b)(7)(C), (b)(7)(D) and Friday, (b)(7)(C), (b)(7)(D) He did not claim any per diem or lodging for Saturday, (b)(7)(C), (b)(7)(D) or Sunday, (b)(7)(C), (b)(7)(D) To arrive on time to work at (b)(7)(C), (b)(7)(D) on Tuesday, (b)(7)(C), (b)(7)(D) would have required only ¾ day's M & IE at the (b)(7)(C), (b)(7)(D) rate for Sunday, (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) claimed 4 days per diem, including lodging at (b)(7)(C), (b)(7)(D) rates for the dates (b)(7)(C), (b)(7)(D). While 2 of these days were weekend days, Friday, (b)(7)(C), (b)(7)(D) and Monday, (b)(7)(C), (b)(7)(D) were United States workdays, notwithstanding that (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) claimed 1¾ days per diem, including lodging at (b)(7)(C), (b)(7)(D) rates for the dates (b)(7)(C), (b)(7)(D). Upon completion of his work in (b)(7)(C), (b)(7)(D) he could have flown home no later than Friday, (b)(7)(C), (b)(7)(D) thereby, requiring only ¾ days' per diem at the (b)(7)(C), (b)(7)(D) rate. (b)(7)(C), (b)(7)(D)

The following table captures (b)(7)(C), (b)(7)(D) per diem claims along with per diem amounts that OIG found to be mission essential through review of the authorization, voucher, trip report, and the applicable per diem rates. The "Variance" column, which reflects the difference between the "Mission Essential" column and the "Paid" column, lists the per diem reimbursements that (b)(7)(C), (b)(7)(D) received but was not entitled to receive. For days where the "Variance" column reads "OK", the traveler claimed, and was paid, less than the maximum per diem, and the difference is not included in the total variance. OIG identified one claim for (b)(7)(C), (b)(7)(D) that should have been claimed and paid but was not, represented in the table by a negative number.

(For further details, see Exhibits 3 and 6.)

| (b)(7)(C),(b)(7)(D) Per Diem Claims and Reimbursements | | | |
|--|-------------------|------|----------|
| Date | Mission Essential | Paid | Variance |
| (b)(7)(C),(b)(7)(D) | | | |

(b)(7)(C),(b)(7)(D) received (b)(7)(C),(b)(7)(D) in excess per diem that he was not entitled to receive for the (b)(7)(C),(b)(7)(D)

Interview of (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) told OIG that he was not the main planner of the trip itinerary and activities for (b)(7)(C),(b)(7)(D) in (b)(7)(C),(b)(7)(D). He characterized (b)(7)(C),(b)(7)(D) as (b)(7)(C),(b)(7)(D) and himself as (b)(7)(C),(b)(7)(D). He described (b)(7)(C),(b)(7)(D) as (b)(7)(C),(b)(7)(D) about scheduling and structure. (b)(7)(C),(b)(7)(D) stated that on an earlier official trip he had taken to (b)(7)(C),(b)(7)(D) in (b)(7)(C),(b)(7)(D) AREVA had made most of the arrangements for transportation, hotels, and activities. By contrast, however, the (b)(7)(C),(b)(7)(D) trip was planned with minimal guidance or assistance from NRC management or AREVA personnel, requiring the employees themselves to plan most of the activities and make the arrangements. (b)(7)(C),(b)(7)(D) acknowledged that such arrangements primarily facilitated the employees being

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(b)(7)(C), (b)(7)(D) accompanied by their spouses. At times, however, (b)(7)(C), (b)(7)(D) characterized AREVA as having control of the itinerary for the (b)(7)(C), (b)(7)(D) trip, particularly when the legitimacy of claimed expenses or travel activities was questioned.

(b)(7)(C), (b)(7)(D) explained that he purchased his own airline tickets using an online service, and that this required him to travel on Thursday (b)(7)(C), (b)(7)(D) earlier than the other employees, because at the time of purchase, no other arrival dates in (b)(7)(C), (b)(7)(D) were available at a comparable price. (b)(7)(C), (b)(7)(D) pointed out that Friday (b)(7)(C), (b)(7)(D) was his normal Compressed Work Schedule (CWS) day off, and noted that he did not claim per diem for the weekend days of Saturday (b)(7)(C), (b)(7)(D) and Sunday, (b)(7)(C), (b)(7)(D). He said that he would have been willing to take additional personal days without claiming per diem if required by management or accounting personnel.

(b)(7)(C), (b)(7)(D) With regard to the fact that on Friday (b)(7)(C), (b)(7)(D) no work activities occurred because no document review was conducted in (b)(7)(C), (b)(7)(D) claimed that he did not know until Thursday (b)(7)(C), (b)(7)(D) that this document review would not be taking place. He stated that (b)(7)(C), (b)(7)(D) made the decision that the document review was not needed at the last minute, on Thursday. (b)(7)(C), (b)(7)(D) maintained that he did not know that 6 weeks before the trip, the (b)(7)(C), (b)(7)(D) document review segment had already been deemed to be unnecessary. (b)(7)(C), (b)(7)(D) acknowledged that given this fact, there was no official purpose in returning to (b)(7)(C), (b)(7)(D).

(b)(7)(C), (b)(7)(D) With regard to the fact that Monday (b)(7)(C), (b)(7)(D) was a (b)(7)(C), (b)(7)(D) asserted that AREVA arranged the travel schedule, so the fact that no work activities were scheduled by or for the employees was not their fault. (b)(7)(C), (b)(7)(D) did not recall reporting this fact to his supervisors or conferring with NRC management over how best to handle this issue. (b)(7)(C), (b)(7)(D) acknowledged that these extra days without work might reasonably be perceived as a problem and that he wished he could have done things differently.

(b)(7)(C), (b)(7)(D) acknowledged that on Tuesday, (b)(7)(C), (b)(7)(D) while enroute from (b)(7)(C), (b)(7)(D) he and the other employees spent several hours sightseeing at (b)(7)(C), (b)(7)(D) and did not work a full 8 hours, yet still claimed a full workday. (b)(7)(C), (b)(7)(D) denied taking any extended side trips in the rental car but acknowledged that the employees made a number of stops purely for pleasure and sightseeing purposes. These included a winery, the location of the (b)(7)(C), (b)(7)(D).

(For further details, see Exhibit 19.)

Details of (b)(7)(C), (b)(7)(D) Travel

Based on a review of (b)(7)(C), (b)(7)(D) travel authorization and claim and reclaim vouchers, OIG learned that (b)(7)(C), (b)(7)(D) was authorized to travel to (b)(7)(C), (b)(7)(D) between (b)(7)(C), (b)(7)(D).

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(b)(7)(C), (b)(7)(D) His time in (b)(7)(C), (b)(7)(D) is displayed in the following calendar:

| <div>(b)(7)(C), (b)(7)(D)</div> Travel Calendar <div>(b)(7)(C), (b)(7)(D)</div> | | | | | | |
|--|----------------------------|----------------------|----|----|-----------------|---------------|
| | | | | | | 1 |
| | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | | | | | |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | | | | Actual travel | Extra day |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| Feasible travel | (b)(7)(C), (b)(7)(D) | | | | | Day off |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| Day off | Local holiday U.S. workday | (b)(7)(C), (b)(7)(D) | | | Feasible travel | Actual travel |
| 30 | 31 | | | | | |
| | | | | | | |

OIG learned that (b)(7)(C), (b)(7)(D) travel voucher claim was filed and approved on (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) was paid (b)(7)(C), (b)(7)(D) on (b)(7)(C), (b)(7)(D) claimed 1 3/4 days per diem, including 1 night's lodging, at (b)(7)(C), (b)(7)(D) rates for Friday (b)(7)(C), (b)(7)(D) He did not claim any per diem for Sunday, (b)(7)(C), (b)(7)(D) To arrive on time to work at (b)(7)(C), (b)(7)(D) on Tuesday (b)(7)(C), (b)(7)(D) would have required only 3/4 day M & IE at the (b)(7)(C), (b)(7)(D) rate for Sunday (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) claimed 1 day's per diem, including lodging, at (b)(7)(C), (b)(7)(D) rates for the date (b)(7)(C), (b)(7)(D) although no work was conducted in (b)(7)(C), (b)(7)(D) that day, (b)(7)(C), (b)(7)(D) appropriately claimed the general per diem rate for (b)(7)(C), (b)(7)(D) for the following 3 days, (b)(7)(C), (b)(7)(D) were weekend days. Monday (b)(7)(C), (b)(7)(D) was a (b)(7)(C), (b)(7)(D) but a United States workday.

(b)(7)(C), (b)(7)(D) claimed 1 3/4 days per diem, including lodging, at (b)(7)(C), (b)(7)(D) rates for the dates (b)(7)(C), (b)(7)(D) Upon completion of his work in (b)(7)(C), (b)(7)(D) he could have flown home no later than Friday, (b)(7)(C), (b)(7)(D) thereby requiring only 3/4 days per diem at (b)(7)(C), (b)(7)(D) rates.

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In addition, OIG learned that (b)(7)(C),(b)(7)(D) filed a (b)(7)(C),(b)(7)(D) reclaim on (b)(7)(C),(b)(7)(D) seeking (b)(7)(C),(b)(7)(D) per diem rates, including lodging, for the days (b)(7)(C),(b)(7)(D) as well as correcting an apparent \$50 arithmetic error in his earlier claim for (b)(7)(C),(b)(7)(D). However, this reclaim was never approved for payment.

The following table captures (b)(7)(C),(b)(7)(D) per diem claims, along with per diem amounts that OIG found to be mission essential through review of the authorization, claim, trip report, and the applicable per diem rates. The "Variance" column, which reflects the difference between the "Mission Essential" column and the "Paid" column, lists the per diem reimbursements that (b)(7)(C),(b)(7)(D) received but was not entitled to receive. For days where the "Variance" column reads "OK", the traveler claimed, and was paid, less than the maximum per diem, and the difference is not included in the total variance. OIG also identified one claim for (b)(7)(C),(b)(7)(D) that should have been claimed and reimbursed but was not, represented in the table by a negative number.

| (b)(7)(C),(b)(7)(D) Per Diem Claims and Reimbursements | | | | |
|--|-------------------|------|-----------|----------|
| Date | Mission Essential | Paid | Reclaimed | Variance |
| (b)(7)(C),(b)(7)(D) | | | | |

*Reclaim was not paid

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In addition to his per diem claims, OIG learned that (b)(7)(C), (b)(7)(D) purchased a train ticket in (b)(7)(C), (b)(7)(D) to travel from (b)(7)(C), (b)(7)(D) notwithstanding the availability of an authorized rental vehicle. (b)(7)(C), (b)(7)(D) claimed and was paid (b)(7)(C), (b)(7)(D) for this train ticket.

Between the (b)(7)(C), (b)(7)(D) in excess per diem and the cost of the unauthorized train ticket, (b)(7)(C), (b)(7)(D) claimed and received a total of (b)(7)(C), (b)(7)(D) that he was not entitled to receive.

(For further details, see Exhibits 4, 7, and 20.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) acknowledged that while this was his first Government travel overseas, he was aware of other trips taken by other people, on which hotels and transportation within (b)(7)(C), (b)(7)(D) were pre-arranged, not self-arranged by the employees (b)(7)(C), (b)(7)(D) stated that he "went along" with (b)(7)(C), (b)(7)(D) because he believed (b)(7)(C), (b)(7)(D) to be knowledgeable about official travel, including international travel, based on prior Government travel experience.

(b)(7)(C), (b)(7)(D) stated that the employees planned in advance to rent a van and that this was for the purpose of accommodating six people, including the three Government employees and their spouses. (b)(7)(C), (b)(7)(D) admitted that he knew he should be riding in the rental vehicle; nonetheless, he bought a train ticket from (b)(7)(C), (b)(7)(D) to arrive there on Monday (b)(7)(C), (b)(7)(D) and begin work on Tuesday, (b)(7)(C), (b)(7)(D) described the reason as primarily based on disagreements arising from a shortage of space within the van for luggage. (b)(7)(C), (b)(7)(D) acknowledged that in the written explanation he submitted along with his travel voucher claim, he labeled this a (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) stated that he had felt uncomfortable claiming the cost of the train ticket, but was told by (b)(7)(C), (b)(7)(D) that it was acceptable to do so.

Regarding the return trip to (b)(7)(C), (b)(7)(D) stated that he believed that (b)(7)(C), (b)(7)(D) determined on the same day that the review of documents in (b)(7)(C), (b)(7)(D) would not be necessary. (b)(7)(C), (b)(7)(D) maintained that he was not aware that prior to the trip, the (b)(7)(C), (b)(7)(D) document review was unnecessary. (b)(7)(C), (b)(7)(D) stated had he known that, he would have adjusted his travel accommodations accordingly. (b)(7)(C), (b)(7)(D) also stated that he was definitely not aware of the fact that the documents were made available at the other locations because this was never communicated to him directly.

(b)(7)(C), (b)(7)(D) admitted to not working on Monday (b)(7)(C), (b)(7)(D) which he described as "an off day" because of the (b)(7)(C), (b)(7)(D) also admitted to working less than 8 hours on Tuesday (b)(7)(C), (b)(7)(D) while in transit to (b)(7)(C), (b)(7)(D)

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(b)(7)(C), (b)(7)(D) stated that on the way from (b)(7)(C), (b)(7)(D) the employees stopped to visit a church as well as the (b)(7)(C), (b)(7)(D) acknowledged that he and the other employees had engaged in prior planning of sightseeing because "[w]e're going to (b)(7)(C), (b)(7)(D) and "all of our time wasn't booked." (b)(7)(C), (b)(7)(D) admitted to taking no annual leave in conjunction with the travel to justify the off periods and personal sightseeing activities, and stated he was unaware that this could even be done.

(b)(7)(C), (b)(7)(D) stated that his reason for filing a reclaim was because he thought the other two employees had been paid and the claims had been approved by (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) stated that at the time of his filing he thought his claim was accurate and true because of his belief that (b)(7)(C), (b)(7)(D) had been paid (b)(7)(C), (b)(7)(D) stated that he also relied on the fact that if the claim was not valid, his supervisors would have rejected it. (b)(7)(C), (b)(7)(D) stated that he had not been paid on this reclaim, that he did not wish to be paid on this reclaim, and that he had not pursued the issue in any way, in the approximately 2 years since it had been filed.

(For further details, see Exhibit 21.)

Department of Justice Declination

(b)(7)(C) U.S. Attorney's Office, Southern District of Maryland, was briefed on this investigation in December 2010. (b)(7)(C) declined prosecution of this matter in lieu of administrative action. This applied to all three subjects of this investigation.

EXHIBITS

1. Trip Report (b)(7)(C),(b)(7)(D)
2. Travel Voucher (T850742) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D) explanatory notes.
3. Travel Voucher (T850740) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
4. Travel Voucher (T850741) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D) explanatory notes.
5. NRC Form 279, Travel Authorization (T850742) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
6. NRC Form 279, Travel Authorization (T850740) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
7. NRC Form 279, Travel Authorization (T850741) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
8. NRC Form 445, Foreign Travel Approval (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
9. NRC Yellow Announcement No (b)(7)(C) dated (b)(7)(C) Holidays for (b)(7)(C) "Federal Legal
10. Memorandum to File, Review of (b)(7)(C),(b)(7)(D) e-mails, dated March 14, 2012.
11. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated November 9, 2009.
12. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated August 13, 2009.
13. E-mails between (b)(7)(C),(b)(7)(D) dated May 21, 2009.
14. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated August 28, 2009.
15. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated August 19, 2009.
16. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated January 19, 2012.
17. Travel Voucher (Reclaim on T850742) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
18. Official Transcript of Proceedings, Interview of (b)(7)(C),(b)(7)(D) dated December 22, 2010.
19. Official Transcript of Proceedings, Interview of (b)(7)(C),(b)(7)(D) dated July 15, 2010.
20. Travel Voucher (Reclaim on T850741) (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
21. Official Transcript of Proceedings, Interview of (b)(7)(C),(b)(7)(D) dated July 23, 2010.

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UNITED STATES

NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001



OFFICE OF THE
INSPECTOR GENERAL

September 28, 2012

MEMORANDUM TO:

Concur: Case Closed: *[Signature]*
Joseph A. McMillan
Assistant Inspector General *[Signature]*
for Investigations

THRU:

(b)(7)(C)
[Redacted]

Team Leader (b)(7)(C)

FROM:

(b)(7)(C)
Investigative Analyst, [Redacted]

SUBJECT:

PROACTIVE INITIATIVE: GOVERNMENT CREDIT CARD
MISUSE (OIG CASE NO. 10-06)

Project

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this proactive initiative to review the Citibank travel card and purchase card accounts of all NRC employees to identify transactions which did not correspond with official Government travel or official business.

Finding

Between November 2009 and September 2012, OIG identified 15 NRC employees who may have misused their Government Citibank travel card. As a result, OIG initiated 10 investigations pertaining to potential misuse of the Citibank travel card. OIG referred the remaining five instances of potential misuse to NRC management because the potential misuse was de minimis.

Basis for Finding

Over the course of this project, OIG Investigators and the investigative analyst conducted routine reviews of NRC employees' travel and purchase card transactions to identify NRC employees who used their travel card for personal use that was not in

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conjunction with official travel, or used their government purchase card for other than official use. OIG Investigators initiated the following Citibank Travel Card Investigations:

- Case No. 10-16: An Office of Nuclear Security and Incident Response (NSIR) employee used her Citibank Government travel card for purposes not associated with official travel on 76 occasions between September 2004 and March 2010. The unauthorized purchases and cash advances (including cash advance fees) totaled \$3,051.10. Agency action was NSIR management issued an Alternative Disciplinary Agreement (ADA) in lieu of a three-day suspension.
- Case No. 10-28: An Office of the Executive Director for Operations (OEDO) employee used his Government Citibank travel credit card for purchases not associated with official travel on 14 occasions from January 20, 2010, to May 18, 2010. The unauthorized purchases totaled \$1,294.00. Agency action was OEDO issued an ADA in lieu of suspension.
- Case No. 11-01: An Office of New Reactors (NRO) employee used his Government Citibank travel credit card for purposes not associated with official travel from October 2007 through March 2010. OIG identified 344 unauthorized transactions totaling \$40,663.76 (including fees) not associated with official travel, which included 93 cash withdrawals totaling \$28,000.37. OIG determined that the employee altered three hotel receipts submitted to the Government for reimbursement for official travel in March 2009, June 2008, and March 2008. The employee was reimbursed \$425.89 for charges that were attributable to his altering two of the three hotel receipts. OIG further determined that the employee submitted fraudulent Change-of-station (COS) travel vouchers for the sale of a residence in (b)(7)(C), (b)(7)(D) that he never sold; the purchase of a house in Rockville, Maryland, in (b)(7)(C), (b)(7)(D) that he never purchased; and per diem for his spouse to reside in temporary quarters in Rockville, Maryland, from (b)(7)(C), (b)(7)(D) when his spouse was not residing with him. The Office of the Chief Financial Officer (OCFO) calculated that the total loss to the Government for COS fraud was \$42,331, which included taxes that were paid by NRC to the Internal Revenue Service on behalf of the employee. Agency action was NRO issued a final decision on (b)(7)(C), (b)(7)(D) to remove the employee from Federal service. Upon receipt of the decision to remove, the employee submitted his immediate resignation.
- Case No. 11-21: An Office of Federal and State Materials and Environmental Management Programs (FSME) employee used his Government travel credit card for purposes not associated with official travel on 77 occasions from September 24, 2009, to April 24, 2011. The unauthorized purchases totaled \$4,974.10. Agency action was FSME management issued a settlement agreement in which the employee admitted to misconduct and the 14-day suspension was held in abeyance for 5 years. If employee commits any

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misconduct during the 5-year period, NRC is authorized to initiate the 14 days suspension without pay.

- Case No. 11-34: An Office of Nuclear Materials Safety and Safeguards (NMSS) used his Government travel credit card for purposes not associated with official travel on September 22, 2010, and February 15, 2011. The unauthorized purchases totaled \$580.00. Because the employee used his Government travel card to make minimal charges associated with an award for which NRC asked him to apply; he paid the expense from his personal account without submitting a voucher; and acknowledged the error, OIG closed the case and provided a copy of the closure memorandum to the NMSS office director for appropriate follow-up. Agency action was the employee was counseled on the use of his Government travel card.
- Case No 11-36: An NRO employee used his Citibank Government travel card for purposes not associated with official travel on 90 different occasions between March 2010 and May 2011. The unauthorized purchases totaled \$2,593.76. Agency action was that employee received a 14-day suspension without pay, as he was previously counseled in 2008 for misuse of his Citibank Government travel credit card.
- Case No. 11-39: A Region III employee used his Government travel credit card for purposes not associated with official travel from January 6, 2009, to May 12, 2011. The unauthorized purchases totaled \$36,524.48. Agency action was a notice of proposed removal issued on (b)(7)(C), (b)(7)(D) Upon receipt of the decision to remove, the employee submitted his retirement effective (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D)
- Case No. 12-21: An Office of Small Business and Civil Rights (b)(7)(C) used his Government Citibank travel credit card for purposes not associated with official travel from July 2009 through January 2012. OIG identified 37 unauthorized case withdrawals totaling \$9,489.35 (including fees) not associated with official travel. Agency action is pending.
- Case No. 12-40: An NRO employee allegedly used his Government travel credit card for purposes not associated with official travel. OIG identified a cash withdrawal for \$1,000.00 and purchases not associated with official travel. OIG investigation is ongoing.
- Case No. 12-58: An NRO employee allegedly used his Government travel credit card for purposes not associated with official travel. The estimated unauthorized purchases were \$1,815.37. OIG investigation is ongoing.

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Recommend closure of this proactive initiative. A similar proactive initiative should be re-opened in fiscal year 2013.

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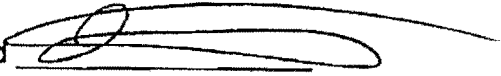
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

January 11, 2012



MEMORANDUM TO: Concur: Investigation Closed 
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)


Team Leader (b)(7)(C)

FROM:

(b)(7)(C)

Special Agent, (b)(7)(C)


SUBJECT: POSSIBLE COST MISCHARGING BY NRC CONTRACTOR:
LOCKHEED MARTIN (OIG CASE NO. 10-45)

Allegation

The Office of the Inspector General (OIG), U. S. Nuclear Regulatory Commission (NRC), received an allegation from (b)(7)(C), (b)(7)(D) Division of Contracts (DC), Office of Administration (ADM), NRC, that the NRC contractor, Lockheed Martin Information Technology (LMIT), OAO Corporation, had submitted questionable invoices to (b)(7)(C), (b)(7)(D) for task orders (TO) 16 and 18, on an information technology support contract (b)(7)(C), (b)(7)(D) also reported that one contractor who performed work on TO 16, 18 and 27 claimed 60 hours worked in one week. The questionable invoices contained overtime hours, which according to the allegor, required preapproval by the NRC. The NRC had not authorized LMIT employees to work overtime hours.

Finding

OIG found that the NRC contract did not stipulate a cap on hours worked per TO per billing cycle and/or state that LMIT employees cannot exceed 80 hours worked biweekly. In addition, the contract did not require preapproval for extra hours

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worked at regular pay rates. OIG confirmed that LMIT reported more than 80 hours worked biweekly on some invoices; however, LMIT did not charge overtime rates for these hours. Furthermore, LMIT employees were storing the excess hours and then using these "banked" hours during another billing cycle as compensatory time off, which did not result in additional cost to NRC. Despite administrative practices which did not accurately capture or reflect the use of "banked" hours as compensatory time off, NRC's Office of the General Counsel (OGC) decided not to pursue administrative action against LMIT based on the contract's upcoming termination in January 2012.

Basis

The NRC contract no. GS35F4524G, order no. DR-33-07-358, *Maintenance & Operational Support of NRC Application Systems and Environment*, was awarded to LMIT. The contract is an indefinite-quantity contract with a period performance from September 26, 2007, through September 25, 2008, with two option periods totaling \$47,099,350.66. Funding is obligated under 30 individual TOs. Section C.32, Section (3) of the contract states that unless the schedule prescribes otherwise, the hourly rates in the schedule shall not be varied by virtue of the contractor having performed work on an overtime basis. If no overtime rates are provided in the schedule and overtime work is approved in advance by the contracting officer, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the disputes clause of the contract. If the schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the contracting officer. OIG notes that the contract does not require preapproval for additional hours at the regular pay rate.

(b)(7)(C), (b)(7)(D) for TOs 16 and 18 told OIG that there are three dedicated LMIT contractors working on TOs 16 and 18 who also work on TOs 10 and 27. She found a number of invoices where employees had exceeded the allowable hours for the month and the hours were reported as "OTO" or overtime hours.

(b)(7)(C), (b)(7)(D) stated that according to the contract, LMIT was required to obtain prior approval from her to work OTO hours. (b)(7)(C), (b)(7)(D) told OIG that she verified that the work was performed by the employees and that it is well documented. Her concern was that she could not tell when LMIT employees were working or taking compensatory time. She was also concerned that compensatory time was being reported on invoices as work performed for that week when it was actually performed during a prior week. (Investigator's note: (b)(7)(C), (b)(7)(D) understanding of the preapproval requirement did not align with the contract provisions on pre-approval; as noted above, the pre-approval requirement pertained to the use of overtime pay rates.)

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(b)(7)(C), (b)(7)(D)

explained that the OTO hours were billed as regular hours. The OTO hours were worked by the employee in a previous month and then claimed as compensatory time the following month.

(b)(7)(C), (b)(7)(D)

Information Management and Technology Branch (IMT), DC, ADM, NRC, told OIG that the NRC contract and statement of work (SOW) were poorly written. The contract does not have a cap on the hours that can be worked per TO per billing cycle and does not state that LMIT cannot exceed 80 hours worked biweekly. (b)(7)(C), (b)(7)(D) confirmed that LMIT has reported more than 80 hours worked biweekly on some invoices; however, LMIT did not charge overtime rates for these hours. (b)(7)(C), (b)(7)(D) stated that LMIT never requested to work overtime hours and there have been no overtime charges incurred on any TO. However, if LMIT were storing overtime hours and using these hours during another billing cycle as personal time off, then the LMIT invoice should reflect that the employee was not working.

(b)(7)(C), (b)(7)(D)

Office of the General Counsel (OGC), NRC, also stated that the NRC contract and SOW were poorly written, which created challenges for NRC. He advised that LMIT did not charge NRC any overtime rates on the contract. If the NRC TO manager had work to be performed and LMIT employees elected to work past their shifts without claiming overtime rates it was a cost savings to the NRC. (b)(7)(C), (b)(7)(D) stated that the contract does stipulate that "If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates shall be negotiated." However, it did not apply in this situation because overtime pay rates were not utilized. Administratively, he would have preferred that LMIT annotate on the invoice when an employee used his or her stored hours.

(b)(7)(C), (b)(7)(D)

advised that NRC order no. DR-33-07-358, terminates in January 2012. LMIT was awarded the new contract beginning on January 26, 2012. He and (b)(7)(C), (b)(7)(D) are structuring the new contract differently and incorporating language, clauses, and requirements that were not in NRC order no. DR-33-07-358. (b)(7)(C), (b)(7)(D) advised that the new contract as written will eliminate the challenges that NRC had on order no. DR-33-07-358. He stated that he and (b)(7)(C), (b)(7)(D) will ensure that the new contract addresses "banked" hours.

OIG's review of invoices submitted by LMIT to NRC for the period of September 2007 through September 2010 found that LMIT employees had recorded overtime hours; however, there was no overtime charged or billed to the NRC. The LMIT employees who worked more than 40 hours per week were storing these work hours. The stored hours were later used as compensatory time off; however, when the compensatory time off was actually taken (using the stored hours), the invoice submitted to NRC incorrectly reflected that the employee was working.

The U.S. Attorney's Office, Southern District of Maryland, declined to prosecute based on "No financial loss to the Government and that the work was satisfactorily performed by LMIT." The NRC OGC declined to take administrative action against LMIT based on the termination of the contract in January 2012.

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Based on the absence of fraud; the work was satisfactorily performed by LMIT; and the storing of hours was an administrative practice which did not result in additional cost to NRC, it is recommended that this investigation be closed to files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

April 2, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: 
Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: MISUSE OF NRC CITIBANK TRAVEL CREDIT CARD AND
CHANGE OF STATION FRAUD BY AN OFFICE OF NEW
REACTORS EMPLOYEE (OIG CASE NO. 11-01)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to misuse of the NRC Government Citibank travel credit card and change of station fraud by an Office of New Reactors employee.

This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

A copy of this report was also provided to the Office of the General Counsel (OGC) for civil action consideration under the Program Fraud Civil Remedies Act, and any other action taken in response to this report must be coordinated with OGC.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without the written permission of the OIG.

Attachment: Report of Investigation w/ exhibits

cc:  OGC w/ exhibits
 ADM/DFS/PSB w/o exhibits

CONTACT: Rossana Raspa, OIG
415-5925

OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Misuse of NRC Citibank Travel Credit Card and Change of Station Fraud by an Office of New Reactors Employee

Case No. 11-01

| | | |
|-----------|----------------------|-----------------------|
| (b)(7)(C) | | (b)(7)(C) |
| (b)(7)(C) | Senior Special Agent | (b)(7)(C) Team Leader |


Joseph A. McMillan, Assistant Inspector General
for Investigations

4/21/12
Date

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COMMISSION, OFFICE OF THE INSPECTOR GENERAL.

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**Misuse of NRC Citibank
Travel Credit Card
And Change of Station Fraud by an
Office of New Reactors Employee**

Case No. 11-01

April 2, 2012

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STATUTES, REGULATIONS, AND POLICY

18 USC § 287 - False, fictitious or fraudulent claims

Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be imprisoned not more than five years and shall be subject to a fine in the amount provided in this title.

18 USC § 641 - Public money, property or records

"Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another ... thing of value of the United States or of any department or agency thereof ... shall be fined under this title or imprisoned not more than ten years, or both "

18 USC § 1001- Statements or entries generally

Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the government of the United States, knowingly and willfully -

- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
- (2) makes any materially false, fictitious, or fraudulent statement or representation; or
- (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined under this title, imprisoned not more than 5 years.

28 USC § 2514 - Forfeiture of fraudulent claims

A claim against the United States shall be forfeited to the United States by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof.

In such cases, the United States Court of Federal Claims shall specifically find such fraud or attempt and render judgment of forfeiture.

31 USC § 3729 - False claims

Any person who—

(a) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(b) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times the amount of damages which the Government sustains because of the act of that person.

41 CFR Subtitle F - Federal Travel Regulation System

Actual expense—Payment of authorized actual expenses incurred, up to the limit prescribed by the Administrator of GSA or agency, as appropriate. Entitlement to reimbursement is contingent upon entitlement to per diem, and is subject to the same definitions and rules governing per diem.

70 Comptroller General Decision 463 - "Tainted Day Rule"

The "tainted day" rule states that a fraudulent claim for reimbursement for any part of a single day's subsistence expenses taints with fraud the entire day's claim for reimbursement of subsistence expenses.

NRC Management Directive and Handbook 14.1, "Official Temporary Duty Travel," Part 5, 5.1.2

"A cardholder only may use his or her travel charge card for official travel"

"The charge card should not be used for personal expenditures or anything else that would not be reimbursable on the employee's travel voucher."

"Use of the Government contractor-issued travel charge card for unauthorized travel advances or purchases that are not eligible for reimbursement on a travel voucher may result in disciplinary action up to and including removal."

SUBJECT

(b)(7)(C), (b)(7)(D)

Office of New Reactors
U.S. Nuclear Regulatory Commission (NRC)

ALLEGATION

The Office of the Inspector General (OIG), NRC, initiated this investigation based on a proactive review of Government Citibank travel credit card statements, which indicated that (b)(7)(C), (b)(7)(D) made purchases in excess of \$40,000 that did not appear to be associated with official travel. In addition, while reviewing (b)(7)(C), (b)(7)(D) Change of Station (COS) travel vouchers and associated records for his Government-paid move from (b)(7)(C), (b)(7)(D) to NRC headquarters for employment at the NRC in (b)(7)(C), (b)(7)(D), (b)(7)(C), (b)(7)(D) discovered that (b)(7)(C), (b)(7)(D) never sold his residence in (b)(7)(C), (b)(7)(D) and did not purchase a residence in Rockville, Maryland. NRC paid (b)(7)(C), (b)(7)(D) more than \$30,000 to reimburse him for expenses associated with his move to accept employment at the NRC headquarters.

FINDINGS

OIG determined that (b)(7)(C), (b)(7)(D) used his Government Citibank travel credit card for purposes not associated with official travel from October 2007 through March 2010. (b)(7)(C), (b)(7)(D) identified 344 unauthorized transactions totaling \$40,663.76 (including fees) not associated with official travel, which included 93 cash withdrawals totaling \$28,000.37. He admitted to (b)(7)(C), (b)(7)(D) that he used his Government travel card for personal use not associated with official travel.

OIG determined that (b)(7)(C), (b)(7)(D) altered three hotel receipts submitted to the Government for reimbursement for official travel in March 2009, June 2008, and March 2008. (b)(7)(C), (b)(7)(D) was reimbursed \$425.89 for charges that were attributable to his altering two of the three hotel receipts.

OIG further determined that (b)(7)(C), (b)(7)(D) submitted fraudulent COS travel vouchers for the sale of a residence in (b)(7)(C), (b)(7)(D) that he never sold; the purchase of a house in Rockville, Maryland, in (b)(7)(C), (b)(7)(D) that he never purchased; and per diem for his spouse to reside in temporary quarters in Rockville, Maryland, from (b)(7)(C), (b)(7)(D) when his spouse was not residing with him. The Office of the Chief Financial Officer (OCFO) calculated that the total loss to the Government for COS fraud was \$42,331, which included taxes that were paid by NRC to the Internal Revenue Service on behalf of (b)(7)(C), (b)(7)(D).

BASIS FOR FINDINGS

Review of Previous OIG Investigation Concerning [REDACTED]

OIG previously investigated [REDACTED] for misuse of a Government computer, OIG case number 09-51, dated April 14, 2010. NRC's Office of Information Services reported that [REDACTED] had downloaded malicious software while searching for inappropriate material using his NRC computer. The OIG investigation found that [REDACTED] misused the NRC computer assigned to him by accessing Web sites to view sexually explicit material. In June 2010, [REDACTED] was issued a 7-day suspension for his actions.

Review of [REDACTED] Official Personnel File

OIG's review of [REDACTED] Standard Form (SF) 50-B, Notification of Personnel Action, indicated that his effective date of appointment with NRC was [REDACTED] as a [REDACTED]. The SF 50-B indicated that he transferred from the [REDACTED] was selected from Vacancy No. [REDACTED]

(For further details, see Exhibit 1.)

Review of [REDACTED] Citibank Travel Card Statements and Travel History

[REDACTED] (Travel), OCFO, NRC, provided OIG with [REDACTED] travel records for the period October 2007 through October 2010. OIG's review of these records disclosed that [REDACTED] was authorized official travel on five occasions during the 3-year period. OIG compared [REDACTED] official Government travel history with his use of his Government Citibank travel credit card from October 15, 2007, through March 1, 2010, and identified 344 unauthorized transactions totaling \$40,663.76 (including fees) not associated with official travel, which included 93 cash withdrawals totaling \$28,000.37.

(For further details, see Exhibit 2.)

Review of Hotel Receipts Submitted by [REDACTED] for Reimbursement for Travel

OIG reviewed [REDACTED] hotel receipts submitted for reimbursement for authorized travel to [REDACTED] and [REDACTED] to attend two conferences in support of the Office of New Reactors, and travel to Calvert Cliffs Nuclear Power Plant for an inspection from [REDACTED]

OIG compared the hotel receipt (b)(7)(C), (b)(7)(D) submitted to NRC for reimbursement for travel to (b)(7)(C), (b)(7)(D) against the receipt on file at the hotel, Residence Inn by Marriott, (b)(7)(C), (b)(7)(D) and noted (b)(7)(C), (b)(7)(D) receipt was significantly different from the hotel's version and appeared to have been altered or fabricated. The receipt on file at the hotel indicated that (b)(7)(C), (b)(7)(D) stayed at the hotel for 2 nights, and was charged \$176.24, with taxes. (b)(7)(C), (b)(7)(D) Citibank travel card statement also included a charge from Residence Inn (b)(7)(C), (b)(7)(D) for \$176.24. However, the receipt (b)(7)(C), (b)(7)(D) submitted to NRC with his travel voucher for reimbursement showed a 3-night stay at the Residence Inn, and a charge of \$264.36, with taxes. OIG noted that (b)(7)(C), (b)(7)(D) receipt submitted to NRC stated on top of the receipt, "Thank you for choosing the (b)(7)(C), (b)(7)(D) for your recent stay," and had the logo of Marriott hotels, while the receipt provided by the hotel to OIG had the logo of the Residence Inn by Marriott. OIG's review of (b)(7)(C), (b)(7)(D) travel records revealed that (b)(7)(C), (b)(7)(D) had stayed at the (b)(7)(C), (b)(7)(D) NRC reimbursed (b)(7)(C), (b)(7)(D) for the amount reflected on the altered receipt, which was \$88.12 greater than the total reflected on the hotel receipt.

(For further details, see Exhibit 3.)

OIG compared the hotel receipt (b)(7)(C), (b)(7)(D) submitted to NRC for reimbursement for his travel to (b)(7)(C), (b)(7)(D) against the receipt on file at the hotel and noted that it differed significantly from the receipt on file at the hotel, (b)(7)(C), (b)(7)(D) and appeared to have been altered or fabricated. A copy of the hotel receipt, provided to OIG by Marriott Business Services, showed a 5-night stay at the hotel, from (b)(7)(C), (b)(7)(D) and a charge of \$330.45 for a room, taxes, and 3 days of Internet connection fees. However, the hotel receipt (b)(7)(C), (b)(7)(D) submitted to NRC showed a 6-night stay, and reflected a total cost of \$668.22, including room, taxes and 6 days of Internet connection fees. A Marriott hotel representative told OIG there was no record of (b)(7)(C), (b)(7)(D) staying at the hotel other than the 5-night stay in (b)(7)(C), (b)(7)(D). OIG noted that (b)(7)(C), (b)(7)(D) Citibank travel card statement showed a transaction for (b)(7)(C), (b)(7)(D) for \$330.45, and three separate transactions for (b)(7)(C), (b)(7)(D) with an arrival date of (b)(7)(C), (b)(7)(D) for \$101.42 each. There was no charge on his Citibank travel card statements for the \$668.22 receipt submitted by (b)(7)(C), (b)(7)(D) to NRC for reimbursement. (b)(7)(C), (b)(7)(D) was reimbursed by NRC for the amount reflected on the altered receipt, which was \$337.77 greater than the total reflected on the hotel receipt.

(For further details, see Exhibits 4 and 5.)

OIG compared (b)(7)(C), (b)(7)(D) hotel receipts submitted for reimbursement for authorized travel to (b)(7)(C), (b)(7)(D) against the receipts maintained by the hotel and noted (b)(7)(C), (b)(7)(D) receipts differed from the hotel's receipts and appeared to have been altered or fabricated. (b)(7)(C), (b)(7)(D) of Holiday Inn, (b)(7)(C), (b)(7)(D) when shown the receipt submitted by (b)(7)(C), (b)(7)(D) for

reimbursement, noted that Holiday Inn had not used the format of the receipt submitted by (b)(7)(C), (b)(7)(D) in "almost 15 years." He stated the logo on the receipt had not been used "in years," and the cashier number on the receipt was different from the number on file at the hotel. (b)(7)(C), (b)(7)(D) also noted that (b)(7)(C), (b)(7)(D) receipt indicated that he stayed 3 consecutive nights at the hotel; however, (b)(7)(C), (b)(7)(D) stated the hotel records showed he stayed 2 nights at the hotel in one hotel room, then checked-out and checked-in again and stayed in a different room for the third night, which resulted in Holiday Inn having two hotel receipts on file for his stay at the hotel. (b)(7)(C), (b)(7)(D) provided OIG the hotel's receipts for (b)(7)(C), (b)(7)(D) stay. OIG noted that the total charges shown on Holiday Inn's receipts were identical to the amount shown on the receipt submitted by (b)(7)(C), (b)(7)(D) for reimbursement, resulting in no loss to the Government.

(For further details, see Exhibit 6.)

Review of (b)(7)(C), (b)(7)(D) Government Computer Hard Drive

The OIG Cyber Crime Unit (CCU) reviewed an image of (b)(7)(C), (b)(7)(D) hard drive that was taken for a previous OIG investigation, case number 09-51, Misuse of Government Computer. (b)(7)(E)

(b)(7)(E)

(For further details, see Exhibit 7.)

Review of Permanent Change of Station Travel Vouchers

OCFO and the Department of Interior (DOI) National Business Center (NBC) provided OIG with documents that related to (b)(7)(C), (b)(7)(D) Change of Station (COS) travel vouchers and reimbursement worksheets. DOI NBC reimbursement worksheets are used by DOI to determine the actual total cost for travel reimbursement submitted by a Federal employee, in which the total reimbursable cost determined by DOI could be different from the total cost claimed by the Federal employee. OIG's review of the documents disclosed that (b)(7)(C), (b)(7)(D) was paid a total of \$31,752.11 as reimbursement for expenses he claimed were associated with his relocation from (b)(7)(C), (b)(7)(D) to Rockville, Maryland, to accept employment at the NRC; the sale of his home in (b)(7)(C), (b)(7)(D) and the purchase of a home in Rockville, Maryland. The following paragraphs provide details concerning (b)(7)(C), (b)(7)(D) COS travel authorization, his COS reimbursement requests, and NRC's payments in response to his requests.

An Official Travel Authorization for COS, NRC Form 279A, signed by (b)(7)(C), (b)(7)(D) for (b)(7)(C), (b)(7)(D) on (b)(7)(C), (b)(7)(D) authorized (b)(7)(C), (b)(7)(D) Office of New Reactors (NRO), relocation allowance. The COS date was (b)(7)(C), (b)(7)(D) and the authorization allowed (b)(7)(C), (b)(7)(D) to travel to his duty station on (b)(7)(C), (b)(7)(D) via personal vehicle, from (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) and his wife to receive per diem. It also authorized a house-hunting trip for (b)(7)(C), (b)(7)(D) and his spouse for 10 days, movement of household goods of 18,000 pounds, storage of household goods not to exceed 180 days, real estate sale and purchase, and temporary quarters.

(For further details, see Exhibit 8.)

OIG's review of a travel voucher (NRC Form 64) signed by (b)(7)(C), (b)(7)(D) on (b)(7)(C), (b)(7)(D) revealed that he sought reimbursement for the sale of a property in (b)(7)(C), (b)(7)(D) for \$13,638. Attached to the voucher were NRC Form 264, Employee Application For Reimbursement of Expenses Incurred Upon Sale or Purchase (or Both) of Residence Upon Change of Station, dated (b)(7)(C), (b)(7)(D) and U.S. Department of Housing and Urban Development (HUD) Settlement Statement (form HUD -1), dated (b)(7)(C), (b)(7)(D).
OIG reviewed the DOI NBC COS Voucher Worksheet associated with this claim and noted that DOI authorized payment of \$11,552.77 to (b)(7)(C), (b)(7)(D) for sale of property in (b)(7)(C), (b)(7)(D).

(For further details, see Exhibits 9 and 10.)

OIG reviewed a travel voucher, dated (b)(7)(C), (b)(7)(D) in which (b)(7)(C), (b)(7)(D) requested a reimbursement of \$3,427.42 for temporary quarters for himself and his spouse for the period (b)(7)(C), (b)(7)(D).
OIG's review of DOI NBC's COS Voucher Worksheet for temporary quarters for (b)(7)(C), (b)(7)(D) disclosed that DOI authorized payment of \$3,113.74 to (b)(7)(C), (b)(7)(D) for this expense.

(For further details, see Exhibits 11 and 12.)

OIG reviewed an (b)(7)(C), (b)(7)(D) travel voucher submitted by (b)(7)(C), (b)(7)(D) for temporary quarters for himself and his spouse for \$3,911.50, for the period, (b)(7)(C), (b)(7)(D).
OIG's review of DOI NBC COS's Voucher Worksheet for temporary quarters for (b)(7)(C), (b)(7)(D) disclosed that DOI authorized payment of \$3,422.06 to (b)(7)(C), (b)(7)(D) in connection with this expense.

(For further details, see Exhibits 13 and 14.)

On (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) submitted a travel voucher for his Relocation Income Tax Allowance (RITA) with no amount claimed. (Note: the amount that appears on the travel voucher, \$2,549.63, was handwritten by DOI NBC and then inputted into a data system for reimbursement.) OIG's review of DOI NBC's COS RITA

Reimbursement Form (Form 3-255-RIT), Memorandum to Payroll Operations Division, and Notice of Action Taken authorizing RITA, disclosed NBC authorized payment of \$1,529.78 to (b)(7)(C), (b)(7)(D)

(For further details, see Exhibits 15 and 16.)

On (b)(7)(C), (b)(7)(D) submitted a travel voucher along with NRC Form 264 (Employee Application for Reimbursement of Expenses Incurred Upon Sale or Purchase of Residence Upon Change of Official Station) for \$16,697.00 for the purchase of a home at (b)(7)(C), (b)(7)(D). As proof of purchase of this property (b)(7)(C), (b)(7)(D) provided NRC with a Real Estate Purchase Contract dated (b)(7)(C), (b)(7)(D) and HUD Settlement Statement dated (b)(7)(C), (b)(7)(D)

(For further details, see Exhibits 17, 18, and 19.)

OIG's review of DOI NBC, Permanent Change of Station Summary of Expenses Reimbursed (Form PCS 3-255), and Notice of Action Taken, disclosed that NBC authorized reimbursement to (b)(7)(C), (b)(7)(D) for expenses related to the purchase of a residence at (b)(7)(C), (b)(7)(D) for \$11,557.60, on (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D)

(For further details, see Exhibit 20.)

On (b)(7)(C), (b)(7)(D) submitted a travel voucher for his RITA with no amount claimed. The amount that appears on the travel voucher, \$960.27, was handwritten by DOI NBC and then inputted into a data system for reimbursement. OIG's review of DOI NBC's COS RITA Reimbursement Form (Form 3-255-RIT), Memorandum to Payroll Operations Division, and Notice of Action Taken, disclosed NBC authorized a RITA payment of \$576.16 to (b)(7)(C), (b)(7)(D). The documents are dated (b)(7)(C), (b)(7)(D)

(For further details, see Exhibits 21 and 22.)

Review of Public and Court Records Regarding (b)(7)(C), (b)(7)(D)

A review of public records for (b)(7)(C), (b)(7)(D) for (b)(7)(C), (b)(7)(D) showed that this property was purchased by (b)(7)(C), (b)(7)(D). However, on (b)(7)(C), (b)(7)(D) issued a Notice of Trustee's Sale indicating that (b)(7)(C), (b)(7)(D) would be put up for auction on (b)(7)(C), (b)(7)(D) and sold to the highest bidder for cash due to original foreclosure agreement contained within the deed of trust.

A review of Maryland Department of Assessments and Taxation Web site showed that as of (b)(7)(C), (b)(7)(D) the owners of (b)(7)(C), (b)(7)(D) were (b)(7)(C), (b)(7)(D). It was purchased on (b)(7)(C), (b)(7)(D)

(For further details, see Exhibits 23 and 24.)

Review of Bank Records Regarding (b)(7)(C), (b)(7)(D)

On June 29, 2011, (b)(7)(C), (b)(7)(D) provided OIG with consent to review records on file with Bank of America regarding his former residence in (b)(7)(C), (b)(7)(D). On August 22, 2011, Bank of America provided records from the Wilshire Credit Corporation pertaining to his former residence in (b)(7)(C), (b)(7)(D). Review of the records disclosed that his former residence at (b)(7)(C), (b)(7)(D) was foreclosed and sold on (b)(7)(C), (b)(7)(D) in a public auction.

(For further details, see Exhibit 25.)

Review of E-Mails Provided by (b)(7)(C), (b)(7)(D)

On October 31, 2011, (b)(7)(C), (b)(7)(D) provided an e-mail to OIG indicating that his wife had not resided with him from (b)(7)(C), (b)(7)(D) while he was in temporary quarters as per his travel voucher. OIG noted that he claimed per diem reimbursement for his spouse during that period.

On (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) e-mailed (b)(7)(C), (b)(7)(D) OCFO, asking what documentation OCFO needed to substantiate the purchase costs of a home. In a subsequent (b)(7)(C), (b)(7)(D) e-mail, (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that he had sold his home in (b)(7)(C), (b)(7)(D) and had been reimbursed for certain seller's costs.

(For further details, see Exhibit 26.)

Office of Chief Financial Officer's Audit of (b)(7)(C), (b)(7)(D) **COS Records**

Between November 29, 2011, and December 1, 2011, (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) Financial Operations Branch, Division of the Controller, OCFO, reviewed (b)(7)(C), (b)(7)(D) COS travel vouchers for accuracy, and to determine the amount of loss to the U.S. Government due to fraudulent COS travel vouchers submitted by (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) determined that the amount of loss to the Government was \$42,331. (Note: The total amount of loss to the Government determined by OCFO differed from the amount DOI paid to (b)(7)(C), (b)(7)(D) \$31,752.11, due to (1) OCFO recalculations of improper payments to (b)(7)(C), (b)(7)(D) for sale and purchase of residences; (2) OCFO including the amount the NRC paid to the Internal Revenue Service for overstated Withholding Tax Allowance of the fraudulent vouchers submitted by (b)(7)(C), (b)(7)(D) and (3) OCFO recalculations of temporary quarters vouchers submitted by (b)(7)(C), (b)(7)(D) to allow reimbursements legitimately due to (b)(7)(C), (b)(7)(D) for his temporary quarters lodging and per diem but excluding per diem payments for (b)(7)(C), (b)(7)(D) spouse, for the portion of time she did not reside in temporary quarters.)

(For further details, see Exhibit 27.)

Interview of (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) admitted to OIG that he used his Government travel credit card for personal use, to include cash advances not in conjunction with official travel. (b)(7)(C),(b)(7)(D) stated he took cash advances to help pay on the balance owed on his Government travel credit card. OIG provided (b)(7)(C),(b)(7)(D) with a spreadsheet reflecting his Government travel credit card charges that were not associated with official travel, and (b)(7)(C),(b)(7)(D) disputed only one charge for a utility bill that he did not recall seeing on his Citibank statements. (b)(7)(C),(b)(7)(D) stated his understanding on the use of the Government travel card was that an NRC employee is "not supposed to use it for personal use and [was] supposed to pay it off on time." (b)(7)(C),(b)(7)(D) defined personal use as "for purchases other than official travel."

(b)(7)(C),(b)(7)(D) claimed he did not recall altering or making fake receipts that were submitted to NRC for reimbursement for official travel to (b)(7)(C),(b)(7)(D) and to (b)(7)(C),(b)(7)(D). However, (b)(7)(C),(b)(7)(D) stated, "it looks like I did that. And I'm going to say that I did in this case for the one for (b)(7)(C),(b)(7)(D) trip. With regard to the (b)(7)(C),(b)(7)(D) trip, he stated, "I see that I did it. I admit that." Regarding the trip to (b)(7)(C),(b)(7)(D), (b)(7)(C),(b)(7)(D) could not explain why he would make up a receipt for the actual amount charged on his travel credit card, however, he acknowledged doing so.

(b)(7)(C),(b)(7)(D) also admitted to "padding" his travel vouchers for reimbursement for his paid Government relocation move from (b)(7)(C),(b)(7)(D) to NRC headquarters in (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) stated that he submitted costs such as taxes and realtor fees associated with the sale of his house even though such a sale did not occur.

(b)(7)(C),(b)(7)(D) also provided OIG with a signed letter with enclosures, which he later submitted as a voluntary sworn statement, which reflected that he did not sell his home because it was foreclosed. (b)(7)(C),(b)(7)(D) sworn statement also reflected that he fabricated the documentation for the attempted sale of his home and that "none of the claimed amount of \$16,697.00, which I received based on my false claim, was a valid expense."

(b)(7)(C),(b)(7)(D) acknowledged to OIG that he signed and dated the COS vouchers that were submitted to NRC between 2007 and 2010 for reimbursement. He acknowledged that he falsified the travel vouchers for the sale of a home in (b)(7)(C),(b)(7)(D) and the purchase of a house in Rockville, Maryland. He further stated that he created fraudulent HUD Settlement Statements for both the sale of a residence and the purchase of a house, to include a fraudulent Real Estate Purchase Contract dated (b)(7)(C),(b)(7)(D) for the purchase of a home in Rockville, Maryland.

(b)(7)(C), (b)(7)(D) stated his actions were due to desperation and he had "failed to maintain the standard that he knew he should have." (b)(7)(C), (b)(7)(D) stated that he thought that by falsifying all these documents he could benefit by overcoming some financial difficulties that he was having at the time. Furthermore, he said he was dealing with some long-term issues concerning his ability to think clearly. These issues pertained to his work performance and his handling of finances.

(For further details, see Exhibits 28, 29, and 30.)

Department of Justice Declination

(b)(7)(C) U.S. Attorney's Office, Southern District of Maryland, was briefed on this investigation. (b)(7)(C) declined prosecution of this matter in lieu of administration action.

EXHIBITS

1. NRC Standard Form 50-B, Notice of Personnel Action, dated (b)(7)(C),(b)(7)(D)
2. Memorandum to File, Review of Citibank Government Charge Card Statements and NRC Travel Vouchers, dated (b)(7)(C),(b)(7)(D)
3. Memorandum to File, Residence Inn, (b)(7)(C),(b)(7)(D) Receipt, dated (b)(7)(C),(b)(7)(D)
4. Memorandum to File, (b)(7)(C),(b)(7)(D) Records, dated (b)(7)(C),(b)(7)(D)
5. Memorandum to File, (b)(7)(C),(b)(7)(D) Records Received, dated (b)(7)(C),(b)(7)(D)
6. Memorandum of File, (b)(7)(C),(b)(7)(D) Holiday Inn, (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
7. Memorandum to File, Digital Evidence Analysis Report, dated (b)(7)(C),(b)(7)(D)
8. NRC Form 279A, Official Travel Authorization Change of Station, dated (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D)
9. NRC Form 64, Travel Voucher (NRC Form 64), dated (b)(7)(C),(b)(7)(D) with Form HUD-1, Settlement Statement, dated (b)(7)(C),(b)(7)(D)
10. Change of Station Voucher Worksheet, authorizing payment of \$11,552.77.
11. NRC Form 64, Travel Voucher, dated (b)(7)(C),(b)(7)(D)
12. Change of Station Voucher Worksheet, authorizing payment of \$3,113.74.
13. NRC Form 64, Travel Voucher, dated (b)(7)(C),(b)(7)(D)
14. Change of Station Voucher Worksheet, authorizing payment of \$3,422.06.
15. NRC Form 64, Travel Voucher, dated (b)(7)(C),(b)(7)(D)
16. Form 3-255-RIT, Permanent Change of Station RITA Reimbursement, dated (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D)
17. NRC Form 64, Travel Voucher, dated (b)(7)(C),(b)(7)(D) with NRC Form 264, Employee Application for Reimbursement of Expenses Incurred upon Sale or Purchase of Residence upon Change of Official Station, dated (b)(7)(C),(b)(7)(D)

18. Real Estate Purchase Contract, dated (b)(7)(C),(b)(7)(D)
19. HUD-1, Settlement Statement, settlement date of (b)(7)(C),(b)(7)(D)
20. Form PCS 3-255, Permanent Change of Station Summary of Expenses Reimbursed, dated (b)(7)(C),(b)(7)(D)
21. NRC Form 64, Travel Voucher, dated (b)(7)(C),(b)(7)(D)
22. Form 3-255-RIT, Permanent Change of Station RITA Reimbursement, (b)(7)(C),(b)(7)(D)
(b)(7)(C),(b)(7)(D)
23. Memorandum for File, Review of Property Records Regarding (b)(7)(C),(b)(7)(D)
dated (b)(7)(C),(b)(7)(D)
24. Notice of Trustee's Sale, (b)(7)(C),(b)(7)(D)
25. Records from Wilshire Credit Corporation, dated (b)(7)(C),(b)(7)(D)
26. E-mails forwarded by (b)(7)(C),(b)(7)(D) to OIG, dated (b)(7)(C),(b)(7)(D)
27. Memorandum to File, Recalculations of (b)(7)(C),(b)(7)(D) COS Vouchers, dated
(b)(7)(C),(b)(7)(D)
28. Transcript of Interview, (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
29. Signed Sworn Statement, (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)
30. Transcript of Interview, (b)(7)(C),(b)(7)(D) dated (b)(7)(C),(b)(7)(D)

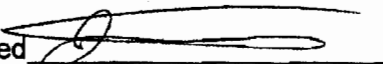
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

March 2, 2012

MEMORANDUM TO: Concur: Case Closed 
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)
Team Leader, (b)(7)(C)

FROM:

(b)(7)(C)
Special Agent (b)(7)(C)

SUBJECT: DISPOSITION OF OFFICE OF INVESTIGATIONS CASES BY
THE OFFICE OF ENFORCEMENT (OIG CASE NO. 11-27)

Proactive Initiative

This Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation was initiated as a proactive initiative to quantify and assess differences between NRC's Office of Investigations (OI) investigative conclusions and NRC's Office of the General Counsel (OGC) conclusions about the same cases.

Findings

OIG found that OI was established to conduct investigations concerning allegations against licensee staff and reach its own conclusions (substantiated versus unsubstantiated) independent of OGC, which makes the agency's final decision as to whether an allegation is substantiated or unsubstantiated. OIG found that to make its final determination as to whether a matter is substantiated, OGC reviews OI's investigative report to determine whether the preponderance of the evidence supports wrongdoing, and whether OI's evidence is sufficient to demonstrate "willful and deliberate" intent of wrongdoing. OIG found that OI substantiated 127 allegations

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against licensees between FY 2009 and FY 2011 and that OGC disagreed with OI's conclusion in 12 of the cases. The majority of disagreements occurred because OGC determined OI did not provide sufficient evidence to demonstrate the licensee's action was willful and deliberate. OIG also found that once OI issues its final investigative report with its independent findings, it does not amend the report to reflect OGC's ultimate conclusion.

Basis of Findings

OI was created by the NRC Commission on April 20, 1982, to independently conduct thorough, objective, independent, and timely investigations of alleged wrongdoing in the licensed nuclear industry. The independence principle was intended to ensure that OI investigations would be credible and objective. Thus, when OI undertakes an investigation into an allegation, it does so without influence from NRC staff. OI also does not discuss with OGC the outcome of its investigation until its report is completed. Occasionally, OI will contact OGC for legal interpretation and legal advice during the course of an investigation, but it tries to conduct its work without OGC's influence.

Once OI completes its investigation, it issues its final report, with findings, to the regional office responsible for the licensee, the regional program office (either reactors or materials), the Office of Enforcement (OE), and OGC. After the recipients have had an opportunity to review the OI report, a conference call is held among the four entities. OI's participation is optional. The four (or five, depending on OI's participation) review OI's investigation and discuss whether the preponderance of the evidence is sufficient to substantiate wrongdoing. Following this discussion, OGC documents its conclusion for its records. OGC's conclusion represents the agency's final position on the matter. If the matter is substantiated, OE assesses the penalty, if warranted, and prepares a letter to the licensee conveying NRC's finding and proposed penalty.

OIG assessed the differences between OI's substantiation of matters between FY 2009 and FY 2011 and OGC's substantiation of the same matters. OIG learned that during this timeframe, OI completed 398 investigations, 127 of which were substantiated. Of the 127 matters that OI substantiated, OGC substantiated 115 and found 12 were not substantiated.

(b)(7)(C)

Materials Litigation and Enforcement (MLE), OGC, stated that her office receives all substantiated OI investigative reports when they are completed. She said that when an OI investigative report is substantiated, she assigns an attorney from her division to the case. (b)(7)(C) stated that the attorney will review the entire file, including all transcripts and exhibits, to determine what the violations are, and to look for the elements of the violation/s.

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(b)(7)(C) said the attorney must identify the regulation or requirement that has been violated, determine how it has been violated, and whether there are other violations that might have been overlooked during the course of the investigation.

(b)(7)(C) said her office reviews the evidence to determine if the act was committed deliberately, i.e., what was the state of mind of the individual who committed the violation at the time of the act, which caused the violation. She said her office looks for the preponderance of evidence in reviewing OI investigative reports to assess if the evidence is legally sufficient to go forward on a violation.

(b)(7)(C) said her office tries to inform the other panel members of OGC's review results prior to the panel assembling so that no one is surprised when the case is discussed during the panel teleconference. Occasionally, OGC disagrees with OI's investigative conclusion, but when that occurs it is because OGC does not believe that the preponderance of evidence supports substantiation of a willful and deliberate violation.

(b)(7)(C) stated that there have been occasions where the regional General Counsel and OE have disagreed with OGC's determination and chosen not to take any enforcement action. However, she said this does not change OGC's determination.

She agreed OI was formed as an independent office, intended to be free from internal or external influences. She said she does not see a conflict in rendering an opposing conclusion as it is OGC's role to examine the preponderance of the evidence to determine if a violation occurred and if it was deliberate.

(b)(7)(C) told OIG that her office was created as an independent office to conduct thorough, objective, independent and timely investigations of alleged wrongdoing in the licensed nuclear industry. OI was formed by the NRC Commission in response to congressional and Department of Justice criticism that agency investigations, which were previously conducted by NRC staff, lacked competence and credibility. (b)(7)(C) related that in rare cases, OGC, representing the agency, reaches opposite conclusions and elects to disagree with an OI finding based on the same evidence. Though it is correct to say that OGC makes the final agency determination of an investigative conclusion on behalf of the agency, OI does not change or alter its findings. She said that her concern is the quality of the investigation and subsequent investigation report.

(b)(7)(C) Enforcement, OE, told OIG that an OE specialist is assigned to every case that is substantiated by OI and/or an inspection. He agreed that OGC has the final word on whether or not the preponderance of the evidence is sufficient for substantiating wrongdoing. He said that wrongdoing is categorized as deliberate misconduct or careless disregard. (b)(7)(C) advised that for cases that have been substantiated by OGC, OE determines the penalty to be assessed on the licensee. He said the penalty is determined by headquarters OE in conjunction with the regional OE.

Conclusion

Because OIG did not identify any irregularities in connection with the process by which NRC investigates and renders final decisions on allegations of licensee misconduct, it is recommended that the results of this proactive initiative be closed to the files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

August 15, 2012

MEMORANDUM TO:

Concur: Case Closed [Signature]
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)

Team Leader, (b)(7)(C)

FROM:

(b)(7)(C)

Special Agent (b)(7)(C)

SUBJECT:

MISUSE OF GOVERNMENT POSITION AND
UNPROFESSIONAL CONDUCT BY RESEARCH
EMPLOYEE (OIG CASE NO. 11-31)

Allegation:

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), received an allegation that (b)(7)(C), (b)(7)(D) Office of Nuclear Regulatory Research (RES), NRC, based on his actions and public comments, was misusing his Government position. It was alleged that (b)(7)(C), (b)(7)(D) was pursuing an event that occurred at the (b)(7)(C), (b)(7)(D) as an NRC employee and not as a private citizen. It was also alleged that (b)(7)(C), (b)(7)(D) spoke as an NRC employee and not as a private citizen during an NRC 2.206 petition meeting in 2010 concerning his (b)(7)(C), (b)(7)(D) concerns and that (b)(7)(C), (b)(7)(D) misrepresented himself in public comments made when speaking with the press.

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OIG reviewed documents on (b)(7)(C), (b)(7)(D) Government computer to determine if (b)(7)(C), (b)(7)(D) was misusing Government resources¹ by working on his concerns during official duty hours to further his complaint against (b)(7)(C), (b)(7)(D). OIG identified 21 documents regarding the (b)(7)(C), (b)(7)(D) event or (b)(7)(C), (b)(7)(D) computer, some of which had been accessed during duty hours. The majority of the files appeared to have been uploaded from a CD or thumb drive but OIG could not determine when the uploading occurred. None of the files appeared to contain sensitive information. OIG learned that (b)(7)(C), (b)(7)(D) possesses an NRC issued MXI encrypted thumb drive, but could not determine whether the files had been uploaded from the NRC thumb drive.

(b)(7)(C), (b)(7)(D) supervisor, (b)(7)(C), (b)(7)(D) Office of Nuclear Regulatory Research (RES), NRC, told OIG that he was aware there were times when (b)(7)(C), (b)(7)(D) used his Government computer to produce or send documents relevant to his pursuit against the (b)(7)(C), (b)(7)(D) event, but believed that this usually occurred before or after work, or during his lunch time, and did not interfere with his work performance. According to (b)(7)(C), (b)(7)(D) was a good employee.

(b)(7)(C), (b)(7)(D) Office of the General Counsel (OGC), NRC, told OIG that (b)(7)(C), (b)(7)(D) has not violated NRC policy by pursuing the (b)(7)(C), (b)(7)(D) event using the 2.206 petition process. (b)(7)(C), (b)(7)(D) stated that NRC employees are allowed to pursue safety issues even if the issues are not a part of the employee's regular responsibilities within the NRC. However, (b)(7)(C), (b)(7)(D) told OIG that the NRC intended to inform (b)(7)(C), (b)(7)(D) that the agency could not continue to spend resources on allegations that have previously been investigated regarding the (b)(7)(C), (b)(7)(D) event unless he provided new evidence or facts that required review.

OIG confirmed through the Office of Public Affairs (OPA) that although (b)(7)(C), (b)(7)(D) comments about (b)(7)(C), (b)(7)(D) were published in a variety of newspapers, he did not violate NRC policy by speaking with the news media. In the three publications OIG reviewed, (b)(7)(C), (b)(7)(D) stated that he was speaking as a private citizen and not as an NRC employee. As stated in NUREG/BR0202, Rev 2, the NRC OPA asks, but does not require, employees to direct the media to OPA. Employees are permitted to provide statements to the media without prior approval.

Because the allegations were unsubstantiated and (b)(7)(C), (b)(7)(D) did not violate NRC policy by expressing his personal views in connection with the (b)(7)(C), (b)(7)(D) event or use public resources inappropriately, it is recommended this allegation be closed to the files of this office.

¹NRC Management Directive 2.7, *Information Technology*, permits limited employee personal use of agency information technology resources provided such use does not result in the loss of employee productivity or interfere with official duties, and causes no or minimal additional expense to the agency.

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

OFFICE OF THE
INSPECTOR GENERAL

February 3, 2012

MEMORANDUM TO:

Concur: Case Closed *[Signature]*
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

FROM:

(b)(7)(C)
Team Leader (b)(7)(C)
(b)(7)(C)
Special Agent

SUBJECT: POTENTIAL REGION IV MANAGER MISCONDUCT
INVOLVING NEED TO KNOW INVESTIGATIVE
INFORMATION PERTAINING TO AN FBI INVESTIGATION
(OIG CASE NO. 11-44)

Allegation

This Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation was based on an allegation from (b)(7)(C), (b)(7)(D) Office of Investigations (OI), Region IV, NRC, that (b)(7)(C), (b)(7)(D) Region IV, sent an e-mail to other Region IV employees containing detailed information about a Federal Bureau of Investigation (FBI) investigation into tampering involving an incident at (b)(7)(C), (b)(7)(D). According to (b)(7)(C), (b)(7)(D) was permitted to listen in on a conference call with the FBI so she could provide information to (b)(7)(C), (b)(7)(D) Office of the Commission (OCM); however, (b)(7)(C), (b)(7)(D) e-mail was not sent to (b)(7)(C), (b)(7)(D) OI, or anyone in the OCM. This investigation examined whether (1) (b)(7)(C), (b)(7)(D) misrepresented to OI her need to gather information pertaining to (b)(7)(C), (b)(7)(D).

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(b)(7)(C),(b)(7)(D) (2) (b)(7)(C),(b)(7)(D) misused her position to gather information, (3) (b)(7)(C),(b)(7)(D) was permitted to distribute the e-mail as part of her FSC responsibilities, and (4) if the e-mail was transmitted outside the NRC.

Findings

OIG did not substantiate that (b)(7)(C),(b)(7)(D) misrepresented to OI her interest in the FBI (b)(7)(C),(b)(7)(D) investigation. OIG determined that (b)(7)(C),(b)(7)(D) position as FSC entails gathering information about investigative matters and disseminating security events to the appropriate individuals who have a need-to-know. OIG determined that the e-mail was sent to only Region IV and headquarters staff with a need-to-know and that the e-mail was not sent or forwarded to external sources. As a result of this incident, Region IV has initiated corrective measures for coordination between the FSC and OI to prevent potential releases of sensitive law enforcement information.

Basis of Findings

(b)(7)(C),(b)(7)(D) OCM, provided copies of an e-mail that she sent to an Office of Nuclear Security and Incident Response (NSIR) employee requesting that NSIR provide (b)(7)(C),(b)(7)(D) with updates on the (b)(7)(C),(b)(7)(D) investigation. The e-mail was forwarded by the NSIR recipient to Region IV staff, including (b)(7)(C),(b)(7)(D) and (b)(7)(D) of (b)(7)(C),(b)(7)(D) told OIG that she did not personally communicate about this matter with anyone in Region IV.

(b)(7)(C),(b)(7)(D) told OIG that (b)(7)(C),(b)(7)(D) approached her in the OI office and said she was seeking an update on the technical issues associated with the (b)(7)(C),(b)(7)(D) investigation and that (b)(7)(C),(b)(7)(D) had requested the update to provide to the Chairman. (b)(7)(C),(b)(7)(D) said she then received a telephone call from the FBI and (b)(7)(C),(b)(7)(D) invited (b)(7)(C),(b)(7)(D) to sit in on the conference call so that (b)(7)(C),(b)(7)(D) could update (b)(7)(C),(b)(7)(D) about the status of the FBI investigation. (b)(7)(C),(b)(7)(D) said that after the conference call, (b)(7)(C),(b)(7)(D) composed and sent an e-mail to several NRC employees, but that (b)(7)(C),(b)(7)(D) did not send the e-mail to OI or coordinate with (b)(7)(C),(b)(7)(D) before sending it. (b)(7)(C),(b)(7)(D) said that (b)(7)(C),(b)(7)(D) should have been aware from past practices that any information disseminated regarding OI investigations should include OI, and OI should be aware of and approve any information released, and where and to whom the information goes. (b)(7)(C),(b)(7)(D) stated that after she learned about the e-mail, she contacted the Region IV Computer Security Office (CSO) and directed them to scrub the servers to prevent

¹ References to (b)(7)(C),(b)(7)(D) in this memorandum refer to (b)(7)(C),(b)(7)(D). Any references to the (b)(7)(C),(b)(7)(D) will include first name and last name (b)(7)(C),(b)(7)(D)

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further release and notified all recipients of the e-mail to delete the message and not forward it to anyone. (b)(7)(C), (b)(7)(D) also notified the FBI case agent of the e-mail transmittal.

CSO documents confirmed that the e-mail was not sent outside the NRC and was not sent to (b)(7)(C), (b)(7)(D) or anyone else in the OCM or OI.

OIG confirmed that (b)(7)(C), (b)(7)(D) composed and sent the e-mail to several headquarters and Region IV employees detailing specific information about the FBI's (b)(7)(C), (b)(7)(D) investigation. The e-mail, marked "Official Use Only - Law Enforcement Sensitive," was sent to (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) in NSIR and the following Region IV staff:

(b)(7)(C), (b)(7)(D)

OIG learned that each of these individuals had an official need-to-know about the information pertaining to the security event at (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) NSIR, told OIG that it was not unusual for (b)(7)(C), (b)(7)(D) to notify him through e-mail communications regarding law enforcement information that would be shared with proper NRC staff.

(b)(7)(C), (b)(7)(D)

a Region IV Branch Chief who provides oversight for (b)(7)(C), (b)(7)(D) told OIG that (b)(7)(C), (b)(7)(D) responsibility as the (b)(7)(C), (b)(7)(D) included obtaining security related information to provide to the region's staff. (b)(7)(C), (b)(7)(D)

OIG reviewed (b)(7)(C), (b)(7)(D) Performance Appraisal System Summary Rating and confirmed that as (b)(7)(C), (b)(7)(D) is responsible for engagement with Federal law enforcement agencies to follow-up on suspicious activity reported from the licensees.

(b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) told OIG that she composed and sent the (b)(7)(C), (b)(7)(D) e-mail in accordance with her official responsibilities. Although she could not recall the specific reason she had approached OI, she acknowledged that it was possible she approached OI to gather information about (b)(7)(C), (b)(7)(D) maintained that as the (b)(7)(C), (b)(7)(D) she is responsible for obtaining law enforcement and security related information, conducting liaison activities with law enforcement groups, and reporting information back to the regional and headquarters staff. (b)(7)(C), (b)(7)(D) stated that she would never have sent an e-mail with security related information directly to (b)(7)(C), (b)(7)(D) because it was not the protocol for her to communicate directly with a Commission office.

(b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) explained that the e-mail was sent to (b)(7)(C), (b)(7)(D) in NSIR, and that NSIR would have been responsible for forwarding the communication to the OCM. (b)(7)(C), (b)(7)(D) said she did not include OI in her e-mail but that since this incident, she and OI have established informal protocols and corrective actions to ensure that all future e-mails pertaining to law enforcement investigations are sent to OI for review prior to dissemination.

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(b)(7)(C),(b)(7)(D) had informed her that (b)(7)(C),(b)(7)(D) sought information pertaining to the (b)(7)(C),(b)(7)(D) investigation. However, she said that while she and her husband try to separate their personal and professional lives, they do occasionally discuss work related issues and it was possible that (b)(7)(C),(b)(7)(D) could have mentioned (b)(7)(C),(b)(7)(D) e-mail in a conversation with (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) told OIG that although he did not recall sharing (b)(7)(C),(b)(7)(D) e-mail with (b)(7)(C),(b)(7)(D) he may have done so through conversations with her.

Because OIG did not substantiate any misconduct or inappropriate release related to (b)(7)(C),(b)(7)(D) e-mail, it is recommended that this investigation be closed to the files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

March 5, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM:

Joseph A. McMillan
Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: POTENTIAL ETHICS VIOLATION
(OIG CASE NO. 11-46)

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), recently completed an investigation regarding an allegation that an NRC employee had outside employment on a [REDACTED] This memorandum conveys relevant details from this investigation.

Allegation

OIG received an allegation that [REDACTED] Division of Engineering (DE), Office of Nuclear Regulatory Research, (RES), was serving on a [REDACTED] According to the allegation, [REDACTED] did not obtain management approval to work on the [REDACTED] The alleege claimed that [REDACTED] takes annual leave to work on the panel and does not serve in her official NRC capacity when working in this role.

Findings

OIG found that [REDACTED] is a [REDACTED] [REDACTED] sought guidance from NRC's Office of the General Counsel (OGC) regarding employment with [REDACTED] There were no costs incurred to the NRC and no indications that [REDACTED] used NRC resources to conduct work on behalf of [REDACTED] [REDACTED] is a [REDACTED] foreign government entity, and that by accepting compensated employment with [REDACTED]

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(b)(7)(C),(b)(7)(D) had violated the Emoluments Clause of the U.S. Constitution (b)(7)(C),(b)(7)(D) is required to return to (b)(7)(C),(b)(7)(D) any compensation she received from (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) also determined that (b)(7)(C),(b)(7)(D) failed to report her association with (b)(7)(C),(b)(7)(D) to the Division of Facilities and Security (DFS), in violation of Management Directive 12.3, "NRC Personnel Security Program," which states that NRC employees are required to report to Personnel Security Branch, DFS, any employment with a foreign or foreign-owned interest. (b)(7)(C),(b)(7)(D) found that DFS does not enforce this requirement.

Basis of Findings

(b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) that (b)(7)(C),(b)(7)(D) offered her a paid consultant position to assist in conducting a study for the (b)(7)(C),(b)(7)(D). She stated that (b)(7)(C),(b)(7)(D) is a (b)(7)(C),(b)(7)(D) public and industry. She discussed her possible employment as a private consultant with (b)(7)(C),(b)(7)(D) with (b)(7)(C),(b)(7)(D) OGC, who told her that she could accept compensated employment with (b)(7)(C),(b)(7)(D) as long as she (1) paid for her own travel and associated expenses, (2) took leave on the days she worked on (b)(7)(C),(b)(7)(D) matters, and (3) did not use any NRC resources while conducting (b)(7)(C),(b)(7)(D) business. (b)(7)(C),(b)(7)(D) said she received verbal approval from her branch chief regarding her (b)(7)(C),(b)(7)(D) employment. She said she attended two (b)(7)(C),(b)(7)(D) workshops in (b)(7)(C),(b)(7)(D) (one in January 2009 and one in April 2011) and there was another workshop scheduled for February 2012. She said her compensation is \$12,000 per workshop. (b)(7)(C),(b)(7)(D) denied using NRC resources and/or equipment to work on (b)(7)(C),(b)(7)(D) matters and said she takes annual leave to work on (b)(7)(C),(b)(7)(D) matters. She said she does not represent the NRC at the (b)(7)(C),(b)(7)(D) and she does not list her NRC title on any documents created by and/or through the (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) was adamant that her work at (b)(7)(C),(b)(7)(D) is not associated with NRC.

(b)(7)(C),(b)(7)(D) RES, told (b)(7)(C),(b)(7)(D) that she could not recall (b)(7)(C),(b)(7)(D) telling her that she accepted employment as a consultant with (b)(7)(C),(b)(7)(D) but stated that such a conversation could have occurred. (b)(7)(C),(b)(7)(D) claimed she always told (b)(7)(C),(b)(7)(D) to seek (b)(7)(C),(b)(7)(D) advice prior to working on non-NRC related matters. (b)(7)(C),(b)(7)(D) was unaware that (b)(7)(C),(b)(7)(D) had travelled to (b)(7)(C),(b)(7)(D) while on annual leave. She stated that what (b)(7)(C),(b)(7)(D) does on her personal time is her personal business.

(b)(7)(C),(b)(7)(D) vaguely recalled (b)(7)(C),(b)(7)(D) asking for advice regarding compensated employment with the (b)(7)(C),(b)(7)(D). He stated he would have informed her that she could accept compensated employment with (b)(7)(C),(b)(7)(D) as long as (b)(7)(C),(b)(7)(D) was not part of the (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) She would also have to take annual leave, pay her own travel and associated expenses, and would not be allowed to use any NRC resources to conduct (b)(7)(C),(b)(7)(D) business. He also said that while it was not required, she should obtain her branch chief's approval.

(b)(7)(C),(b)(7)(D) retired from NRC in January 2012.

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OIG reviewed (b)(7)(C),(b)(7)(D) time and attendance records and noted she took leave and/or compensatory time off from January 13, 2009, through February 5, 2009 (18 work days), and from April 7 - 15, 2011 (7 work days).

(b)(7)(C),(b)(7)(D) Personnel Security Branch, DFS, told OIG that (b)(7)(C),(b)(7)(D) security file did not contain any information regarding connections to and/or family members residing in (b)(7)(C),(b)(7)(D). Furthermore, a Federal Bureau of Investigation law enforcement records check on (b)(7)(C),(b)(7)(D) revealed no derogatory information. (b)(7)(C),(b)(7)(D) advised that (b)(7)(C),(b)(7)(D) did not report her connection to (b)(7)(C),(b)(7)(D) as required in NRC MD 12.3, "NRC Personnel Security Program," which states that NRC employees are required to report to DFS "any employment or association or change in employment or association with a foreign or foreign-owned interest or representatives." However, he said that realistically, NRC employees do not always comply with this requirement and DFS cannot track it. After OIG advised (b)(7)(C),(b)(7)(D) of the requirement to self-report her association with (b)(7)(C),(b)(7)(D) reported to (b)(7)(C),(b)(7)(D) via e-mail that she was employed "in the form of consulting to a foreign company," and that she informed her management of the work, but noted she was "unaware" of the requirement in MD 12.3. She stated in the e-mail that she reviewed MD 12.3, and was "still not sure of the specific steps needed to adequately report the consulting and the specific information required."

(b)(7)(C),(b)(7)(D) Both (b)(7)(C),(b)(7)(D) Office of Legal Advisor, U.S. Department of State, concluded that (b)(7)(C),(b)(7)(D) is a foreign government entity. (b)(7)(C),(b)(7)(D) advised OIG that (b)(7)(C),(b)(7)(D) violated the Emoluments Clause of the U.S. Constitution which prohibits Federal employees from accepting compensated employment with a foreign government. (b)(7)(C),(b)(7)(D) stated that (b)(7)(C),(b)(7)(D) is allowed to give pro-bono advice to the (b)(7)(C),(b)(7)(D) however, she is not allowed to receive any compensation for that advice. According to (b)(7)(C),(b)(7)(D) must return the compensation she received from (b)(7)(C),(b)(7)(D) and any travel or other expenses paid by (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D) U.S. Attorney's Office, Greenbelt, Maryland, was briefed on this investigation. He declined to pursue the matter further because it was not evidently clear that (b)(7)(C),(b)(7)(D) was a foreign government agency and it required research by both the NRC OGC and Department of State, OGC, for determination. He advised that (b)(7)(C),(b)(7)(D) must return to (b)(7)(C),(b)(7)(D) any compensation received and any expenses paid by (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D) OIG briefed (b)(7)(C),(b)(7)(D) OGC, NRC, on this investigation and the requirement that (b)(7)(C),(b)(7)(D) return to (b)(7)(C),(b)(7)(D) the compensation she received and any other expenses that (b)(7)(C),(b)(7)(D) paid. OGC indicated that it will coordinate with the Department of Justice and DFS to determine any necessary action by NRC.

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Please respond to this office within 120 days on what, if any, action you intend to take in response to this report. If you have any questions, please contact Rossana Raspa, Senior Level Assistant for Investigative Operations, at 301-415-5954.



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UNITED STATES

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

February 21, 2012

MEMORANDUM TO: Chairman Jaczko

FROM:

Hubert T. Bell
Hubert T. Bell
Inspector General

SUBJECT: RELEASE OF PREDECISIONAL INFORMATION REGARDING
COMMISSION'S COMSECY VOTE
(OIG CASE NO. 11-47)

This memorandum conveys the results of an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation into an allegation that sensitive information concerning the outcome of a non-public Commission vote was leaked to the office of Vermont Senator, Bernard Sanders. The vote pertained to a "Statement of Interest" (i.e., Federal preemption) by the Department of Justice (DOJ) in a lawsuit filed by Entergy Nuclear against the State of Vermont.

Findings

OIG found that between June 9, 2011, and June 15, 2011, approximately 45 NRC employees received e-mails from each Commission member stating how he or she voted on the "Statement of Interest" matter. In addition, on June 15, 2011, these same employees received an e-mail from the Office of the Chairman summing up the voting results and including a breakout of how each Commission member voted. OIG found that Senator Sanders' office was aware of the 3 to 2 vote tally by June 15, 2011. OIG was unable to determine how Senator Sanders' staff learned about the vote tally.

Basis for Findings

Background

Between June 9 and June 15, 2011, the NRC Chairman and Commissioners cast their votes on COMSECY-11-0009 - Energy Nuclear Vermont Yankee, LLC v. Shumlin, No. 11-CV-99 (D. Vermont). This COMSECY had been provided to the Commission on

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June 7, 2011, subsequent to a June 6, 2011, time-sensitive request from DOJ. The purpose of the COMSECY was to request the Commission's views on whether to support the filing of a U.S. "Statement of Interest" in the above captioned lawsuit. The lawsuit invoked Federal preemption doctrine and sought to enjoin Vermont from using its "certificate-of-public-good" law to shut down the Vermont Yankee nuclear plant when the plant's original license term expires in March 2012. COMSECY-11-0009 communicated two options to the Commission. Option A supported the filing of a "Statement of Interest" by the DOJ on the Federal preemption issue, and Option B did not support such a filing at the current time.

Commission members cast their votes on COMSECY-11-0009 between June 9 and June 15, 2011. In accordance with Commission voting procedures, each Commission member submitted his or her vote to the Office of the Secretary by e-mail with copies to the other Commission members' offices and program office staff with a need-to-know. In this case, approximately 45 staff in the various Commission offices, Office of the Secretary, Office of the General Counsel, and Office of Commission Appellate Adjudication received e-mails from the Chairman's and each Commissioner's office with his or her vote.

Voting began on June 9, 2011, with Commissioners Ostendorff and Svinicki casting votes for (b)(7)(C) with comments. On June 10, 2011, Commissioner Magwood voted for (b)(7)(C) with comments and Commissioner Apostolakis voted for (b)(7)(C) without comments. On June 14, 2011, Chairman Jaczko cast his vote for (b)(7)(C) with comments. On June 15, 2011, after the voting was completed, the Office of the Secretary informed (b)(7)(C) General Counsel, Office of the General Counsel, that the Commission had approved Option A. In addition, on June 15, 2011, (b)(7)(C) Office of the Chairman, sent an e-mail with suggested language for NRC's response to DOJ to the same recipients who had previously received e-mails on the individual votes. (b)(7)(C) e-mail provided the final 3 to 2 vote tally and a breakout of how each Commissioner voted.

NRC's Solicitor informed DOJ in a June 15, 2011, letter that NRC supported the filing of a "Statement of Interest." This letter stated only that "we" (NRC) support filing a statement of interest by the United States on Federal preemption. The letter did not indicate how each Commission member voted on the matter or provide the vote tally.

OIG learned that Senator Sanders' Senior Legislative Assistant called the Office of Congressional Affairs (CA) on June 15, 2011, to inquire about the vote outcome. The Senior Legislative Assistant also called each Commissioner's office to ask how each Commissioner voted and told one Commissioner's Chief of Staff that he knew the overall vote was 3 to 2. The Senior Legislative Assistant also called the Chairman's office on or about June 15, 2011, to ask about the Chairman's position.

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On June 16, 2011, at the request of (b)(7)(C) Office of the Chairman, NRC's Solicitor informed DOJ that the Commission vote was a 3 to 2 split without identifying how each Commission member voted on this issue.

Review of Documents

NRC Management Directive (MD) 3.4, *Release of Information to the Public*, states that documents created by, communicated to, or received from the Commissioners and their staff must receive prior approval from the Commissioners before their release. Furthermore, MD 3.4 also states that NRC employees and consultants must protect all draft and predecisional documents from inadvertent release.

Internal Commission Procedures, Chapter 3 – Voting, states that for votes that are not made publicly available, specific permission from each Commissioner is required prior to distribution of his or her own vote outside the NRC.

While COMSECY-11-0009 was marked "Official Use Only – Attorney-Client Information – Limited to NRC Unless the Commission Determines Otherwise," the e-mails sent from the Commissioners' offices with the Commissioners' votes did not have sensitivity markings.

Interviews

OIG interviewed the NRC Chairman and Commissioners and 19 NRC staff from the Commission offices, Office of the General Counsel, Office of the Secretary, and the CA to determine if someone from NRC provided Senator Sanders' office with the Commission vote on COMSECY-11-0009. No one interviewed admitted providing information to Senator Sanders' office about the vote and no one was aware of anyone else providing the information. All were aware that the vote was sensitive and should not have been shared outside of NRC. Commission members said they did not provide their specific votes to anyone outside of NRC and were not aware of any NRC employee sharing the voting outcome outside of NRC.

OIG learned that (b)(7)(C) worked together to develop the language in the e-mail that (b)(7)(C) sent on July 15, 2011. (b)(7)(C) told OIG that she felt strongly about having DOJ know the vote outcome but the majority of the Commission disagreed with this approach.

Senator Sanders' office declined OIG's request to interview the Senator's Senior Legislative Assistant with regard to this investigation.

According to NRC's Solicitor, DOJ was concerned that Senator Sanders was aware of the vote outcome, but considered it an administrative matter that did not warrant any action by DOJ.

Review of E-Mail Traffic

OIG reviewed NRC e-mail traffic logs reflecting messages sent by Commission staff from June 9 through June 15, 2011, to determine if any of these employees provided Senator Sanders' office with the Commission's vote outcome via their NRC e-mail account. OIG's review did not identify any information to indicate that such communication had occurred.

This memorandum has been provided for information purposes only. There is no need for a response.

cc: Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff


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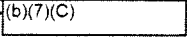
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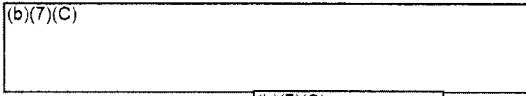
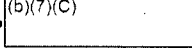
April 4, 2012

MEMORANDUM TO: Concur: Case Closed 
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)

Team Leader (b)(7)(C)


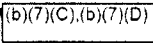
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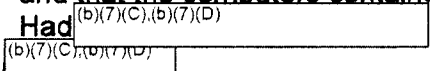
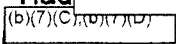

(b)(7)(C)

Special Agent, (b)(7)(C)


SUBJECT: TIME AND ATTENDANCE ABUSE AND INAPPROPRIATE
RELATIONSHIPS WITH CONTRACTOR PERSONNEL BY
NRC COMPUTER SECURITY OFFICE EMPLOYEE
(OIG CASE NO. 11-61)

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC),
initiated this investigation regarding multiple allegations concerning (b)(7)(C), (b)(7)(D)
(b)(7)(C), (b)(7)(D) Computer Security Office (CSO).

The following was alleged against (b)(7)(C), (b)(7)(D)


1. Submitted inaccurate time and attendance records (T&A);
2. Misused IT resources by keeping as many as five NRC laptops at his residence
and that the computers contained pornography;
3. Had (b)(7)(C), (b)(7)(D)
 an NRC IT contractor, hire a personal friend of
(b)(7)(C), (b)(7)(D)

4. Engaged in inappropriate relationships with (b)(7)(C), (b)(7)(D)
 female employees;

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5. Asked (b)(7)(C), (b)(7)(D) to perform work that did not have an NRC Task Order to charge the hours worked by (b)(7)(C), (b)(7)(D) ("working at risk").

Findings

OIG was unable to substantiate T&A abuse based on a review of NRC T&A records and NRC key card access activity reports for the period of September 2010 to August 2011. (b)(7)(C), (b)(7)(D) had 10 laptops assigned to him in the NRC Space and Property Management System; however, he only had one laptop in his possession as of September 8, 2011. (b)(7)(C), (b)(7)(D) learned that the other laptops, while assigned to (b)(7)(C), (b)(7)(D) were being used by (b)(7)(C), (b)(7)(D) for the NRC contract. (b)(7)(C), (b)(7)(D) did not find any inappropriate images on laptops assigned to (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) found that (b)(7)(C), (b)(7)(D) did not hire a personal friend of (b)(7)(C), (b)(7)(D) but instead hired a former co-worker of (b)(7)(C), (b)(7)(D) wife after (b)(7)(C), (b)(7)(D) provided the co-worker's resume to (b)(7)(C), (b)(7)(D) and that (b)(7)(C), (b)(7)(D) was not otherwise involved in the hiring process. (b)(7)(C), (b)(7)(D) did not substantiate that (b)(7)(C), (b)(7)(D) engaged in inappropriate conduct with (b)(7)(C), (b)(7)(D) employees. (b)(7)(C), (b)(7)(D) learned from NRC Division of Contracts (DOC) that (b)(7)(C), (b)(7)(D) performs IT support work for NRC Program Offices through multiple task orders that remain open to fulfill a tasking, which prevents (b)(7)(C), (b)(7)(D) from performing work without an NRC Task Order.

Basis for Findings

Time and Attendance Abuse

OIG conducted a review of (b)(7)(C), (b)(7)(D) T&A records. (b)(7)(C), (b)(7)(D) compared (b)(7)(C), (b)(7)(D) NRC T&A records and NRC key card access activity reports for the period September 2010 to August 2011, and did not identify any indications of T&A abuse. A review of HRMS data showed that for the time period of July 26, 2011, to July 29, 2011, referenced in the allegation, (b)(7)(C), (b)(7)(D) did in fact take sick leave.

(b)(7)(C), (b)(7)(D) CSO, stated he authorized overtime for (b)(7)(C), (b)(7)(D) due to minimal resources in CSO and (b)(7)(C), (b)(7)(D) multiple duties. to include (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) stated he allows his staff, to include (b)(7)(C), (b)(7)(D) to participate in a fixed telework and compressed work schedule program. (b)(7)(C), (b)(7)(D) stated he also occasionally allows CSO members to work a different day with his approval, without updating the telework application based on weekly requirements.

Misuse of Government Laptops

OIG review of the NRC Space and Property Management System revealed that (b)(7)(C), (b)(7)(D) had 10 laptops assigned to him, as of September 8, 2011. (b)(7)(C), (b)(7)(D) obtained 9 of the 10 laptops from (b)(7)(C), (b)(7)(D) and one laptop from (b)(7)(C), (b)(7)(D) which he had at his residence. (b)(7)(C), (b)(7)(D)

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learned that laptops were being used by (b)(7)(C),(b)(7)(D) to conduct scanning of the NRC network. (b)(7)(C),(b)(7)(D) informed OIG that (b)(7)(C),(b)(7)(D) was permitted to use the CSO laptops to perform scanning and this was a result of an agreement with the NRC Office of Information Services (OIS) that only NRC computers are allowed to connect to the network.

(b)(7)(C),(b)(7)(D) informed OIG that (b)(7)(C),(b)(7)(D) needed dedicated government laptops with pre-loaded software tools to use for its assessments of the NRC network. (b)(7)(C),(b)(7)(D) stated there is a "weakness" in the CSO with regards to the accountability of government laptops and he was working to improve CSO's accountability of its laptops.

OIG's Cyber Crime Unit (CCU) imaged and reviewed each of the 10 laptops and (b)(7)(C),(b)(7)(D) desktop, and did not identify any images of a sexually explicit nature. OIG did find (b)(7)(C),(b)(7)(D) personal family photos and tax documents stored on one of the laptops.

Inappropriate Influence into (b)(7)(C),(b)(7)(D) Hiring Practices

(b)(7)(C),(b)(7)(D) informed OIG that he provided a resume to (b)(7)(C),(b)(7)(D) from his wife's former co-worker for a part-time position. (b)(7)(C),(b)(7)(D) had open (b)(7)(C),(b)(7)(D) told OIG he did not make any representations to (b)(7)(C),(b)(7)(D) on behalf of his wife's former co-worker, and did not request they hire her. (b)(7)(C),(b)(7)(D) stated he simply passed along her resume and that the hiring decision was made entirely by (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D) told OIG that (b)(7)(C),(b)(7)(D) has not had any input into the way the company conducts business, or its hiring decisions. (b)(7)(C),(b)(7)(D) stated if (b)(7)(C),(b)(7)(D) had tried to interject himself in that fashion, he or company representatives, would have spoken with him about it.

Inappropriate Relationships with (b)(7)(C),(b)(7)(D) employees

CSO employees told OIG that (b)(7)(C),(b)(7)(D) has trouble communicating and says things that could be misinterpreted. CSO employees informed OIG that this was not intentional; but is rather an aspect of (b)(7)(C),(b)(7)(D) personality and lack of social skills. CSO employees reported that (b)(7)(C),(b)(7)(D) can often be loud and outspoken about technical issues, but is otherwise a good worker. (b)(7)(C),(b)(7)(D) employees told OIG they do not socialize with (b)(7)(C),(b)(7)(D) other than the occasional lunch together and that when they do have lunch (b)(7)(C),(b)(7)(D) insists on paying for his own lunch. They have not witnessed any inappropriate behavior by (b)(7)(C),(b)(7)(D) while at the CSO, or at their office.

(b)(7)(C),(b)(7)(D) told OIG that since he has worked at NRC, he has never been approached by anyone telling him that he was offensive.

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(b)(7)(C),(b)(7)(D) stated that when (b)(7)(C),(b)(7)(D) interacts with people, he appears as if he is "coming off very strong resulting in putting people on the defensive." (b)(7)(C),(b)(7)(D) attributes (b)(7)(C),(b)(7)(D) behavior to being overextended and that managing the (b)(7)(C),(b)(7)(D) contract is too much for one employee to handle.

(b)(7)(C),(b)(7)(D) Conducting Work Without a Task Order

(b)(7)(C),(b)(7)(D) told OIG that he is the point-of-contact for coordinating requests from NRC offices for (b)(7)(C),(b)(7)(D) to perform work. He stated that there can be a delay in funds being available to perform a task order because the contract is poorly written. (b)(7)(C),(b)(7)(D) told OIG he works closely with (b)(7)(C),(b)(7)(D) DOC, to monitor and develop task orders under the (b)(7)(C),(b)(7)(D) contract.

(b)(7)(C),(b)(7)(D) told OIG that NRC's contract with (b)(7)(C),(b)(7)(D) is to certify and accredit NRC computer systems and to provide NRC with consolidated information system security services. (b)(7)(C),(b)(7)(D) stated that (b)(7)(C),(b)(7)(D) has 78 task orders, 40 of which remain as open task orders to support NRC Offices. (b)(7)(C),(b)(7)(D) stated that she has not received any complaints concerning (b)(7)(C),(b)(7)(D) related that (b)(7)(C),(b)(7)(D) has performed remarkably well due to his ability to complete multiple taskings from various NRC program offices.

(b)(7)(C),(b)(7)(D) DOC, stated (b)(7)(C),(b)(7)(D) contract with NRC will expire in July 2012, and will have to be re-competed. He stated that near the end of the life of the contract, DOC will coordinate with the Defense Contract Audit Agency to conduct an audit of the contractor to identify if the contractor over-charged for services or engaged in any other improper practices.

(b)(7)(C),(b)(7)(D) stated that (b)(7)(C),(b)(7)(D) typically deals with the NRC system owners from various program offices in coordinating assistance from (b)(7)(C),(b)(7)(D) stated that a reserve fund was created for the contract in case a system owner was unable to secure funds needed or was untimely in obtaining funds. (b)(7)(C),(b)(7)(D) stated the contract is a firm-fixed price contract where (b)(7)(C),(b)(7)(D) is paid for each deliverable and not paid based on number of hours worked or charged. However, he said that some task orders are time and material orders where the hours expended by (b)(7)(C),(b)(7)(D) are billed to the NRC.

Briefing of Investigation Results to (b)(7)(C),(b)(7)(D)

OIG briefed (b)(7)(C),(b)(7)(D) on the results of this investigation. (b)(7)(C),(b)(7)(D) stated that he would counsel (b)(7)(C),(b)(7)(D) regarding his communication skills. He also stated that (b)(7)(C),(b)(7)(D) was removed from the selection process for the new CSO contract when (b)(7)(C),(b)(7)(D) contract expires in 2012 to prevent the perception of CSO and (b)(7)(C),(b)(7)(D) favoring (b)(7)(C),(b)(7)(D) for (b)(7)(C),(b)(7)(D).

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selection of the new contract. (b)(7)(C),(b)(7)(D) also stated that as of January 9, 2012 (b)(7)(C),(b)(7)(D) began reporting to the CSO (b)(7)(C),(b)(7)(D) Team Leader, who would provide closer supervision of (b)(7)(C),(b)(7)(D)

Because OIG did not substantiate misconduct, it is recommended that this case be closed to file.

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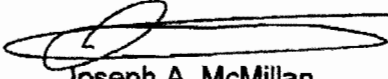


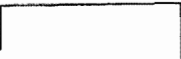
**UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001**

OFFICE OF THE
INSPECTOR GENERAL

January 18, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: 
Joseph A. McMillan
Assistant Inspector General
for Investigations

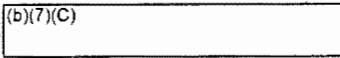

SUBJECT: MISUSE OF GOVERNMENT COMPUTER BY AN 
(OIG CASE NO. 11-62)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to misuse of a Government computer by an Office of Information Services contractor employee.

This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without OIG's written permission.

Attachment: Report of Investigation w/ exhibits

cc:  DFS/PSB w/o exhibits 

CONTACT: Rossana Raspa, OIG
415-5925

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OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Misuse of Government Computer by an

(b)(7)(C), (b)(7)(D)

Case No. 11-62

(b)(7)(C)

Special Agent

(b)(7)(C)

(b)(7)(C)

Team Leader

Joseph A. McMillan, Assistant Inspector General
for Investigations

Date

1/17/12

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Misuse of Government Computer
by an (b)(7)(C), (b)(7)(D)

Case No. 11-62

January 18, 2012

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SUBJECT

(b)(7)(C),(b)(7)(D)

Ruland Associates, Inc.

Assigned to:
Infrastructure and Computer Operations Division
Office of Information Services (OIS)
U.S. Nuclear Regulatory Commission (NRC)

ALLEGATION

The Office of the Inspector General (OIG), NRC, initiated this investigation based on a proactive effort to identify instances of misuse of NRC computer resources to view sexually explicit or sexually oriented materials. During this proactive effort, OIG identified two instances in August 2011, where a user was searching for "porn" on the Netflix Web site via an NRC computer located in the common area of the OIS Data Center. The NRC computer was assigned to (b)(7)(C),(b)(7)(D)

FINDINGS

The OIG investigation found that (b)(7)(C),(b)(7)(D) misused the NRC computer to access the Netflix Web site and stream adult-oriented content while at work on August 7 and August 28, 2011.

(b)(7)(C),(b)(7)(D) admitted to OIG that he visited the Netflix Web site and viewed adult-oriented content that was inappropriate for the workplace since discovering, in August 2011, that NRC computers could access the Netflix Web site. (b)(7)(C),(b)(7)(D) also admitted that on occasion, he would watch two movies during a shift, and that he had watched "porn" type movies through the Netflix Web site while at work.

STATUTES AND REGULATIONS

NRC Management Directive 2.7, "Personal Use of Information Technology," Handbook Section (D), "Inappropriate Personal Uses":

Employees are expected to conduct themselves professionally in the workplace and to refrain from using agency information technology for activities that are inappropriate. Misuse or inappropriate personal use of agency information technology includes -

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Use of information technology, including telephone or facsimile service, to create, download, view, store, copy, transmit, or receive sexually explicit or sexually oriented materials or materials related to illegal gambling, illegal weapons, terrorist activities, and any other illegal activities or activities otherwise prohibited.

NRC contractors are prohibited from personal use of agency information technology.

BASIS FOR FINDINGS

Review of Information Identified on Internet Proxy Logs

(b)(7)(E)



Review of NRC Data Center Computer

(b)(7)(E)



(For further details, see Exhibits 1 and 2.)

Review of Netflix Availability on NRC Network

In September 2011, OIG reviewed if it was possible to view movies from Netflix over the NRC network. OIG established a trial account and accessed it through the NRC network. OIG was able to view movies streamed from the Netflix Web site over the

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NRC network. OIG noted that streaming content providers are generally blocked on Government computers due to the fact that streaming content by employees can take a large amount of bandwidth.

(For further details, see Exhibit 2.)

Review of NRC Contract for Ruland Associates, Inc.

OIG reviewed the Statement of Work (SOW) for the contract with Ruland Associates, Inc., to provide computer facilities operations support services (order number NRC-DR-33-09-302). The SOW identified language requiring the contractor to comply with all information technology security requirements as stated in NRC Management Directive (MD) 12.7. MD 12.7 states that NRC contractors are prohibited from personal use of agency information technology, and that NRC employees may not use information technology to view sexually explicit or sexually oriented materials.

(For further details, see Exhibit 3.)

Interview of

(b)(7)(C), (b)(7)(D)

When presented with a list of adult-oriented movies compiled from the Internet history files on the NRC computer hard drive, (b)(7)(C), (b)(7)(D) admitted to OIG that he viewed the movies on the list during official work hours and that it was probably inappropriate to do so. He related that he usually works 12-hour shifts (b)(7)(C), (b)(7)(D) during the (b)(7)(C), (b)(7)(D) stated that he would watch Netflix movies when he had "down time" after his work had been completed. (b)(7)(C), (b)(7)(D) also stated he watched Netflix movies primarily in the summer when he did not have any school work to occupy his time.

(For further details, see Exhibit 4.)

OIS ICOD Coordination

OIG briefed this investigation to Thomas Rich, Division Director, ICOD, and advised him that NRC users have the ability to stream movies from the Netflix Web site via the NRC network, and that some of the movies contain content of a sexually explicit nature.

Department of Justice Coordination

(b)(7)(C)

Southern District of Maryland, provided blanket declination for prosecution of this type of matter, in lieu of administrative action.

EXHIBITS

1. Memorandum to File, Subject: Forensic Imaging of Hard Drive, dated September 20, 2011.
2. Memorandum to File, Subject: Investigation of NRC Computer Tag (b)(7)(C),(b)(7)(D) dated October 30, 2011.
3. Statement of Work, Order No. NRC-DR-33-09-302, dated May 29, 2009.
4. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated November 7, 2011.



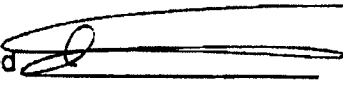
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UNITED STATES

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

OFFICE OF THE
INSPECTOR GENERAL

June 19, 2012

MEMORANDUM TO:

Concur: Case Closed 
Joseph A. McMillan
Assistant Inspector General
for Investigations

THROUGH:

(b)(7)(C)
Team Leader (b)(7)(C), (b)(7)(D)

FROM:

(b)(7)(C), (b)(7)(D)
Special Agent (b)(7)(C), (b)(7)(D)

SUBJECT:

NRC CHAIRMAN DIRECTION TO NRC STAFF REGARDING
ACRS REVIEW OF THE JAPAN FUKUSHIMA DAIICHI
PLANTS INCIDENT (OIG CASE NO. 12-005)

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), received an anonymous allegation that in April 2011, the NRC Chairman directed staff not to share information with the Advisory Committee on Reactor Safeguards (ACRS) regarding the decision to recommend a 50-mile evacuation radius to U.S. citizens in Japan after the Fukushima emergency of March 2011. It was also alleged that the NRC Chairman further attempted to intimidate ACRS officials to prevent ACRS from reviewing that recommendation. This investigation reviewed the circumstances surrounding the alleged direction given by the NRC Chairman to NRC staff regarding cooperation with ACRS on the evacuation issue, and to whether the Chairman attempted to interfere, intimidate, or otherwise prevent ACRS from reviewing the matter.

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Findings

OIG found that the Chairman made an effort to persuade an ACRS official not to inquire into the 50-mile issue, although opinions differed as to whether this effort reached the level of "intimidation." OIG also found that the Chairman told NRC staff responsible for responding to ACRS on the 50-mile issue that he would handle the matter, and this may have delayed the NRC staff's provision of relevant data to ACRS. However, OIG found that NRC staff ultimately provided ACRS with background data on the evacuation decision that was deemed sufficient for ACRS' purposes, and that ACRS was not inhibited from pursuing appropriate inquiries on the evacuation issue or any other topic within its purview at any time.

Basis of Findings

OIG learned that during an April 7, 2011, ACRS meeting concerning Fukushima, committee members requested specific information from NRC staff regarding the 50-mile evacuation decision. The lead NRC manager present, (b)(7)(C), (b)(7)(D) Office of Nuclear Reactor Regulation (NRR), agreed to provide ACRS with additional information at a later time. (b)(7)(C), (b)(7)(D) subsequently informed Chairman JACZKO of the ACRS request, and the Chairman responded that he would take care of the matter. On April 8, 2011, Chairman JACZKO called then-ACRS (b)(7)(C), (b)(7)(D) and presented his view that ACRS should not inquire into this issue with NRC staff due to the staff's busy workload and tight schedule for producing the near-term Fukushima report, and that the 50-mile evacuation decision was his alone. (b)(7)(C), (b)(7)(D) stated that he believed this call, in which he described the Chairman's tone as "somewhat agitated," could reasonably be viewed as an "attempt to intimidate" him. However, (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) stated that while the Chairman's tone was "a little bit agitated" and "energized," it was not unprofessional, inappropriate, or threatening. OIG learned that no other individuals directly witnessed the telephone call, although (b)(7)(C), (b)(7)(D) afterward discussed the call with ACRS (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) stated that neither he nor any other ACRS official was intimidated from pursuing the 50-mile evacuation issue or any other issue with NRC at that time or since.

OIG learned that following the April 7, 2011, ACRS meeting (b)(7)(C), (b)(7)(D) did not immediately provide additional material to ACRS on the 50-mile evacuation decision, based on his conversation with Chairman JACZKO. (b)(7)(C), (b)(7)(D) stated that this was not because the Chairman had directly instructed him not to do so, or because the Chairman's staff had conveyed any instructions not to do so. (b)(7)(C), (b)(7)(D) stated that he felt he did not have to provide the information in question to ACRS at that time because the Chairman was "going to take care of it." However, sometime prior to a June 23, 2011, ACRS Fukushima subcommittee meeting, NRC provided ACRS with a duplicate

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of a letter, also provided to Senator James WEBB of Virginia, to fulfill a separate request, that presented additional information on the 50-mile evacuation decision. This information included assumptions made and data entered into the NRC computer system used to model the dispersal of radioactive material. This letter was a topic of brief discussion at the June 23 meeting. While ACRS members did not declare the matter closed at that meeting, and some members expressed a view that more information was needed, ACRS has not revisited the issue to date. (b)(7)(C), (b)(7)(D) specifically denied that this was the result of "intimidation." (b)(7)(C), (b)(7)(D) stated that the information provided by NRC was sufficient to resolve the issue by the end of summer 2011.

Because the information contained in this report will be included in the final report relating to the NRC OIG investigation No. 11-055, it is recommended that this investigation be closed to the files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

July 24, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM:


Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: CONDUCTING A PRIVATE BUSINESS AT NRC WORKPLACE
DURING OFFICIAL DUTY HOURS (CASE NO. 12-06)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to conducting a private business at the NRC workplace by a Region IV Division of Reactor Projects (DRP) employee. This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without the written permission of the OIG.

Attachment: Report of Investigation w/ exhibits

cc:  ADM/DFS/PSB w/o exhibits

CONTACT: Rossana Raspa, OIG
415-5925

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OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Conducting a Private Business at NRC Workplace During Official Duty Hours by a Region IV Employee

| | |
|---|---------------------|
| QIG Case No. 12-06 | |
| (b)(7)(C) | (b)(7)(C) |
| Special Agent | (b)(7)(C) |
| <i>Joseph A. McMillan</i> | Team Leader |
| Joseph A. McMillan, Assistant Inspector General for Investigations | Date <i>7/25/12</i> |

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**Conducting a Private Business at NRC
Workplace During Official Duty Hours
by a Region IV Employee**

Case No. 12-06

July 24, 2012

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STATUTES, REGULATIONS, AND POLICY

5 CFR 2635.101 - Basic Obligation of Public Service

(a) Public service is a public trust. Each employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. To ensure that every citizen can have complete confidence in the integrity of the Federal Government, each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in supplemental agency regulations.

(b) General principles. The following general principles apply to every employee and may form the basis for the standards contained in this part. Where a situation is not covered by the standards set forth in this part, employees shall apply the principles set forth in this section in determining whether their conduct is proper.

- (1) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.
- (7) Employees shall not use public office for private gain...
- (9) Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.
- (10) Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities...
- (14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

5 CFR 2635.704 - Use of Government Property

(a) An employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes

(b) Government property includes any form of real or personal property in which the Government has an ownership, leasehold, or other property interest as well as any right or other intangible interest that is purchased with Government funds, including the services of contractor personnel. The term includes office supplies, telephone and other telecommunications equipment and services, the Government mails, automated data processing capabilities, printing and reproduction facilities, Government records, and Government vehicles.

(c) Authorized purposes are those purposes for which Government property is made available to members of the public or those purposes authorized in accordance with law or regulation.

5 CFR 2635.705 - Use of Official Time

(a) Unless authorized in accordance with law or regulations to use such time for other purposes, an employee shall use official time in an honest effort to perform official duties. An employee not under a leave system, including a Presidential appointee exempted under 5 U.S.C. 6301(2), has an obligation to expend an honest effort and a reasonable proportion of his time in the performance of official duties.

NRC Management Directive 2.7, *Personal Use of Information Technology*

Personal Use. NRC employees are specifically prohibited from using agency information technology to maintain or support a personal private business.

Specific Provisions on the Use of Equipment and Services. Authorized limited personal use of agency information technology must not result in loss of employee productivity and must not interfere with official duties.

Inappropriate Personal Uses. Employees are expected to conduct themselves professionally in the workplace and to refrain from using agency information technology for activities that are inappropriate. Misuse or inappropriate personal use of agency information technology includes

- Use of information technology for commercial purposes in support of "for profit" activities, or in support of other outside employment or business activity.

Proper Representation. It is the responsibility of employees to ensure that they are not giving the false impression that they are acting in an official capacity when they are using agency information technology for non-Government purposes. If there is an expectation that such a personal use could be interpreted to represent the NRC (e.g., use of "nrc.gov" domain name in the return address of an e-mail message), then an adequate disclaimer must be used.

SUBJECT

(b)(7)(C),(b)(7)(D)

Region IV
U.S. Nuclear Regulatory Commission (NRC)

ALLEGATION

The Office of the Inspector General (OIG), NRC, initiated this investigation based on an allegation that (b)(7)(C),(b)(7)(D) was operating a (b)(7)(C),(b)(7)(D) business while at work and using Government computer resources in support of the business.

FINDINGS

OIG found that after being counseled by her Deputy Division Directors in May 2010 and April 2011, and writing a statement acknowledging that she understood the rules and regulations concerning the use of Government time and equipment to conduct personal business activities, (b)(7)(C),(b)(7)(D) continued to use Government computer resources to operate a (b)(7)(C),(b)(7)(D) consulting business while at work.

OIG found that from October 4, 2010, through November 14, 2011, (b)(7)(C),(b)(7)(D) used her Government issued computer and her NRC e-mail account during official duty hours to conduct a personal business. OIG found that (b)(7)(C),(b)(7)(D) Web browser accessed the "community" portion of the (b)(7)(C),(b)(7)(D) Web site during that time period on more than 1,000 occasions, and 5 documents were created related to her (b)(7)(C),(b)(7)(D) business from February 3 to November 7, 2011.

OIG found that from May 5, 2011, through November 14, 2011, (b)(7)(C),(b)(7)(D) sent 29 e-mails from her NRC account regarding her (b)(7)(C),(b)(7)(D) consulting business.

OIG found that after being interviewed by OIG on January 12, 2012, (b)(7)(C),(b)(7)(D) continued to visit (b)(7)(C),(b)(7)(D) Web sites during her official duty hours. OIG determined that she accessed the (b)(7)(C),(b)(7)(D) Web site 20 times between April 12 and May 8, 2012.

BASIS FOR FINDINGS

Interview of (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) Region IV, stated that (b)(7)(C),(b)(7)(D) was verbally counseled on May 12, 2010, by (b)(7)(C),(b)(7)(D) Region IV, concerning (b)(7)(C),(b)(7)(D) use of Government time to conduct activities for (b)(7)(C),(b)(7)(D) [Investigator's Note (b)(7)(C),(b)(7)(D)]

(b)(7)(C),(b)(7)(D) stated that after he became Deputy Division Director in late 2010, he received multiple complaints from Region IV employees concerning (b)(7)(C),(b)(7)(D) and her (b)(7)(C),(b)(7)(D) activities while at work. On April 21, 2011, (b)(7)(C),(b)(7)(D) verbally counseled (b)(7)(C),(b)(7)(D) concerning her use of Government time to conduct her (b)(7)(C),(b)(7)(D) business in the workplace. (b)(7)(C),(b)(7)(D) provided a written statement stating that she understood the rules and regulations concerning the use of Government time and equipment to conduct personal business and she denied ever using Government time to conduct her (b)(7)(C),(b)(7)(D) business.

(b)(7)(C),(b)(7)(D) said that around October or November 2011, a Region IV employee informed him that there were (b)(7)(C),(b)(7)(D) notices sent from (b)(7)(C),(b)(7)(D) e-mail account waiting to be printed on the NRC Region IV network printer, and this was preventing other official items from being printed on the network printer.

(b)(7)(C),(b)(7)(D) said that (b)(7)(C),(b)(7)(D) has mentioned to him that her ultimate goal is to become a (b)(7)(C),(b)(7)(D) and leave the NRC.

(For further details, see Exhibit 1.)

Review of (b)(7)(C),(b)(7)(D) NRC Computer

(b)(7)(E)

(b)(7)(E)

(For further details, see Exhibits 2 and 3.)

Review of E-mails

On November 21, 2011, the CCU obtained e-mails from (b)(7)(C), (b)(7)(D) Government e-mail account. CCU's review of the "Sent" folder identified 29 (b)(7)(C), (b)(7)(D) related e-mails originating from an NRC e-mail address that were sent to e-mail addresses inside and outside of the Government. The signature block for (b)(7)(C), (b)(7)(D) was attached to the e-mails and identified her as an NRC employee. The e-mails identified were sent between May 5, 2011, and November 14, 2011, and were related to her (b)(7)(C), (b)(7)(D) consultant business.

(For further details, see Exhibits 4.)

Review of Internet Activities

(b)(7)(E)

(b)(7)(E)

(For further details, see Exhibit 5.)

Interview of

(b)(7)(C),(b)(7)(D) admitted to OIG that she engaged in (b)(7)(C),(b)(7)(D) activities at work by checking sales numbers, e-mailing and calling clients, and accessing the (b)(7)(C),(b)(7)(D) Web site. (b)(7)(C),(b)(7)(D) explained that her understanding of NRC Management Directive 2.7, *Personal Use of Information Technology*, was that no outside business is to be conducted on the Government computer. (b)(7)(C),(b)(7)(D) acknowledged that she was counseled by (b)(7)(C),(b)(7)(D) regarding her conducting (b)(7)(C),(b)(7)(D) activities at work. (b)(7)(C),(b)(7)(D) stated that she has been a (b)(7)(C),(b)(7)(D). Initially, during the interview, she said she performs her (b)(7)(C),(b)(7)(D) activities strictly outside of the office. However, later she clarified that she visits the (b)(7)(C),(b)(7)(D) Web site at work, but she does not conduct business.

(b)(7)(C),(b)(7)(D) also said she accessed her (b)(7)(C),(b)(7)(D) Web site more frequently starting in December 2011 when she became a (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) claimed that when she had down time and did not have any work, she would often access the (b)(7)(C),(b)(7)(D) Web site while at work.

(b)(7)(C),(b)(7)(D) acknowledged that she used her Government computer during work hours to conduct (b)(7)(C),(b)(7)(D) activities; however, she did not view her activities as conducting a business. (b)(7)(C),(b)(7)(D) said that she defines conducting business as collecting money, exchanging money, putting in orders, and (b)(7)(C),(b)(7)(D). She said she did not associate checking production numbers, sending e-mails, contacting clients, and visiting the (b)(7)(C),(b)(7)(D) Web site as conducting business while at work.

(For further details, see Exhibit 6.)

EXHIBITS

1. Memorandum of Interview, (b)(7)(C), (b)(7)(D) dated January 11, 2012.
2. Memorandum to File, Computer Forensic Report – NRC Dell Optiplex 755, NRC Asset Tag (b)(7)(C), (b)(7)(D) dated December 15, 2011.
3. Memorandum to File, Analysis of Internet History and Local File Access of (b)(7)(C), (b)(7)(D) RIV dated January 17, 2011.
4. Memorandum to File, Review of E-mails Sent By (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) Region IV, dated December 1, 2011.
5. Memorandum to File, Log Logic Searches for NRC IP Address (b)(7)(C), (b)(7)(D) dated May 9, 2012.
6. Transcript of Interview (b)(7)(C), (b)(7)(D) dated January 12, 2012.



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

OFFICE OF THE
INSPECTOR GENERAL

February 27, 2012

MEMORANDUM TO:

Concur: Case Closed [Signature]
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)
[Redacted]
Team Leader, (b)(7)(C)

7C

FROM:

(b)(7)(C)
[Redacted]
Special Agent (b)(7)(C)

7C

SUBJECT:

(b)(7)(C), (b)(7)(D) NRC EMPLOYEE SLEEPING IN HIS OFFICE (OIG
CASE NO. 12-11)

Allegation:

The Office of the Inspector General (OIG), U. S. Nuclear Regulatory Commission (NRC), received an anonymous allegation that (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) NRC, may have been (b)(7)(C), (b)(7)(D) at work over Veteran's Day weekend (November 11-13, 2011), and that he may have (b)(7)(C), (b)(7)(D)

6

Finding:

OIG found that (b)(7)(C), (b)(7)(D) was in his office over the Veterans Day weekend; however, there was no indication he was in his pajamas or that he was spending nights in his office.

6

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Basis:

OIG reviewed the Physical Access Control System (PACS) logs and confirmed that (b)(7)(C),(b)(7)(D) had entered the building on November 11, 12, and 13, 2011. (b)(7)(C),(b)(7)(D) scanned into the office one time each day. OIG attempted to review video from security cameras; however, the video was not available and could not be retrieved.

OIG reviewed (b)(7)(C),(b)(7)(D) Internet activity for November 11-13, 2011, and found no unusual or heavy Internet activity during the time frame.

OIG interviewed (b)(7)(C),(b)(7)(D) supervisor, (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D) Region I, NRC. (b)(7)(C),(b)(7)(D) was aware that (b)(7)(C),(b)(7)(D) spent a lot of his personal time in the office, to include some evenings and weekends. (b)(7)(C),(b)(7)(D) was aware that during this time (b)(7)(C),(b)(7)(D) would use his computer for personal use, but had no reason to believe it was in violation of NRC policy. (b)(7)(C),(b)(7)(D) told OIG that (b)(7)(C),(b)(7)(D) did not claim, and was not authorized, overtime or compensation time when he was in the office outside of his core hours. (b)(7)(C),(b)(7)(D) told OIG he had no reason to believe (b)(7)(C),(b)(7)(D) had ever slept in the office.

Because OIG did not identify any improper behavior by (b)(7)(C),(b)(7)(D) it is recommended this case be closed to the files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

January 13, 2012

1/13/12

MEMORANDUM TO:

Concur: Case Closed
Rossana Raspa
Senior Level Assistant
for Investigative Operations

THRU:

(b)(7)(C)
Team Leader (b)(7)(C)

FROM:

(b)(7)(C)
Special Agent (b)(7)(C)

SUBJECT:

ALLEGED INAPPROPRIATE IMAGES OF A SEXUAL
NATURE ON GOVERNMENT ISSUED BLACKBERRY (OIG
CASE 12-13)

Allegation

This Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation was initiated based on a notification from the Office of the General Counsel (OGC) that in the course of an interview, a (b)(7)(C), (b)(7)(D) employee informed the OGC that (b)(7)(C), (b)(7)(D) Office of New Reactors (NRO), NRC, had sexually explicit images on his Government-issued Blackberry mobile device (Blackberry) and the former NRC employee viewed them while updating the Blackberry. This event took place approximately in November 2011.

Findings

The OIG Cyber Crime Unit (CCU) was unable to locate any images on Government-issued Blackberry that were sexual in nature.

(b)(7)(C), (b)(7)(D)

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However, OIG did find two images that might have been perceived as sexual in nature. These images were of a belly dancer and it was later identified that the belly dancer in question was (b)(7)(C),(b)(7)(D)

Basis of Findings

On December 5, 2011, (b)(7)(C),(b)(7)(D) OGC, NRC, informed OIG that in the course of a witness interview for a harassment complaint, a (b)(7)(C),(b)(7)(D) employee disclosed that (b)(7)(C),(b)(7)(D) had images of a sexual nature on his Government-issued Blackberry. This former NRC employee viewed these images while updating (b)(7)(C),(b)(7)(D) Blackberry.

(b)(7)(E)

The Blackberry did have two photos, IMG00011-20111106-1550.jpg and IMG00012-20111106-1550.jpg, which might have been perceived as sexual in nature. Both show a female belly dancer.

(b)(7)(C),(b)(7)(D) was shown IMG00011-20111106-1550.jpg and IMG00012-20111106-1550.jpg and was asked to identify the person. (b)(7)(C),(b)(7)(D) stated the female in both images was (b)(7)(C),(b)(7)(D) who is a semi-professional belly dancer.

Because there were no images of a sexual nature and the two images that might have been perceived as sexual in nature were explained, it is recommended that this case be closed to the files of the office.

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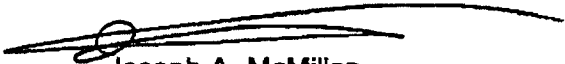



**UNITED STATES
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WASHINGTON, D.C. 20555-0001

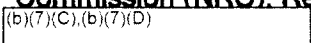
**OFFICE OF THE
INSPECTOR GENERAL**

July 19, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: 
Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: FORMER  DEPUTY DIRECTOR
FALSIFYING TIME AND ATTENDANCE INFORMATION
(OIG CASE NO. 12-14)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to an allegation that a former  deputy director falsified time and attendance information.

This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without OIG's written permission.

Attachment: Report of Investigation w/ exhibits

cc:  ADM/DFS/PSB w/o exhibits

CONTACT: Rossana Raspa, OIG
415-5925

A/16

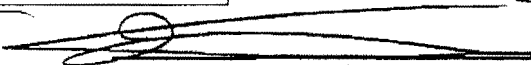
OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Former (b)(7)(C), (b)(7)(D) Deputy Director
Falsifying Time and Attendance Information

(b)(7)(C) Case No. 12-1/ (b)(7)(C)
(b)(7)(C) Special Agent Team Leader


Joseph A. McMillan, Assistant Inspector General Date
for Investigations

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COMMISSION, OFFICE OF THE INSPECTOR GENERAL.

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EXEMPT FROM RELEASE UNDER FREEDOM OF INFORMATION ACT
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Former (b)(7)(C), (b)(7)(D)
Deputy Director Falsifying
Time and Attendance Information

Case No. 12-14

July 19, 2012

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STATUTES, REGULATIONS, AND POLICY

5 CFR, Section 2635.101 - Basic Obligation of Public Service:

(a) Public service is a public trust. Each employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. To ensure that every citizen can have complete confidence in the integrity of the Federal Government, each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in supplemental agency regulations.

(b) General principles. The following general principles apply to every employee and may form the basis for the standards contained in this part. Where a situation is not covered by the standards set forth in this part, employees shall apply the principles set forth in this section in determining whether their conduct is proper.

(b)(5) Employees shall put forth honest effort in the performance of their duties.

(b)(14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

NRC Management Directive 10.42, "Hours of Work and Premium Pay"

057(a) Establishing Work Schedules. Office Directors shall document work schedules which deviate from the normal 8-hour work period on SF 52 "Request for Personnel Action," for both full and part-time employees (e.g., first 40-hour workweek, night work schedule, weekend work schedule, work schedule with no meal period). By law, work scheduled must be scheduled in advance of the administrative workweek to cover a period of at least one administrative workweek. Each employee, regardless of the type of schedule, is expected to be on duty during the full period of his or her workweek, as assigned, unless on approved leave, excused absence, or absent in a duty status.

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SUBJECT

(b)(7)(C), (b)(7)(D)

Office of Investigations
U.S. Nuclear Regulatory Commission

ALLEGATION

This Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation was initiated based on an allegation that (b)(7)(C), (b)(7)(D) an NRC

(b)(7)(C), (b)(7)(D) employee detailed to the (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) told the (b)(7)(C), (b)(7)(D) he would be taking (b)(7)(C), (b)(7)(D) at NRC on December 16, 2011, while telling NRC he would be working at the (b)(7)(C), (b)(7)(D) that day. According to the allegation, (b)(7)(C), (b)(7)(D) did not work at the (b)(7)(C), (b)(7)(D) on December 16, 2011, and NRC did not offer (b)(7)(C), (b)(7)(D) on that date. OIG also reviewed whether (b)(7)(C), (b)(7)(D) accurately represented his NRC grade and title to his (b)(7)(C), (b)(7)(D) supervisor who asked (b)(7)(C), (b)(7)(D) for the information.

FINDINGS

OIG found that (b)(7)(C), (b)(7)(D) performed work for NRC at his home on December 16, 2011, without the required NRC telework agreement or the knowledge of his (b)(7)(C), (b)(7)(D) supervisor. His specific status was also unknown to his (b)(7)(C), (b)(7)(D) detail supervisor, who believed, based on information from (b)(7)(C), (b)(7)(D) would be at NRC headquarters on December 16, 2011, taking a (b)(7)(C), (b)(7)(D)

OIG also found that (b)(7)(C), (b)(7)(D) provided incorrect information to his (b)(7)(C), (b)(7)(D) detail supervisor about his grade, title, and position. In response to the supervisor's request for this information, on December 9, 2011, (b)(7)(C), (b)(7)(D) provided a resume and handwritten note stating that he was a (b)(7)(C), (b)(7)(D) when he had signed an NRC settlement agreement on November 18, 2011, acknowledging his (b)(7)(C), (b)(7)(D) effective September 25, 2011.

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BASIS FOR FINDINGS

Chronology

On November 18, 2011, (b)(7)(C), (b)(7)(D) in lieu of receiving an unsatisfactory performance appraisal, signed an NRC settlement agreement and general release resulting in a (b)(7)(C), (b)(7)(D) effective September 25, 2011. Additionally, the settlement identified that (b)(7)(C), (b)(7)(D) effective no later than December 31, 2012, unless (b)(7)(C), (b)(7)(D). The settlement identified that effective December 4, 2011, (b)(7)(C), (b)(7)(D) would be (b)(7)(C), (b)(7)(D). On December 5, 2011, (b)(7)(C), (b)(7)(D) reported for duty at headquarters (HQ) (b)(7)(C), (b)(7)(D).

(For further details, see Exhibits 1 and 2.)

On December 9, 2011, in response to a request from (b)(7)(C), (b)(7)(D) submitted a handwritten document to (b)(7)(C), (b)(7)(D) office listing his pay grade as (b)(7)(C), (b)(7)(D) and his supervisor as (b)(7)(C), (b)(7)(D) NRC. Attached to the handwritten note was (b)(7)(C), (b)(7)(D) resume, which also identified (b)(7)(C), (b)(7)(D) and identified his position as the deputy director, (b)(7)(C), (b)(7)(D).

(For further details, see Exhibit 3.)

On December 12, 2011, at (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that he would be at NRC headquarters in Rockville, Maryland, on December 16, 2011, to complete training.

On the morning of December 15, 2011, (b)(7)(C), (b)(7)(D) reported to NRC (b)(7)(C), (b)(7)(D) to use a computer in a spare office to record his time and attendance and take some NRC online training. During the morning, the (b)(7)(C), (b)(7)(D) had several verbal exchanges with (b)(7)(C), (b)(7)(D) in which she asked (b)(7)(C), (b)(7)(D) about the status of the "Inter-agency Agreement" that was being drafted in connection with (b)(7)(C), (b)(7)(D) assignment. She informed (b)(7)(C), (b)(7)(D) he needed to call (b)(7)(C), (b)(7)(D) at least twice a week and let him know what (b)(7)(C), (b)(7)(D) was doing while at work, coordinate his future visits to NRC with (b)(7)(C), (b)(7)(D) and coordinate his time and attendance through (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) also told him that in the event of a Government shutdown, he would be furloughed. (b)(7)(C), (b)(7)(D)

On the morning of December 16, 2011, (b)(7)(C), (b)(7)(D) contacted (b)(7)(C), (b)(7)(D) from his home on his personal cell phone, and informed (b)(7)(C), (b)(7)(D) about his work activities.

(For further details, see Exhibits 4 and 5.)

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Draft Interagency Agreement between the NRC and the FBI

(b)(7)(C), (b)(7)(D) According to the draft interagency agreement between the NRC and (b)(7)(C), (b)(7)(D) concerning (b)(7)(C), (b)(7)(D) assignment to the (b)(7)(C), (b)(7)(D) the NRC would be responsible for payment of (b)(7)(C), (b)(7)(D) salary and benefits. All official business related travel, training, or other (b)(7)(C), (b)(7)(D) incidental expenses required during the detail would be paid by the (b)(7)(C), (b)(7)(D) in accordance with Federal Travel Regulation (FTR) or other appropriate guidance. (b)(7)(C), (b)(7)(D) time and attendance records would be maintained by the NRC, and he would advise the (b)(7)(C), (b)(7)(D) NRC and (b)(7)(C), (b)(7)(D) of any leave planned or taken. The (b)(7)(C), (b)(7)(D) would provide written feedback of (b)(7)(C), (b)(7)(D) performance to (b)(7)(C), (b)(7)(D) during the detail.

(For further details, see Exhibit 6.)

NRC Telework Policy

According to NRC's Telework Policy, if an NRC employee teleworks, he or she is expected to have sufficient duties that are portable and that can be effectively performed outside of the traditional office setting. In addition, the employee's absence from the work site must not unduly interfere with the efficient operation of the organization and the employee must have and maintain a performance rating of at least fully successful in all critical elements. An employee may also be approved by their supervisor to work a telework schedule on a project basis.

(b)(7)(C), (b)(7)(D) telework policy is project-based, meaning members of (b)(7)(C), (b)(7)(D) do not have an official day to telework each week. Instead, they must request to work at home and justify the request detailing what the individual will accomplish while teleworking. (Agent's Note: although (b)(7)(C), (b)(7)(D) policy is in draft form, it is followed by (b)(7)(C), (b)(7)(D) staff.)

(For further details, see Exhibit 7.)

The (b)(7)(C), (b)(7)(D) does not permit employees to have a telework schedule due to the daily requirement of handling classified information.

Review of HRMS Entries

OIG reviewed (b)(7)(C), (b)(7)(D) Human Resources Management System (HRMS) time and attendance entries for December 16, 2011, and learned he claimed 8 hours, citing the time and attendance code of General Administration.

(For further details, see Exhibit 8.)

Review of iLearn

OIG reviewed (b)(7)(C), (b)(7)(D) iLearn training for December 16, 2011, and learned he accessed the Information Security Training (course id 972) at 3:21 p.m. The course

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projected time of completion is 2 hours. (b)(7)(C),(b)(7)(D) accessed the Continuity of Operations (COOP) Training (course id 562) in iLearn at 8:43 p.m. The course projected time of completion is 1 hour. (b)(7)(C),(b)(7)(D) accessed the No Fear Act Training (course id 912) in iLearn at 9:04 p.m. The course projected time of completion is 2 hours.

(For further details, see Exhibit 9.)

E-mail from (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) sent an e-mail to OIG describing (b)(7)(C),(b)(7)(D) interactions with her and (b)(7)(C),(b)(7)(D) staff on December 15, 2011. According to the e-mail, on Thursday, December 15, 2011, prior to (b)(7)(C),(b)(7)(D) arrival (b)(7)(C),(b)(7)(D) informed the (b)(7)(C),(b)(7)(D) staff that he came to the office to attend an NRC threat briefing. (b)(7)(C),(b)(7)(D) relayed that there was no threat briefing scheduled for December 15, 2011. (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) interacted with (b)(7)(C),(b)(7)(D) three times on December 15, 2011. When (b)(7)(C),(b)(7)(D) first interacted with (b)(7)(C),(b)(7)(D) she asked him about the status of the interagency agreement between NRC and the (b)(7)(C),(b)(7)(D) told her that the (b)(7)(C),(b)(7)(D) and NRC attorneys had the agreement and were working out the details. (b)(7)(C),(b)(7)(D) asked (b)(7)(C),(b)(7)(D) to maintain contact with (b)(7)(C),(b)(7)(D) a couple of times per week. (b)(7)(C),(b)(7)(D) acknowledged (b)(7)(C),(b)(7)(D) request. (b)(7)(C),(b)(7)(D) described the interaction as a very brief discussion and witnessed by (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D)

After a discussion regarding ongoing budget appropriations issues, (b)(7)(C),(b)(7)(D) returned to (b)(7)(C),(b)(7)(D) office and advised (b)(7)(C),(b)(7)(D) about a potential lapse in NRC appropriations. (b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) that his detail to (b)(7)(C),(b)(7)(D) would not be considered an "excepted" NRC function and asked him to communicate with (b)(7)(C),(b)(7)(D) for potential furlough updates. (b)(7)(C),(b)(7)(D) acknowledged the request. (b)(7)(C),(b)(7)(D) noted that (b)(7)(C),(b)(7)(D) NRC, was present during the discussion. (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) Later that same morning, (b)(7)(C),(b)(7)(D) was outside of (b)(7)(C),(b)(7)(D) office and discussed with (b)(7)(C),(b)(7)(D) staff that he was at NRC HQ to attend threat briefing. (b)(7)(C),(b)(7)(D) informed (b)(7)(C),(b)(7)(D) that there was no scheduled threat briefing that day. (b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) he should contact the operations officer to verify the threat briefing schedules in the future since they are conducted every other Thursday. (b)(7)(C),(b)(7)(D) could not recall (b)(7)(C),(b)(7)(D) response.

(b)(7)(C),(b)(7)(D) described her interactions with (b)(7)(C),(b)(7)(D) as professional and there were no confrontational tones or words stated or exchanged.

(For further details, see Exhibit 10.)

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Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) told OIG that prior to starting work at the (b)(7)(C), (b)(7)(D) on December 5, 2011, (b)(7)(C), (b)(7)(D) had submitted his resume and had telephone and e-mail exchanges with (b)(7)(C), (b)(7)(D). Prior to beginning work, (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that he held a civilian grade of (b)(7)(C), (b)(7)(D). Due to his civilian grade, (b)(7)(C), (b)(7)(D) was placed under the administrative control of (b)(7)(C), (b)(7)(D).

On December 12, 2011, (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) he would be out of the office at NRC HQ on December 16, 2011, attending (b)(7)(C), (b)(7)(D) and another training course in Rockville, Maryland.

On December 16, 2011, (b)(7)(C), (b)(7)(D) contacted (b)(7)(C), (b)(7)(D) and asked if (b)(7)(C), (b)(7)(D) was at HQ. (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that (b)(7)(C), (b)(7)(D) had stated he would not be at HQ in order to attend (b)(7)(C), (b)(7)(D) and another course in Rockville, Maryland. (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that he was not aware of (b)(7)(C), (b)(7)(D) being scheduled for December 16, 2011. Later that day, (b)(7)(C), (b)(7)(D) contacted (b)(7)(C), (b)(7)(D) again inquiring about (b)(7)(C), (b)(7)(D) whereabouts. (b)(7)(C), (b)(7)(D) informed (b)(7)(C), (b)(7)(D) that (b)(7)(C), (b)(7)(D) had not returned to HQ. (b)(7)(C), (b)(7)(D) told (b)(7)(C), (b)(7)(D) that he had confirmed that there was no (b)(7)(C), (b)(7)(D) scheduled at NRC for December 16, 2011.

(For further details, see Exhibit 2.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) told OIG that he and (b)(7)(C), (b)(7)(D) attend weekly section chief meetings chaired by (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) recalled at the December 12, 2011, section chief meeting, (b)(7)(C), (b)(7)(D) stated he would be in Rockville, Maryland, on December 16, 2011, to attend (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) was at HQ on December 16, 2011, and did not observe (b)(7)(C), (b)(7)(D).

(For further details, see Exhibit 11.)

Interview of (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) told OIG that he was assigned as (b)(7)(C), (b)(7)(D) supervisor after (b)(7)(C), (b)(7)(D) was (b)(7)(C), (b)(7)(D). (b)(7)(C), (b)(7)(D) was officially (b)(7)(C), (b)(7)(D) in September 2011. (b)(7)(C), (b)(7)(D) said he informed (b)(7)(C), (b)(7)(D) he was to report his activities to (b)(7)(C), (b)(7)(D) approximately twice a week while

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(b)(7)(C),(b)(7)(D) was detailed to HQ (b)(7)(C),(b)(7)(D). The demotion and re-assignment were the results of administrative action taken by (b)(7)(C),(b)(7)(D) after (b)(7)(C),(b)(7)(D) demonstrated questionable ethical behavior.

On December 12, 2011, (b)(7)(C),(b)(7)(D) contacted (b)(7)(C),(b)(7)(D) and conveyed that he was the point of contact relating to (b)(7)(C),(b)(7)(D) and his assignment to HQ (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) that (b)(7)(C),(b)(7)(D) would not assign (b)(7)(C),(b)(7)(D) any work while (b)(7)(C),(b)(7)(D) was detailed to HQ (b)(7)(C),(b)(7)(D). During the conversation (b)(7)(C),(b)(7)(D) informed (b)(7)(C),(b)(7)(D) that he understood (b)(7)(C),(b)(7)(D) was scheduled for (b)(7)(C),(b)(7)(D) in Rockville, Maryland, and would be out of the office on December 16, 2011.

After the phone conversation, (b)(7)(C),(b)(7)(D) checked his schedule and determined that no (b)(7)(C),(b)(7)(D) had been scheduled for December 16, 2011, at NRC headquarters in Rockville, Maryland. (b)(7)(C),(b)(7)(D) told OIG he is the point of contact for scheduling (b)(7)(C),(b)(7)(D) for the (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D) said on December 16, 2011, at approximately 8:15 a.m., he called (b)(7)(C),(b)(7)(D) and asked if (b)(7)(C),(b)(7)(D) was at HQ (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) stated he was unsure, but would conduct a walkthrough of (b)(7)(C),(b)(7)(D) office area to determine if he was present for work.

(b)(7)(C),(b)(7)(D) said that on December 16, 2011, at approximately 8:37 a.m., (b)(7)(C),(b)(7)(D) called him and provided an update on projects he had been working on at HQ (b)(7)(C),(b)(7)(D) including presentations at (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) heard what sounded like children in the background during the phone conversation and asked (b)(7)(C),(b)(7)(D) where he was located. (b)(7)(C),(b)(7)(D) said (b)(7)(C),(b)(7)(D) informed him that he was at HQ (b)(7)(C),(b)(7)(D) could hear children voices become louder, as if they were entering the same room as (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) asked (b)(7)(C),(b)(7)(D) if he could complete iLearn training from home. (b)(7)(C),(b)(7)(D) responded that if (b)(7)(C),(b)(7)(D) had access to iLearn, he could complete the training from anywhere. (b)(7)(C),(b)(7)(D) said he did not tell (b)(7)(C),(b)(7)(D) whether (b)(7)(C),(b)(7)(D) could complete training from his home. According to (b)(7)(C),(b)(7)(D) his comments were meant to be interpreted that (b)(7)(C),(b)(7)(D) could complete training anywhere, to include HQ (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) said he did not bring up the sound of children in the background to (b)(7)(C),(b)(7)(D) during their phone conversation. (b)(7)(C),(b)(7)(D) did not inform (b)(7)(C),(b)(7)(D) that he had contacted (b)(7)(C),(b)(7)(D) to inquire about (b)(7)(C),(b)(7)(D) location.

After terminating his phone conversation with (b)(7)(C),(b)(7)(D), (b)(7)(C),(b)(7)(D) contacted (b)(7)(C),(b)(7)(D) and informed (b)(7)(C),(b)(7)(D) that (b)(7)(C),(b)(7)(D) was not at his desk at HQ (b)(7)(C),(b)(7)(D). According to (b)(7)(C),(b)(7)(D), (b)(7)(C),(b)(7)(D) said (b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) that he would be at training on December 16, 2011. (b)(7)(C),(b)(7)(D) said he informed (b)(7)(C),(b)(7)(D) that (b)(7)(C),(b)(7)(D) was not scheduled for December 16, 2011.

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(For further details, see Exhibit 12.)

Interview of (b)(7)(C),(b)(7)(D)

OIG interviewed (b)(7)(C),(b)(7)(D) on two occasions. On the first occasion, (b)(7)(C),(b)(7)(D) provided information pertaining to the allegation. On the second occasion (b)(7)(C),(b)(7)(D) clarified statements made during the first interview. Unless noted otherwise below, (b)(7)(C),(b)(7)(D) testimony as summarized was provided during the first interview.

(b)(7)(C),(b)(7)(D) told OIG that he had previously worked at the (b)(7)(C),(b)(7)(D) with (b)(7)(C),(b)(7)(D) now at HQ (b)(7)(C),(b)(7)(D) contacted (b)(7)(C),(b)(7)(D) after signing the NRC settlement agreement and asked whether there would be a place for him to work at HQ (b)(7)(C),(b)(7)(D) placed (b)(7)(C),(b)(7)(D) in contact with (b)(7)(C),(b)(7)(D) contacted (b)(7)(C),(b)(7)(D) and began the process of transferring to the (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D) began working at HQ (b)(7)(C),(b)(7)(D) on December 5, 2011. Prior to beginning work at HQ (b)(7)(C),(b)(7)(D) and after signing the settlement agreement with (b)(7)(C),(b)(7)(D) was informed that (b)(7)(C),(b)(7)(D) was (b)(7)(C),(b)(7)(D) point of contact for approving time and attendance entries in HRMS. (b)(7)(C),(b)(7)(D) relayed that he was never informed that (b)(7)(C),(b)(7)(D) was his supervisor.

(b)(7)(C),(b)(7)(D) said that on December 12, 2011, he attended a meeting with the Unit Chiefs at HQ (b)(7)(C),(b)(7)(D) informed (b)(7)(C),(b)(7)(D) he had to complete some training and other tasks on December 16, 2011, and he would work either from home or at the NRC. (b)(7)(C),(b)(7)(D) stated it was his understanding that (b)(7)(C),(b)(7)(D) indicated it would be okay for (b)(7)(C),(b)(7)(D) to work from home. (b)(7)(C),(b)(7)(D) told (b)(7)(C),(b)(7)(D) he would be at (b)(7)(C),(b)(7)(D) as an example, because it was a training course other (b)(7)(C),(b)(7)(D) would be familiar with. He said he told (b)(7)(C),(b)(7)(D) he was going to complete (b)(7)(C),(b)(7)(D) He told OIG that at some point prior to December 16, 2011, he had completed (b)(7)(C),(b)(7)(D) could not recall telling (b)(7)(C),(b)(7)(D) if he was planning on completing training on December 16, 2011 (b)(7)(C),(b)(7)(D) relayed (b)(7)(C),(b)(7)(D) was at the same Unit Chiefs meeting on December 12, 2011. (b)(7)(C),(b)(7)(D) said he did not intend to deceive anyone.

During the second OIG interview, (b)(7)(C),(b)(7)(D) provided the following clarifications concerning events on December 12, 2011. He said he never told (b)(7)(C),(b)(7)(D) he was going to work at home on December 16, 2011. Rather, he said that during the December 12 Unit Chiefs meeting, he informed (b)(7)(C),(b)(7)(D) he was going to be working at HQ NRC on December 16, 2011. (b)(7)(C),(b)(7)(D) said he also informed (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) that because he did not have a computer at HQ (b)(7)(C),(b)(7)(D) he would have to perform some work from his residence using his home computer.

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(b)(7)(C), (b)(7)(D) told OIG that on December 15, 2011, he reported to NRC (b)(7)(C), (b)(7)(D) to seek assistance for loading CITRIX on his home computer. When he arrived at his office, he noticed the computer had been removed. (b)(7)(C), (b)(7)(D) went to another computer to try and transfer his computer certificates. While waiting on the transfer (b)(7)(C), (b)(7)(D) started to complete training. (b)(7)(C), (b)(7)(D) came into the office and gave (b)(7)(C), (b)(7)(D) several orders and then she left. (b)(7)(C), (b)(7)(D) recalled the orders were for (b)(7)(C), (b)(7)(D) to complete his computer work. (b)(7)(C), (b)(7)(D) returned to the office with (b)(7)(C), (b)(7)(D) and conveyed to (b)(7)(C), (b)(7)(D) there might be a furlough and then left the office. As (b)(7)(C), (b)(7)(D) was leaving, (b)(7)(C), (b)(7)(D) returned and ordered (b)(7)(C), (b)(7)(D) to call (b)(7)(C), (b)(7)(D) twice per week. (b)(7)(C), (b)(7)(D) felt like the interaction with (b)(7)(C), (b)(7)(D) was hostile and decided to leave.

(b)(7)(C), (b)(7)(D) said that on December 16, 2011, he called (b)(7)(C), (b)(7)(D) from his home using his personal cell phone. (b)(7)(C), (b)(7)(D) daughter came into the room while he was talking and was making noise. (b)(7)(C), (b)(7)(D) told his daughter to be quiet; however, she continued to talk until her babysitter arrived. (b)(7)(C), (b)(7)(D) asked (b)(7)(C), (b)(7)(D) what he was doing. According to (b)(7)(C), (b)(7)(D) he told (b)(7)(C), (b)(7)(D) that he wanted to work on training but he did not have a computer at HQ (b)(7)(C), (b)(7)(D) asked (b)(7)(C), (b)(7)(D) where he was going to work. (b)(7)(C), (b)(7)(D) said he told (b)(7)(C), (b)(7)(D) that he may work from HQ (b)(7)(C), (b)(7)(D) in the morning and return home. According to (b)(7)(C), (b)(7)(D) he heard (b)(7)(C), (b)(7)(D) chuckle.

(b)(7)(C), (b)(7)(D) told OIG that he worked at home on December 16, 2011, and completed Security Awareness training and Occupational Safety and Health Administration training, and worked on a Power Point presentation in preparation for a brief to members of HQ (b)(7)(C), (b)(7)(D) on NRC operations. He said he completed the Power Point on his home computer, using the NRC blue guide and notes, and he conducted research online. (b)(7)(C), (b)(7)(D) could not recall the specific times he logged on to iLearn and said he would alternate between iLearn and the Power Point presentation. (b)(7)(C), (b)(7)(D) said he believed that working from home was a better use of time than traveling to HQ (b)(7)(C), (b)(7)(D) where he did not have a computer.

(b)(7)(C), (b)(7)(D) told OIG that he did not ask for approval to telework on December 16, 2011. (b)(7)(C), (b)(7)(D) said he did not want to report to (b)(7)(C), (b)(7)(D) on December 16, 2011, because of his interaction the day before with (b)(7)(C), (b)(7)(D). On December 15, 2011, prior to interacting with (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) had planned to go to HQ NRC on December 16, 2011. (b)(7)(C), (b)(7)(D) acknowledged that (b)(7)(C), (b)(7)(D) does use NRC telework forms. (b)(7)(C), (b)(7)(D) stated telework in (b)(7)(C), (b)(7)(D) is approved depending on the circumstances. (b)(7)(C), (b)(7)(D) said he does not have a telework agreement in place with (b)(7)(C), (b)(7)(D).

(b)(7)(C), (b)(7)(D) indicated there were no other extenuating circumstances that would have required him to work from home aside from his desire not to interact with members of (b)(7)(C), (b)(7)(D) due to the issues he experienced on December 15, 2011. (b)(7)(C), (b)(7)(D) stated he did not intend to deceive anyone, but did not ask for permission from anyone in (b)(7)(C), (b)(7)(D) prior to

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staying home. (b)(7)(C), (b)(7)(D) explained that he told (b)(7)(C), (b)(7)(D) he may go to HQ (b)(7)(C), (b)(7)(D) in fear of (b)(7)(C), (b)(7)(D) taking some sort of adverse action against (b)(7)(C), (b)(7)(D) for working at home. (b)(7)(C), (b)(7)(D)

During the second OIG interview, (b)(7)(C), (b)(7)(D) provided the following points of clarification concerning events on December 16, 2011. He clarified that he told (b)(7)(C), (b)(7)(D) that he was at home and may be going into HQ (b)(7)(C), (b)(7)(D) said he wanted to avoid (b)(7)(C), (b)(7)(D) because his interaction with her the day before caused him chest pains and high blood pressure. However, he said he did not provide this reason to (b)(7)(C), (b)(7)(D) because (b)(7)(C), (b)(7)(D) works directly for (b)(7)(C), (b)(7)(D) said he decided that morning not to go to HQ NRC, but did not ask for permission from anyone at HQ NRC or HQ (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) initially told OIG he did not know why members of HQ (b)(7)(C), (b)(7)(D) would have the impression he was an (b)(7)(C), (b)(7)(D). He said he still (b)(7)(C), (b)(7)(D). However, later during the interview, (b)(7)(C), (b)(7)(D) admitted he told (b)(7)(C), (b)(7)(D) he was an (b)(7)(C), (b)(7)(D) said he had signed the settlement agreement relating to his (b)(7)(C), (b)(7)(D) in November 2011 and the (b)(7)(C), (b)(7)(D) was backdated to sometime in September per the agreement. (b)(7)(C), (b)(7)(D) believed that because he still (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) said he originally told (b)(7)(C), (b)(7)(D) he was an (b)(7)(C), (b)(7)(D) because he was unsure when the (b)(7)(C), (b)(7)(D) was effective. (b)(7)(C), (b)(7)(D) said he believed he was an (b)(7)(C), (b)(7)(D) the time he first met with (b)(7)(C), (b)(7)(D) at the end of November 2011. (b)(7)(C), (b)(7)(D) relayed that he had not updated his resume when he presented it to (b)(7)(C), (b)(7)(D). According to (b)(7)(C), (b)(7)(D) he was not thinking when he discussed (b)(7)(C), (b)(7)(D) and he still thought he was (b)(7)(C), (b)(7)(D) said that he had not notified the (b)(7)(C), (b)(7)(D) that his (b)(7)(C), (b)(7)(D) had changed and did not think the difference (b)(7)(C), (b)(7)(D) had not corrected the misrepresentation (b)(7)(C), (b)(7)(D) indicated he would notify his current (b)(7)(C), (b)(7)(D)

(For further details, see Exhibits 4 and 5.)

Department of Justice Coordination

(b)(7)(C) Southern District of Maryland, declined to prosecute this matter, in lieu of administrative action.

EXHIBITS

1. [REDACTED] Settlement Agreement and General Release.
2. Memorandum of Interview, [REDACTED] dated December 28, 2011.
3. [REDACTED] resume package submitted on December 9, 2011.
4. Transcript of Interview, [REDACTED] dated January 25, 2012.
5. Transcript of Interview, [REDACTED] dated February 1, 2012.
6. Draft Inter-Agency Agreement between NRC and [REDACTED]
7. NRC Telework Policy with attachment.
8. [REDACTED] Summary Report for Pay Period 26.
9. [REDACTED] Learn Entries Pertaining to December 15-17, 2011.
10. E-mail from [REDACTED] dated January 30, 2012.
11. Memorandum of Interview, [REDACTED] dated January 25, 2012.
12. Memorandum of Interview, [REDACTED] dated December 28, 2011.

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

**OFFICE OF THE
INSPECTOR GENERAL**

August 9, 2012

MEMORANDUM TO:

Concur: Case Closed
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

Team Leader

FROM:

Special Agent

SUBJECT:

**QUESTIONABLE USE OF TRAVEL FUNDS BY SENIOR
REGIONAL MANAGER (OIG CASE NO. 12-39)**

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) received an anonymous allegation alleging that (b)(7)(C), (b)(7)(D) a Region II manager, was traveling excessively to Region III (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D) The allegor stated that the travel could have been combined to accomplish multiple visits to licensees with fewer trips. The allegor did not provide any specifics concerning the travel, but felt it was excessive and not a good use of funds.

Findings

OIG determined that (b)(7)(C), (b)(7)(D) visited Region III seven times in 2012 (b)(7)(C), (b)(7)(D) NRC's Deputy Executive Director (b)(7)(C), (b)(7)(D) was aware of and supportive of

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(b)(7)(C),(b)(7)(D) travel to Region III (b)(7)(C),(b)(7)(D)
(b)(7)(C),(b)(7)(D) OIG also determined that (b)(7)(C),(b)(7)(D) combined visits to multiple licensees on three of the seven trips.

Basis of Findings

OIG determined that (b)(7)(C),(b)(7)(D) was announced as (b)(7)(C),(b)(7)(D) and assumed the new position on (b)(7)(C),(b)(7)(D). OIG reviewed (b)(7)(C),(b)(7)(D) 2011 and all available 2012 travel vouchers. In 2011, (b)(7)(C),(b)(7)(D) took eight official trips, none of which were to Region III licensees or Region III offices. In 2012, (b)(7)(C),(b)(7)(D) took 14 official trips, half of which were to locations in Region III. Of the seven Region III trips, six were to licensees and one was to the regional office for a (b)(7)(C),(b)(7)(D) with Region III staff. Three of the six trips to visit licensees involved visits to multiple licensees.

(b)(7)(C),(b)(7)(D) told OIG that he is aware of and supports the travel plans of employees who are (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) said it is a good practice to have the (b)(7)(C),(b)(7)(D)

OIG determined that the costs associated with the seven trips to Region III by (b)(7)(C),(b)(7)(D) totaled approximately \$9,100.

Because (b)(7)(C),(b)(7)(D) travel to Region III to learn about regional issues was justifiable and not excessive, it is recommended that this investigation be closed to the files of this office.

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

**OFFICE OF THE
INSPECTOR GENERAL**

August 15, 2012

MEMORANDUM TO:

Concur: Case Closed
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

Team Leader

FROM:

Special Agent

SUBJECT:

CONTINUED CONCERNS OF HOW NRC HANDLED
ISSUES REGARDING VALLECITOS NUCLEAR CENTER
AND BANDA GROUP INTERNATIONAL
(OIG CASE NO. 12-43)

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), received an allegation that previously identified concerns regarding misconduct and deficiencies at the Vallecitos Nuclear Center (VNC) were not being properly addressed by the NRC. This allegation is the same concern raised in OIG case C11-056, that

(b)(7)(C), (b)(7)(D) was not being objective in his inspection at VNC. In addition, the allegor now also states that after conducting inspections based on her complaint, the NRC is putting more effort into discrediting her than investigating her concerns.

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Findings

OIG found that the Region IV Allegations Review Board (ARB) reviewed the alleged's complaints and on May 2, 2012, the ARB determined that the alleged's complaints were either unsubstantiated, or substantiated but not a violation of NRC regulatory requirements, thus requiring referral to other agencies that had jurisdiction and responsibility for the respective concerns.

Basis for Findings

In July 2011, OIG received an allegation that (b)(7)(C), (b)(7)(D) Region IV, NRC, was not being objective during his inspections at Vallecitos Nuclear Center (VNC), and that (b)(7)(C), (b)(7)(D) was deliberately assigned to intimidate (b)(7)(C), (b)(7)(D) at VNC, while acting as a (b)(7)(C), (b)(7)(D) during an interview regarding her complaint about VNC management.

During the investigation of C11-056, OIG learned that (b)(7)(C), (b)(7)(D) never directly witnessed (b)(7)(C), (b)(7)(D) conducting inspections at VNC. OIG found no evidence of misconduct by (b)(7)(C), (b)(7)(D) and Region IV agreed to re-interview (b)(7)(C), (b)(7)(D) with a different (b)(7)(C), (b)(7)(D).

OIG learned that the NRC Office of Investigation re-interviewed the alleged in October, 2011, with the assistance of a Region III technical advisor after the alleged complained that she was treated unfairly in the initial interview with (b)(7)(C), (b)(7)(D).

OIG found that the Region IV ARB reviewed Allegation Number RIV-2011-A-0050 and determined that there were nine separate issues raised by the alleged that required further investigation by the NRC. The NRC addressed the concerns by conducting onsite inspections or by utilizing an independent evaluation team composed of multiple contract companies with a background in safety conscious work environments in nuclear industry work environments. The onsite inspections resulted in the concerns being either unsubstantiated or substantiated but not a violation of NRC regulatory requirements.

NRC determined that three of the alleged's concerns were not associated with NRC regulatory requirements and she was provided contact information for the appropriate governing agency for each concern by Region IV personnel.

Due to the fact that Region IV inspected and investigated each concern that was within NRC's purview prior to determining they were unsubstantiated, or substantiated but determined to not be a violations of NRC regulatory requirements, it is recommended that this case be closed to the files of this office.

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OFFICE OF THE
INSPECTOR GENERAL

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

October 31, 2012

MEMORANDUM TO: Chairman Macfarlane

FROM:

Hubert T. Bell
Hubert T. Bell
Inspector General

SUBJECT:

ALLEGED INTIMIDATION OF THE (b)(7)(C), (b)(7)(D)
(b)(7)(C), (b)(7)(D) BY NRC COMMISSIONER
(OIG CASE NO. 12-62)

This report conveys the results of an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), investigation into an allegation that NRC Commissioner (b)(7)(C), (b)(7)(D) behaved in an intimidating manner toward the director of NRC's (b)(7)(C), (b)(7)(D)

Allegation

OIG initiated this investigation based on an anonymous allegation that Commissioner (b)(7)(C), (b)(7)(D) raised his voice during a one-on-one interaction with (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) forcibly shut (b)(7)(C), (b)(7)(D) office door, and attempted to physically intimidate her. This incident was allegedly overheard by others on the (b)(7)(C), (b)(7)(D) staff. OIG interviews concerning this allegation disclosed the names of two additional office directors who may have had intimidating interactions with Commissioner (b)(7)(C), (b)(7)(D). OIG interviewed the two office directors to determine whether such interactions occurred.

Findings

OIG did not substantiate that Commissioner (b)(7)(C), (b)(7)(D) engaged in physically or otherwise intimidating behavior toward (b)(7)(C), (b)(7)(D) or the other two office directors identified as possibly having had intimidating interactions with Commissioner (b)(7)(C), (b)(7)(D).

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OIG found that during a July 3, 2012, one-on-one, periodic meeting in (b)(7)(C), (b)(7)(D) office, Commissioner (b)(7)(C), (b)(7)(D) raised his voice when questioning (b)(7)(C), (b)(7)(D) as to why (b)(7)(C), (b)(7)(D) was conducting an (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) OIG also found that Commissioner (b)(7)(C), (b)(7)(D) shut (b)(7)(C), (b)(7)(D) office door during the discussion in a manner that (b)(7)(C), (b)(7)(D) and two other (b)(7)(C), (b)(7)(D) employees who were nearby described as forceful or slamming; however, Commissioner (b)(7)(C), (b)(7)(D) said he closed the door in a normal manner. OIG found that during their private meeting, Commissioner (b)(7)(C), (b)(7)(D) told (b)(7)(C), (b)(7)(D) that he believed it was a waste of resources for (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D)

While (b)(7)(C), (b)(7)(D) recalled that Commissioner (b)(7)(C), (b)(7)(D) told her he thought (b)(7)(C), (b)(7)(D) should not have opened an (b)(7)(C), (b)(7)(D) into the matter, Commissioner (b)(7)(C), (b)(7)(D) said his emphasis was that (b)(7)(C), (b)(7)(D) OIG found that after (b)(7)(C), (b)(7)(D) engaged in discussion with Commissioner (b)(7)(C), (b)(7)(D) as to the reasons for (b)(7)(C), (b)(7)(D) Commissioner (b)(7)(C), (b)(7)(D) and (b)(7)(C), (b)(7)(D) moved on to different topics, and Commissioner (b)(7)(C), (b)(7)(D) did not again question the rationale for (b)(7)(C), (b)(7)(D) Further, OIG did not develop any information to suggest that Commissioner (b)(7)(C), (b)(7)(D) directed (b)(7)(C), (b)(7)(D) her supervisor, or NRC's Executive Director for Operations (EDO) to stop the (b)(7)(C), (b)(7)(D) or otherwise try to interfere with the (b)(7)(C), (b)(7)(D)

Basis for Findings

OIG learned it is routine practice for office directors to have periodic meetings with Commissioners to discuss significant activities within their divisions.

(b)(7)(C), (b)(7)(D) told OIG she typically meets with the Commissioners quarterly to discuss (b)(7)(C), (b)(7)(D) and other matters that may interest the Commission. She said that during a July 3, 2012, periodic meeting with Commissioner (b)(7)(C), (b)(7)(D) office, one of the cases she briefed him on pertained to the (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) told Commissioner (b)(7)(C), (b)(7)(D) was working closely with (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) said that at this point in the discussion, Commissioner (b)(7)(C), (b)(7)(D) expressed an objection to both (b)(7)(C), (b)(7)(D) (b)(7)(C), (b)(7)(D) responded by describing (b)(7)(C), (b)(7)(D) different roles, but said Commissioner (b)(7)(C), (b)(7)(D) was dissatisfied with the answer. Commissioner (b)(7)(C), (b)(7)(D) told her he was responsible for the budget and she was wasting resources. (b)(7)(C), (b)(7)(D) again described (b)(7)(C), (b)(7)(D) respective roles and jurisdictions, but said Commissioner (b)(7)(C), (b)(7)(D) became frustrated and stated, "You don't understand what I'm telling you," and asked her if she had asked the EDO if she could (b)(7)(C), (b)(7)(D) told Commissioner (b)(7)(C), (b)(7)(D)

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that the EDO does not have a role in approving the (b)(7)(C), (b)(7)(D) and she does not brief the EDO prior to (b)(7)(C), (b)(7)(D) again described (b)(7)(C), (b)(7)(D) separate roles, and Commissioner (b)(7)(C), (b)(7)(D) again responded, "You don't understand what I'm telling you." (b)(7)(C), (b)(7)(D) said the Commissioner then got up, "slammed" the door to her office, returned to his seat, and began questioning her about why (b)(7)(C), (b)(7)(D)

(b)(7)(C), (b)(7)(D)

As the conversation continued (b)(7)(C), (b)(7)(D) asked whether he would be getting two separate reports concerning the (b)(7)(C), (b)(7)(D) responded that (b)(7)(C), (b)(7)(D) would provide a report to the Commission, but that (b)(7)(C), (b)(7)(D) also told Commissioner (b)(7)(C), (b)(7)(D) that she would not close the case. She said that after she informed him that he might not receive the (b)(7)(C), (b)(7)(D) Commissioner (b)(7)(C), (b)(7)(D) appeared to calm down, and (b)(7)(C), (b)(7)(D) moved on to brief the Commissioner about (b)(7)(C), (b)(7)(D) said that at the end of the meeting, Commissioner (b)(7)(C), (b)(7)(D) told her that she tolerates his outbursts and said he always learns something when he meets with her. (b)(7)(C), (b)(7)(D) thought, in this case, he was referring to the different roles of (b)(7)(C), (b)(7)(D) because at one point during their meeting he had stated he did not know the difference (b)(7)(C), (b)(7)(D) The two then shook hands and Commissioner (b)(7)(C), (b)(7)(D) departed her office. (b)(7)(C), (b)(7)(D) said that after he left her office, he engaged in "small talk" with two (b)(7)(C), (b)(7)(D) employees in the (b)(7)(C), (b)(7)(D) front office before departing from (b)(7)(C), (b)(7)(D) space. She said that after he left, the two employees expressed to her their concern about the door being slammed and that they heard yelling. (b)(7)(C), (b)(7)(D) explained to the employees what occurred and that there was no need to worry.

(b)(7)(C), (b)(7)(D) subsequently e-mailed Commissioner (b)(7)(C), (b)(7)(D) to inform him that (b)(7)(C), (b)(7)(D) employees had overheard their interaction and had expressed concern. Commissioner (b)(7)(C), (b)(7)(D) wrote back and thanked her for her e-mail and offered to speak with (b)(7)(C), (b)(7)(D) staff about the interaction. About a half-hour later, he e-mailed her again and said he would like to talk with her, and she called him back. During their conversation, Commissioner (b)(7)(C), (b)(7)(D) apologized for raising his voice to her, and (b)(7)(C), (b)(7)(D) accepted his apology, at which point she considered the matter resolved. She told him she did not think it was necessary for him to speak with her staff, but he was welcome to do so at any time. Because (b)(7)(C), (b)(7)(D) staff members were still talking about the incident the following workday, (b)(7)(C), (b)(7)(D) spoke to the staff and explained what happened, that Commissioner (b)(7)(C), (b)(7)(D) had apologized, and that she accepted his apology.

(b)(7)(C), (b)(7)(D) told OIG she was not intimidated by the discussion with Commissioner (b)(7)(C), (b)(7)(D) however, she felt he exceeded the threshold for open dialog and discussion and that his behavior was unprofessional. (b)(7)(C), (b)(7)(D) stated that in her followup telephone conversation with Commissioner (b)(7)(C), (b)(7)(D) about the matter, she told him

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they should be able to talk openly, professionally, and respectfully. (b)(7)(C),(b)(7)(D) did not anticipate Commissioner (b)(7)(C),(b)(7)(D) would again speak to her in the manner he used regarding the (b)(7)(C),(b)(7)(D).

(b)(7)(C),(b)(7)(D)

The two (b)(7)(C),(b)(7)(D) employees working near (b)(7)(C),(b)(7)(D) office on July 3, 2012, described Commissioner (b)(7)(C),(b)(7)(D) closing of (b)(7)(C),(b)(7)(D) office door as a forceful closing, or slamming, of the door. One of the employees said they could not hear Commissioner (b)(7)(C),(b)(7)(D) and (b)(7)(C),(b)(7)(D) discussion before the door was closed, but that after the door was shut, they could vaguely hear Commissioner (b)(7)(C),(b)(7)(D) slightly elevated voice but could not understand the content of their discussion. This employee considered interrupting the meeting to ensure (b)(7)(C),(b)(7)(D) safety, but did not. Neither employee described Commissioner (b)(7)(C),(b)(7)(D) discussion with (b)(7)(C),(b)(7)(D) as yelling, but both said his voice increased in volume.

Commissioner (b)(7)(C),(b)(7)(D) told OIG he likes to visit and meet with office directors in their offices and space to keep from becoming isolated in his office. He told OIG he was shocked, surprised, and taken aback to learn of the physical intimidation allegation and perceived the allegation as a threat by the allegor to the Commissioner's reputation and an attempt to "smear my name." He said he did not yell at (b)(7)(C),(b)(7)(D) during their July 3, 2012, periodic but acknowledged raising his voice "a decibel or two" when discussing the (b)(7)(C),(b)(7)(D). In hindsight, he said this may have been inappropriate, but he said it is his habit to raise his voice to "drive home a point." He told OIG that he closed the door because he did not want (b)(7)(C),(b)(7)(D) staff to hear his criticism of her management decision to initiate an (b)(7)(C),(b)(7)(D).

Commissioner (b)(7)(C),(b)(7)(D) said he explained to (b)(7)(C),(b)(7)(D) that he thought (b)(7)(C),(b)(7)(D) should be (b)(7)(C),(b)(7)(D). (b)(7)(C),(b)(7)(D) Commissioner (b)(7)(C),(b)(7)(D) thought the efforts could be integrated and that consideration should be made to integrate (b)(7)(C),(b)(7)(D) into one report. Commissioner (b)(7)(C),(b)(7)(D) told OIG he did not direct (b)(7)(C),(b)(7)(D) and that he does not have the authority to give such direction, even if he wanted to. Commissioner (b)(7)(C),(b)(7)(D) said he did not slam the door, but shut it "in a normal manner from [his] standpoint." He said the only "mistake" he made during the interaction was to have closed the door himself instead of asking her to close it. He said that at no time during his meeting with (b)(7)(C),(b)(7)(D) express verbally, or demonstrate nonverbally, concern about his closing the door or his manner or tone of voice.

(b)(7)(C),(b)(7)(D)

Commissioner (b)(7)(C),(b)(7)(D) provided a copy of the e-mail (b)(7)(C),(b)(7)(D) sent him after their meeting on July 3, 2012, and described the subsequent phone conversation he had with (b)(7)(C),(b)(7)(D). He characterized the call as a good phone call, wherein he apologized for the situation and stated he was surprised that (b)(7)(C),(b)(7)(D) employees were concerned and thought

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he and (b)(7)(C),(b)(7)(D) had an open discussion on issues. Commissioner (b)(7)(C),(b)(7)(D) said (b)(7)(C),(b)(7)(D) told him that she appreciated their candid discussions and told him not to say any more on the subject.

The Deputy EDO who supervises (b)(7)(C),(b)(7)(D) told OIG he had not discussed with Commissioner (b)(7)(C),(b)(7)(D) the Commissioner's interaction with (b)(7)(C),(b)(7)(D). A different Deputy EDO who supervises (b)(7)(C),(b)(7)(D) told OIG that Commissioner (b)(7)(C),(b)(7)(D) brought the matter up with him, explained the details of his discussion with (b)(7)(C),(b)(7)(D) and told the Deputy EDO he did not and would not direct or attempt to influence the (b)(7)(C),(b)(7)(D). The EDO told OIG that Commissioner (b)(7)(C),(b)(7)(D) raised the matter with him during a periodic meeting and told him it was never the Commissioner's intention to leave (b)(7)(C),(b)(7)(D) with an impression that he was attempting to influence (b)(7)(C),(b)(7)(D). The EDO also said the Commissioner never directed, interfered, or asked him to stop the (b)(7)(C),(b)(7)(D).

OIG also interviewed two office directors purported to have had difficult interactions with Commissioner (b)(7)(C),(b)(7)(D). One of the office directors reported to OIG no concerns of intimidation or unprofessional behavior. The other office director described some periodic discussions with Commissioner (b)(7)(C),(b)(7)(D) on policy matters that were uncomfortable. The office director said the Commissioner can get "animated" and "it is easy to see when he's not pleased with what you're telling him." The office director said the Commissioner is "energized by some topics and when he doesn't like what's going on, he tells you." The office director did not characterize (b)(7)(C),(b)(7)(D) behavior as unprofessional or threatening, but said his manner reflected a military, "I'm the commander," background. However, the office director said the interactions were not intimidating.

Conclusion

OIG did not substantiate the anonymous claim that Commissioner (b)(7)(C),(b)(7)(D) was physically intimidating toward (b)(7)(C),(b)(7)(D) however, (b)(7)(C),(b)(7)(D) described the Commissioner's behavior as unprofessional. OIG also determined that perceptions differed with regard to the manner in which the Commissioner shut (b)(7)(C),(b)(7)(D) office door and whether he sought to have (b)(7)(C),(b)(7)(D).

Please notify this office within 90 days of what, if any, action you intend to take with regard to this report. If you have questions, contact Joseph McMillan, Assistant

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Inspector General for Investigations, at 301-415-5929, or Rossana Raspa, Senior Level Assistant for Investigative Operations, at 301-415-5954.

A copy of this report will also be provided to the ranking majority and minority members of the U.S. Senate Committee on Environment and Public Works, the U.S. House of Representatives Committee on Energy and Commerce, and the U.S. House of Representatives Committee on Oversight and Government Reform.



OFFICE OF THE
INSPECTOR GENERAL

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

October 12, 2012

MEMORANDUM TO: Concur: Cased Closed (b)(7)(C)
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU: (b)(7)(C)
Team Leader, (b)(7)(C)

FROM: (b)(7)(C)
Special Agent

SUBJECT: NRC OI INVESTIGATION DID NOT ADDRESS CONCERNS
RAISED AT SAN ONOFRE NUCLEAR STATION (SONGS)
(OIG CASE NO. 12-47)

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) initiated this investigation based on a letter to Congressman Darrell ISSA's office from (b)(7)(C) who alleged that the NRC Office of Investigation (OI) did not address his concern of retaliation by the San Onofre Nuclear Generating Stations (SONGS) management for allegedly lowering his performance appraisal because (b)(7)(C) refused to alter cause evaluation reports.

Findings

OIG found that (b)(7)(C) allegation was reviewed by the Region IV Allegation Review Board (ARB), which referred the retaliation complaint to OI after the alternative dispute resolution process failed to resolve the complaint. OIG found that OI's investigation

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addressed (b)(7)(C) allegation of retaliation by interviewing relevant personnel, reviewing pertinent documents, and providing (b)(7)(C) the opportunity to present specific concerns regarding his allegation. OI did not substantiate that (b)(7)(C) was discriminated against by SONGS management for raising safety related concerns. (b)(7)(C) performance appraisal was lowered by SONGS and later changed as a result of an independent inquiry by SONGS, which found that the lowered performance appraisal was unwarranted.

Basis of Findings

OIG learned that (b)(7)(C) allegation, regarding cause evaluations and nuclear notifications, was received and assessed by NRC Region IV ARB staff and determined to not be safety related. After the alternative dispute resolution (ADR) process failed, OI opened an investigation concerning the retaliation complaint by (b)(7)(C) against SONGS.

OIG compared OI's investigative case file and report against the alleged retaliation outlined in (b)(7)(C) letter to ISSA and concluded that OI addressed (b)(7)(C) issues during its investigation by interviewing relevant personnel, reviewing relevant documents, and giving (b)(7)(C) and opportunity to present specific concerns about his allegation. SONGS conducted an independent review of (b)(7)(C) performance appraisal and found that (b)(7)(C) lowered appraisal was unwarranted. As a result, SONGS management corrected the error and (b)(7)(C) was compensated with backdated compensation that was lost due to the error. OI did not substantiate that SONGS retaliated against (b)(7)(C) for raising safety concerns.

OIG interviewed (b)(7)(C) who admitted that he was not aware of the full details of the OI investigation. (b)(7)(C) told OIG that his letter to Congressman ISSA's office was based on the NRC closure letter and not a review of OI's report of investigation. (b)(7)(C) stated that he was unaware that the letter was a synopsis of the overall NRC findings and only presented a brief summary of the OI investigation. (b)(7)(C) said he had no additional information to provide concerning his allegation, but he maintained that he was retaliated against and disagreed with the outcome of OI's investigation.

Because the OI investigation reviewed (b)(7)(C) concerns by interviewing relevant personnel and reviewing pertinent documents, it is recommended that this investigation be closed to the files of this office.

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

OFFICE OF THE
INSPECTOR GENERAL

March 8, 2012

MEMORANDUM TO: Concur: Case Closed [Signature]
Joseph A. McMillan
Assistant Inspector General
for Investigations

THRU:

(b)(7)(C)

Team Leader,

FROM:

(b)(7)(C)

Special Agent (b)(7)(C)

SUBJECT: FAILURE TO INSPECT NORTH ANNA NUCLEAR PLANT
UNIT 1 AFTER EARTHQUAKE (OIG CASE NO. 12-02)

Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), received an allegation that Victor McCREE, Regional Administrator, Region II, NRC, failed to protect public health and safety by not inspecting North Anna Nuclear Power Plant (North Anna), Unit 1 internals, after it was shut down due to an August 23, 2011, earthquake centered in Mineral, Virginia.

Findings

OIG found that NRC Headquarters dispatched an Augmented Inspection Team (AIT) to North Anna following the August 23, 2011, earthquake. The decision to restart North Anna was not McCREE's responsibility. On November 11, 2011, Eric LEEDS, Director, Office of Nuclear Reactor Regulation (NRR), NRC, declared North Anna safe to restart after confirming regulatory requirements were met.

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Basis for Findings

OIG learned that on August 30, 2011, in accordance with Management Directive 8.3, "NRC Incident Investigation Program," NRC dispatched the AIT to North Anna to better understand the event and the licensee's response after the August 23, 2011, earthquake. Utilizing guidance provided in Regulatory Guide 1.167, "Restart of a Nuclear Power Plant Shut Down by a Seismic Event," the AIT concluded that the licensee performed adequate inspections, walk downs, and testing to ensure that safety related structures, systems, and components for units 1 and 2 at North Anna had not been adversely affected by the earthquake.

OIG reviewed NRC and licensee documents regarding evaluation and inspection activities of North Anna's Units 1 and 2 reactor vessel internals. OIG determined that the NRC staff utilized the guidance provided in Regulatory Guide 1.167, which endorses the Electric Power Research Institutes (EPRI's) NP-6695, "Guidelines for Nuclear Plant Response to an Earthquake."

OIG reviewed a September 17, 2011, Dominion submittal to NRC outlining its restart readiness plan for returning North Anna to service. OIG also reviewed an internal NRC memorandum, dated November 3, 2011, which provided the Mechanical & Civil Engineering Branch, Division of Engineering, NRR, input to NRC's North Anna seismic event safety evaluation report. These two documents include Dominion's evaluation and inspection plan regarding the North Anna Units 1 and 2, as well as NRC's assessment of Dominion's completed evaluation and inspection of Units 1 and 2. The NRC evaluation results showed that the NRC staff concluded that no functional damage occurred to either of the reactor vessel internals such that, "The resumption of plant operation will not result in undue risk to the health and safety of the public."

OIG reviewed NRC technical evaluation, dated November 11, 2011, of the North Anna Units 1 and 2 regarding the restart of North Anna following the August 23, 2011, earthquake. The technical evaluation documented NRC inspection activities and conclusions supporting NRC's decision to allow North Anna to restart to include a conclusion regarding the functionality of the reactor vessel internals. The Technical evaluation explained in detail the inspection activities of both Units 1 and 2. The technical evaluation also explained why certain inspection results of Unit 2 would be representative of the findings for Unit 1. As authorized by Regulatory Guide 1.167, the Director of NRR determined that North Anna could be operated safely.

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Due to the fact that NRR followed policies and procedures that NRC has in place for the restart of a nuclear power plant shut down by a seismic event and that NRR concluded that North Anna could be operated without undue risk to the health and safety of the public, it is recommended that this case be closed to the files of this office.

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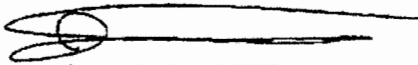


**OFFICE OF THE
INSPECTOR GENERAL**

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

September 28, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

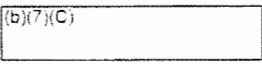
FROM: 
Joseph A. McMillan
Assistant Inspector General
for Investigations

SUBJECT: UNAUTHORIZED SHARING OF NETWORK PASSWORD AND
MISUSE OF E-MAIL SYSTEM BY AN OFFICE OF
ADMINISTRATION EMPLOYEE (CASE NO. 12-12)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), Report of Investigation pertaining to unauthorized sharing of network password and misuse of e-mail system by an Office of Administration employee. This report is furnished for whatever action you deem appropriate. Please notify this office within 120 days of what action you take based on the results of this investigation. Contact this office if further assistance is required.

The distribution of this report should be limited to those NRC managers required for evaluation of this matter. Neither the Report of Investigation nor its exhibits may be placed in ADAMS without the written permission of the OIG.

Attachment: Report of Investigation w/ exhibits

cc:  ADM/DFS w/o exhibits

CONTACT: Rossana Raspa, OIG
415-5925

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WARNING

**Material of a
Pornographic Nature**

OBSCENE MATERIAL

OFFICE OF THE INSPECTOR GENERAL

Report of Investigation



Unauthorized Sharing of Network Password and Misuse of E-mail System by an Office of Administration Employee

OIG Case No. 12-12

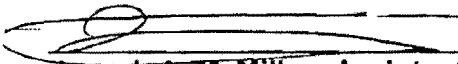
(b)(7)(C)

Special Agent

(b)(7)(C)

(b)(7)(C)

Team Leader


Joseph A. McMillan, Assistant Inspector General
for Investigations


Date

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**Unauthorized Sharing of Network Password
and Misuse of E-Mail System by an
Office of Administration Employee**

Case No. 12-12

September 28, 2012

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STATUTES, REGULATIONS, AND POLICY

**NRC Rules of Behavior for Authorized Computer Use, System Access, and Use,
Dated May 19, 2012**

The following rules of behavior are relevant to NRC system access, and use. Users shall:

- Adhere to all Federal laws, NRC security policies, standards, and directives.
- Be responsible for all actions performed using his or her user account, and shall not allow others access once he or she has logged on to any system.
- Follow established procedures for accessing information, including the use of user identification (ID), passwords, and other physical and logical safeguards.
- Protect passwords (including access numbers) from disclosure and shall not record them in writing or in electronic form except when they are protected against unauthorized access at a level comparable to the sensitivity of the information that may be accessed using the password.
- Promptly change a password whenever compromise is known or suspected.
- Protect passwords by not sharing them with any other person, including the user's supervisor or Help Desk worker.
- Not use Internet and electronic mail for fraudulent or harassing messages or for sexual remarks or the downloading of illegal or inappropriate materials (e.g., pornography). Additionally, users shall not send or retain any such material on any Government system.

Users shall not:

- Divulge access information (e.g., login procedures, lists of user accounts) for a computing resource to anyone who does not have a need to know the information as determined by NRC management.

NRC Management Directive and Handbook 12.5, "NRC Automated Information Security Program," Part 2.5

The NRC user rules of behavior are to be followed by all users of the NRC local-area network/wide-area network (LAN/WAN) system and all users of any NRC AIS [Automated Information System]. Users shall be held accountable for their actions on the NRC LAN/WAN system. If an employee violates NRC policy regarding the rules of behavior for use of any NRC AIS and the NRC LAN/WAN system, they may be subject to disciplinary action at the discretion of NRC management.

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An AIS user –

- Shall protect all user IDs and associated passwords issued to him or her and will not disclose the password to anyone. Will change his or her password when a possible compromise is suspected and at least every 90 days.
- Shall comply with all policies and procedures related to the security of NRCLAN/WAN system data and NRC AIS's.
- Shall safeguard passwords and user account numbers from other personnel by not disclosing them either verbally or in written form.

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SUBJECT

(b)(7)(C),(b)(7)(D)

Office of Administration (ADM)
U.S. Nuclear Regulatory Commission (NRC)

ALLEGATION

The Office of the Inspector General (OIG), NRC, initiated this investigation based on a proactive project to identify instances of computer misuse on the NRC computer network. OIG identified an NRC computer assigned to the (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) that was used to obtain sexually explicit or sexually oriented images using Google searches.

FINDINGS

OIG found that (b)(7)(C),(b)(7)(D) improperly provided several of his co-workers with his network user account information, which was used by one co-worker, (b)(7)(C),(b)(7)(D) to view sexually explicit or sexually oriented images from October to November 2011. (b)(7)(C),(b)(7)(D) shared his username and password with NRC employees in the (b)(7)(C),(b)(7)(D) so they could access the (b)(7)(C),(b)(7)(D) network resource mailboxes on the NRC e-mail system, used to process (b)(7)(C),(b)(7)(D). However, a review of the Office of Information Services (OIS) records confirmed that (b)(7)(C),(b)(7)(D) had access to the network resource mailboxes without having to use (b)(7)(C),(b)(7)(D) login account information.

(b)(7)(C),(b)(7)(D) also admitted he forwarded to (b)(7)(C),(b)(7)(D) e-mails containing sexually oriented images. OIG found 7 e-mails containing a total of 38 sexually oriented images and 2 sexually explicit videos that were forwarded using (b)(7)(C),(b)(7)(D) account to (b)(7)(C),(b)(7)(D) other non-NRC employees, and (b)(7)(C),(b)(7)(D) personal e-mail account on June 10, July 11, September 29, October 6, and November 18, 2011, and January 12, 2012. (b)(7)(C),(b)(7)(D) stated he often receives unsolicited e-mails of a sexually explicit nature from friends and that he sometimes forwards the e-mails to other people.

¹ OIG conducted a separate investigation concerning (b)(7)(C),(b)(7)(D) which is reported in OIG Case No. 12-23.

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BASIS FOR FINDINGS

Review of NRC Computer Assigned to (b)(7)(C),(b)(7)(D)

The OIG Cyber Crimes Unit (CCU) obtained a forensic image of an NRC computer in the (b)(7)(C),(b)(7)(D) assigned to (b)(7)(E) (b)(7)(E)

A user profile contains specific information relating to that particular user, and computer activities conducted on the profile are saved to it. Such activities include Internet activity, e-mails, and documents. This user profile and information on the hard drive were examined to determine if (b)(7)(C),(b)(7)(D) searched for inappropriate material in the Government workplace using Government resources.

(b)(7)(E)

(For further details, see Exhibit 1.)

Review of NRC E-mails

OIG reviewed e-mail records for (b)(7)(C),(b)(7)(D) relating to the computer misuse investigation, to identify instances of computer misuse. The review identified the following:

E-mail Inbox

- 17 sexually explicit images in 2 e-mails sent from (b)(7)(C),(b)(7)(D) to (b)(7)(C),(b)(7)(D) on July 5, 2011 and January 12, 2012.

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Sent E-mail

- 38 sexually explicit images and 2 sexually oriented videos in 7 e-mails sent from (b)(7)(C),(b)(7)(D) personal e-mail, and to individuals outside the NRC. The e-mails were sent on June 10, July 11, September 29, October 6, and November 18, 2011, and January 12, 2012.

Deleted E-mail

- 24 pornographic images in two e-mails sent from (b)(7)(C),(b)(7)(D) to (b)(7)(C),(b)(7)(D) and from (b)(7)(C),(b)(7)(D) to (b)(7)(C),(b)(7)(D) personal e-mail address, on January 12, 2012.

(For further details, see Exhibit 2.)

Review of the Office of Information Services Customer Service Center Records

OIG reviewed OIS Customer Support Center records for information relating to the (b)(7)(C),(b)(7)(D) resource mailboxes and learned that the following (b)(7)(C),(b)(7)(D) employees were given access to the (b)(7)(C),(b)(7)(D) e-mail accounts on the following dates:

| Name | | (b)(7)(C),(b)(7)(D) | |
|---------------------|---|---------------------|---------------------|
| (b)(7)(C),(b)(7)(D) | Y | Y | 5/6/2009 8/27/2009 |
| | Y | Y | 6/11/2012 6/11/2012 |
| | Y | Y | 2/21/2012 2/21/2012 |

Note: The (b)(7)(C),(b)(7)(D) e-mail accounts are used by (b)(7)(C),(b)(7)(D) staff to receive, process, and distribute requests for (b)(7)(C),(b)(7)(D) for NRC staff.

(For further details, see Exhibit 3.)

Review of Training Records

OIG reviewed information from the iLearn Online training system regarding (b)(7)(C),(b)(7)(D) and found he completed the Computer Security Awareness training on March 25, 2011, and January 4, 2012. This training consists of three parts: Computer Security Awareness; Safeguards Information; and Rules and Behavior Acknowledgement, which explains the rules on inappropriate computer use.

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(For further details, see Exhibit 4.)

Interview of [REDACTED]

[REDACTED] told OIG that he had received e-mails from his brother with pornographic material inside. [REDACTED] Initially stated he would delete these e-mails containing pornographic material, but later admitted he would forward them to [REDACTED] and other people inside and outside of the NRC.

[REDACTED] admitted that from approximately October 2011 through January 2012, he used [REDACTED] login account information to search for sexual content material that was not blocked by the NRC. [REDACTED] told OIG that [REDACTED] did not have anything to do with the Google searches under [REDACTED] user account. [REDACTED] stated he used search terms such as "cougar," "busty women," and "she-males" as search terms and that Google Images would return pornographic images.

(For further details, see Exhibits 5, 6, and 7.)

Interview of Reproduction Section Contractor Employees

[REDACTED] told OIG that he works as a part-time contractor in the [REDACTED] and that in the past, [REDACTED] would provide him [REDACTED] login and password so that he could access the [REDACTED] e-mail accounts. He believed that [REDACTED] transitioned from a print server environment to the [REDACTED] e-mail accounts and that because of the transition, only [REDACTED] had access to the [REDACTED] e-mail accounts. In early 2012, other [REDACTED] employees obtained access from OIS to the [REDACTED] e-mail accounts. [REDACTED] said he did not recall ever using the Internet (to include Google Images) under [REDACTED] account.

(For further details, see Exhibit 8.)

[REDACTED] contractor employee, told OIG that he was aware that [REDACTED] had provided other people in [REDACTED] his password to access [REDACTED] e-mails accounts. [REDACTED] stated that [REDACTED] never personally gave him his password, but [REDACTED] did provide it to [REDACTED] said he never used the Internet or any other computer program while the computer was logged in under someone else's name.

(For further details, see Exhibit 9.)

² OIG conducted a separate investigation concerning [REDACTED] which is reported in OIG Case No. 12-23.

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Interview of (b)(7)(C),(b)(7)(D) Supervisors

(b)(7)(C),(b)(7)(D) who (b)(7)(C),(b)(7)(D) stated he has known (b)(7)(C),(b)(7)(D) for 35 years, and was not aware (b)(7)(C),(b)(7)(D) had been sharing his username and password with other (b)(7)(C),(b)(7)(D) stated there was no need for (b)(7)(C),(b)(7)(D) to share his network login information because the (b)(7)(C),(b)(7)(D) employees who needed access to the network resource mailboxes had access to them (b)(7)(C),(b)(7)(D) stated that (b)(7)(C),(b)(7)(D) were provided access to the network resource mailboxes. (b)(7)(C),(b)(7)(D) stated that each user should have logged on individually whenever accessing those accounts.

(b)(7)(C),(b)(7)(D) stated the resource e-mail accounts (mailboxes) were originally set up so NRC users would not send (b)(7)(C),(b)(7)(D) to individual employees in (b)(7)(C),(b)(7)(D) but would send requests to the (b)(7)(C),(b)(7)(D) branch so that (b)(7)(C),(b)(7)(D) employees could see pending (b)(7)(C),(b)(7)(D) (b)(7)(C),(b)(7)(D) stated the (b)(7)(C),(b)(7)(D) e-mail account has been in place for approximately 15 years, and the (b)(7)(C),(b)(7)(D) e-mail account for approximately 3 years. Both accounts were set up by OIS for (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) former Branch Chief (b)(7)(C),(b)(7)(D) told OIG that beginning in March 2010, she was (b)(7)(C),(b)(7)(D) second line supervisor for approximately 2 years. (b)(7)(C),(b)(7)(D) stated she was unaware (b)(7)(C),(b)(7)(D) shared his user ID and password with other people in the (b)(7)(C),(b)(7)(D) stated if she had been aware, she would have counseled (b)(7)(C),(b)(7)(D) that it was a security violation and not to share his password with anyone. (b)(7)(C),(b)(7)(D) stated (b)(7)(C),(b)(7)(D) should not have needed to share his password with anyone, as everyone who needed to access the (b)(7)(C),(b)(7)(D) mailboxes should have been able to do so by using their own user ID and password.

(For further details, see Exhibits 10 and 11.)

Interview of (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) provided a signed, sworn statement to OIG denying viewing inappropriate Google Images under his user account. However, (b)(7)(C),(b)(7)(D) stated he shared his username and password with (b)(7)(C),(b)(7)(D) and two (b)(7)(C),(b)(7)(D) contractors (b)(7)(C),(b)(7)(D) because he believed that his account was the only account that was established to access the two (b)(7)(C),(b)(7)(D) e-mail accounts used to receive and distribute (b)(7)(C),(b)(7)(D) from NRC staff. (b)(7)(C),(b)(7)(D) also believed that he was the owner of the two (b)(7)(C),(b)(7)(D) accounts and that the only way to access them was by accessing his network login account. (b)(7)(C),(b)(7)(D) stated that he generally leaves work at 3:30 every day and that any activity after that time would be by either (b)(7)(C),(b)(7)(D)

(b)(7)(C),(b)(7)(D) initially stated he did not recall sending any sexually explicit images to others via e-mail. However, when OIG described e-mails found in (b)(7)(C),(b)(7)(D) e-mail account,

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(b)(7)(C),(b)(7)(D) recalled forwarding these e-mails. (b)(7)(C),(b)(7)(D) stated he often receives unsolicited sexually explicit e-mails from friends, and he has sometimes forwarded the e-mails to (b)(7)(C),(b)(7)(D)

(For further details, see Exhibits 12, 13, 14, and 15.)

Department of Justice Coordination

(b)(7)(C),(b)(7)(D) has provided a blanket declination pertaining to misuse of a Government computer by Federal employees to view adult pornography, in lieu of administrative action.

EXHIBITS

1. Memorandum to File, Subject: Computer Forensic Report, NRC Asset Tag No. (b)(7)(C),(b)(7)(D) without attachments, dated February 7, 2012.
2. Memorandum to File, Subject: Receipt and Review of E-mails for NRC Employee (b)(7)(C),(b)(7)(D) dated January 26, 2012.
3. Memorandum to File, Subject: Information Received from the Office of Information Services, dated June 13, 2012.
4. Memorandum to File, Subject: Receipt of iLearn Computer Security Awareness Training, dated June 19, 2012.
5. Transcript of Interview (b)(7)(C),(b)(7)(D) dated April 4, 2012.
6. Memorandum of Re-Interview (b)(7)(C),(b)(7)(D) dated May 16, 2012.
7. Signed, Sworn Statement (b)(7)(C),(b)(7)(D) dated May 22, 2012.
8. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated July 25, 2012.
9. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated July 23, 2012.
10. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated June 13, 2012.
11. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated June 4, 2012.
12. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated February 27, 2012.
13. Memorandum of Re-Interview (b)(7)(C),(b)(7)(D) dated February 27, 2012.
14. Memorandum of Interview (b)(7)(C),(b)(7)(D) dated May 16, 2012.
15. Signed, Sworn Statement (b)(7)(C),(b)(7)(D) dated February 23, 2012.