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Description of document: Nuclear Regulatory Commission (NRC) Inspector General (OIG) Investigations Closed during CY2025

Requested date: 24-December-2025

Release date: 21-April-2026

Posted date: 11-May-2026

Source of document: NRC Freedom of Information Act Officer
Inspector General
U.S. Nuclear Regulatory Commission
Mail Stop TWFN-6 A60M
Washington, DC 20555-0001
E-mail: FOIA.resource@nrc.gov
FOIA.gov

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RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

FOIA-2026-000188

1

Response Type

Interim

Final

Requester:

Date:

04/21/2026

Description of Requested Records:

1) A copy of the final report, closing memo, or equivalent concluding document for each NRC Inspector General investigation closed during CY2025. 2) A copy of the list of NRC Inspector General investigations closed during CY2025, including relevant data fields such as the subject or topic of the investigation

PART I. -- INFORMATION RELEASED

- The NRC has made some, or all, of the requested records publicly available through one or more of the following means: (1) <https://www.nrc.gov>; (2) public ADAMS, <https://www.nrc.gov/reading-rm/adams.html>; (3) microfiche available in the NRC Public Document Room; or the NRC Public Access Link (PAL), at <https://foia.nrc-gateway.gov/app/Home.aspx>.
- 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 Part I.D -- Comments) for a disclosure determination and direct response to you.
- We are continuing to process your request.
- See Part I.D -- Comments.

PART I.A -- FEES

AMOUNT

- You will be billed by NRC for the amount indicated.
- You will receive a refund for the amount indicated.
- Fees waived.

- Since the minimum fee threshold was not met, you will not be charged fees.
- Due to our delayed response, you will not be charged search and/or duplication fees that would otherwise be applicable to your request.

PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE

- We did not locate any agency records responsive to your request. *Note:* Agencies may treat three discrete categories of law enforcement and national security records as not subject to the FOIA ("exclusions"). See 5 U.S.C. 552(c). This is a standard notification given to all requesters; it should not be taken to mean that any excluded records do, or do not, exist.
- We have withheld certain information pursuant to the FOIA exemptions described, and for the reasons stated, in Part II.
- Because this is an interim response to your request, you may not appeal at this time. We will notify you of your right to appeal any of the responses we have issued in response to your request when we issue our final determination.
- You may appeal this final determination within 90 calendar days of the date of this response. If you submit an appeal by mail, address it to the FOIA Officer, at U.S. Nuclear Regulatory Commission, Mail Stop T-6 A60M, Washington, D.C. 20555-0001. You may submit an appeal by email to FOIA.resource@nrc.gov. You may fax an appeal to (301) 415-5130. Please be sure to include on your submission that it is a "FOIA Appeal." You may file an appeal through the NRC Public Access Link (PAL) at <https://foia.nrc-gateway.gov/app/Home.aspx>.

PART I.C -- REFERENCES AND POINTS OF CONTACT

You have the right to seek assistance from the NRC's FOIA Public Liaison by submitting your inquiry at <https://www.nrc.gov/reading-rm/foia/contact-foia.html>, or by calling the FOIA Public Liaison at (301) 415-0717.

If we have denied your request, you have the right to seek dispute resolution services from the NRC's Public Liaison or the Office of Government Information Services (OGIS). To seek dispute resolution services from OGIS, you may e-mail OGIS at ogis@nara.gov, send a fax to (202) 741-5789, or send a letter to: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001. For additional information about OGIS, please visit the OGIS website at <https://www.archives.gov/ogis>.



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

FOIA-2026-000188

1

Response Type

Interim

Final

PART I.D -- COMMENTS

[continued:] 1) the case number, closing date, and opening date.

The U.S. Nuclear Regulatory Commission (NRC) FOIA office received your request on December 29, 2025, and initially tasked the Office of the Inspector General (OIG) to locate the requested records. OIG staff located the enclosed records. We conducting referrals to the Office of Enforcement (OE), the Office of Nuclear Material Safety and Safeguards (NMSS), Region III (RIII), the Office of the Chief Human Capital Officer (OCHCO), Region I (RI), the Office of General Council (OGC), and the Office of the Chief Information Officer (OCIO). We have withheld certain information pursuant to the FOIA exemptions described, please see Part II for more details.

This concludes our processing of your request.

Signature - Assistant Inspector General for Investigations or Designee

MALION BARTLEY

Digitally signed by MALION BARTLEY
Date: 2026.04.02 17:59:51 -04'00'



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

FOIA-2026-000188

PART II.A -- APPLICABLE EXEMPTIONS

Records subject to the request are being withheld in their entirety or in part under the FOIA exemption(s) as indicated below (5 U.S.C. 552(b)), after taking into consideration the foreseeable harm standard when reviewing records and applying these FOIA exemptions.

- Exemption 1: The withheld information is properly classified pursuant to an Executive Order protecting national security information.
- 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 the 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. 4702(b), which prohibits the disclosure of contractor proposals, except when incorporated into the contract between the agency and the submitter of the proposal.
 - Other:
- Exemption 4: The withheld information is a trade secret or confidential commercial or financial information that is being withheld for the reason(s) indicated.
 - 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 is considered to be another type of confidential business (proprietary) information.
 - The information was submitted by a foreign source and received in confidence pursuant to 10 CFR 2.390(d)(2).
- Exemption 5: The withheld information consists of interagency or intraagency records that are normally privileged in civil litigation.
 - None of the information being withheld under Exemption 5/Deliberative Process Privilege is appropriate for discretionary disclosure.
 - Attorney work product privilege.
 - Attorney-client privilege.
- Exemption 6: The withheld information from a personnel, medical, or similar file, 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 open enforcement proceeding.
 - (C) Disclosure could reasonably be expected to constitute an unwarranted invasion of personal privacy.
 - (D) The information consists of names 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

PART II.B -- DENYING OFFICIAL

In accordance with 10 CFR 9.25(g)(1) of the U.S. Nuclear Regulatory Commission regulations, the official listed below has made the determination to withhold certain information, described below, responsive to your request.

DENYING OFFICIAL	TITLE/OFFICE	INFORMATION DENIED	APPELLATE OFFICIAL
Malion Bartley	Assistant Inspector General for Investigations	proprietary, attorney-client privilege, deliberative process privilege, PII, law enforcement purposes	Inspector General



MEMORANDUM

DATE: March 24, 2025

TO: Concur: Case Closed (b)(7)(C) Digitally signed by (b)(7)(C) Date: 2025.03.24 13:58:56 -04'00'

THROUGH: (b)(7)(C) Digitally signed by (b)(7)(C) Date: 2025.03.24 14:18:12 -04'00'

FROM: (b)(7)(C) Senior Special Agent (b)(7)(C) Digitally signed by (b)(7)(C) Date: 2025.03.24 14:23:12 -04'00'

SUBJECT: PROTECTIVE THREAT ASSESSMENT TEAM AND INSIDER THREAT PROJECT (OIG CASE NO. I2303297)

PROJECT

The Office of the Inspector General (OIG) maintains an ongoing, proactive project to access, gather, and develop information regarding threats to U.S. Nuclear Regulatory Commission (NRC) employees and NRC-licensed facilities. From the beginning of the reporting period in May 2023, activities within this project led to the initiation of OIG investigations and the referral of information to appropriate agencies. This project also served as a repository to disposition OIG investigative activities related to NRC offices and other law enforcement agencies. The OIG also documented counterintelligence support within this project.

As described in NRC Management Directive (MD) 12.1, *NRC Facility Security Program*, the OIG has the following responsibilities:

1. Provides and/or coordinates with the Division of Facilities and Security (DFS), Office of Administration (ADM), when appropriate, any information developed or received relating to security and insider threat matters.
2. Supervises and conducts investigations and audits of NRC programs and operations, as authorized by the Inspector General Act, including

allegations of misconduct or wrongdoing by agency employees and contractors.

3. Assists in law enforcement response on a case-by-case basis. Under normal circumstances, contract protective security officers (PSO), local police, and Federal Protective Service Police are the primary armed security and law enforcement response and will respond to situations in NRC buildings requiring an armed security officer. The Office of the Inspector General (OIG) GG-1811 series criminal investigators may be called upon to assist and are authorized by statute to carry a firearm, make an arrest without a warrant, and seek and execute warrants for arrest, search of premises, or seizure of evidence.

In addition, OIG Investigations Division personnel are members of the NRC Protective Threat Assessment Team (PTAT). The MD 12.1 Handbook describes the PTAT as follows:

The NRC's Protective Threat Assessment Team (PTAT) consists of individuals from select offices responsible for providing a quick coordinated assessment and response to any threat that is reported to DFS that may potentially impact NRC employees, officials, or facilities. The PTAT makes an immediate assessment, determines appropriate agency response, obtains approval of agency response from NRC management, and implements the response in coordination with internal and/or external officials or entities.

PROJECT ACTIVITIES

This project supported the following activities:

- November 2023: An NRC employee reported possible surveillance of a fuel pipeline in Gaithersburg, Maryland. The OIG immediately forwarded details from the report to the Montgomery County Police Department and the FBI Terrorism Task Force, Baltimore Field Office.
- February 2024: The OIG assisted the Federal Bureau of Investigation (FBI) (b)(7)(A)
(b)(7)(A), (b)(7)(E)
- March/April 2024: The OIG coordinated with U.S. Customs and Border Patrol (CBP) and the National Counterintelligence Task Force (NCITF) regarding an NRC information technology (IT) contractor who apparently

committed a geofence violation by attempting to access the NRC IT system from (b)(7)(C)

- September 2024: The OIG coordinated details of an NRC employee's travel to (b)(7)(C) with CBP and the NCITF. The employee attempted to access the NRC IT system from (b)(7)(C) committing a geofence violation.
- October 2024: The OIG coordinated details of an NRC employee's travel to (b)(7)(C) with CBP and the NCITF.

DISPOSITION

The OIG closed this project, for May 2023 through February 2025, to file. The OIG opened a new project with the same objectives under OIG case number I2500040.



MEMORANDUM

DATE: January 24, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)

Date: 2025.02.19 15:50:11 -05'00'

FROM:

(b)(7)(C)

Malion A. Bartley

Digitally signed by Malion A. Bartley

Date: 2025.01.25 16:38:46 -05'00'

SUBJECT: CLOSURE OF SPECIAL PROJECT: NRC REGULATORY OVERSIGHT (OIG CASE NO. I2303335)

This memorandum conveys the results of investigative activities correlated to the special project "NRC Regulatory Oversight," assessing whether the U.S. Nuclear Regulatory Commission (NRC) appropriately exercised its regulatory oversight mission.

It is recommended that this special project be closed and a new special project be opened.

BACKGROUND

On May 1, 2023, the Office of the Inspector General (OIG) Investigations Division (ID) initiated a special project to monitor and assess non-criminal allegations regarding the adequacy of the NRC's efforts to protect public health and safety and the environment. The project included proactively monitoring agency technical and regulatory processes, nuclear industry trends, trade press, and other sources to identify potential problematic areas in the NRC's regulatory oversight of licensees.

This project aligned with OIG Management Challenge C1, "Implementing Applicable Provisions of the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act)"; OIG Management Challenge C7, "Enhancing Financial Efficiency and Resource Management"; OIG Strategic Challenge S1-1j,

“Internal/external stakeholders’ concerns and allegations related to NRC’s oversight of nuclear facilities”; and, OIG Strategic Challenge S2-1a, “Adequacy of NRC oversight of security of nuclear reactors. fuel cycle facilities, materials, and waste facilities.”

RESULTS

The OIG’s Technical Services Section (TSS) supported the ID and performed an assessment of the twelve complaints correlated to this project. (b)(7)(E)

(b)(7)(E)

(b)(7)(E) The TSS documented the results in TSS Assessment Memoranda, which are in the OIG’s case management system, eCase.

The dispositions of the complaints (b)(5), (b)(7)(E) were as follows:

Disposition:	<u>ID Referral</u>	<u>Audits and Evaluations Referral</u>	<u>Closed</u>
Number of Complaints:	3	5	4

Attachment 1 of this memorandum contains a table with a summary of the issue and disposition of each of the complaints. A more detailed summary of three of the complaints is listed below:

C2400060 The OIG received a complaint that the NRC downgraded a violation for a diesel failure from “yellow” safety significance to “white.” During its assessment, the TSS identified that the NRC’s policy allows for licensees to provide additional information during the enforcement process. For this case, a thermo hydraulics evaluation with FLEX equipment provided additional margin to the risk assessment, validating the color change to white. The OIG identified an issue with inconsistent FLEX failure rates.

C2400063 The OIG received a complaint that over 100 general licenses, encompassing over 300 devices that contain Category 3 and 4 radioactive materials, are not registered. Under Title 10 of the Code of Federal Regulations (C.F.R.) Section 31.5(c)11 and 10 C.F.R. 170.31(3)(Q), general licensees are required to register and pay an annual fee. The TSS identified that the Office of Nuclear Material Safety and Safeguards is aware of this issue and that the NRC’s Web-Based Licensing System is the source for providing information to NRC staff for appropriate oversight. In the summer of 2024, the OIG Audits and Evaluations Division incorporated the information from this complaint into an audit of the NRC’s Web-Based Licensing System.

C2400011

The OIG received a complaint that the NRC either did not notice or chose to ignore the gross inaccuracy of a response by an NRC licensee, Nuclear Fuel Services, Inc. (NFS), to an NRC request for additional information (RAI). In RAI Response #7, NFS stated that "the downblending operations...has been safely performed by NFS for over 20 years." The complainant expressed concern that RAI Response #7 did not raise alarms at the NRC, stating emphatically that this patently false statement should have been cause for outright rejection of NFS's environmental report. The TSS assessed this allegation and found that the NRC did not reference or credit the statement from RAI Response #7 in the final safety evaluation report. Additionally, the TSS determined that the complainant's statement was not material to the NRC's environmental assessment license amendment.

CONCLUSION

It is recommended that this project be closed to the files of this office and a new project be initiated in fiscal year 2025.

Enclosure:
Attachment 1

	Complaint Number	Safety/ Security/ Risk	Title/Issue	Policy/ Procedure/ Regulation	TSS Assessment / Disposition / Recommendation
1	C2303314	Safety	Inadequate hardened vents in BWRs	2.206 petition – staff misrepresented information	(b)(5)
2	C2303325	Safety	Questionable drop-in meetings	WEC; AP300 and NRC management	
3	C2303287	Safety	Inspection finding not enforced appropriately	Non-concurrence process – RIII Diesel Tech Spec	
4	C2303344	Security	Advanced reactors and security issues; contract waste	Inadequate oversight of Advanced Reactors Security	
5	C2303301	Safety	(b)(7)(C) Inspection Report issues	Inadequate basis for review of inspection report	
6	C2303384	Safety	NFS Safety Evaluation Report issues	NRC accepted inaccurate information from licensee – license amendment for advanced fuel production	
7	C2400011	Safety	GEIS/Rulemaking Process issues	NRC failed to include results from approved research report in GEIS	
8	C2400060	Safety	V.C. Summer Diesel failure issues	Licensee Influenced downgrading violation from Yellow to White	
9	C2400063	Security	General license tracking oversight is inadequate	NMSS is aware that 120 General Licenses are not registered according to regulations	
10	C2400084	Safety	Part 21 rulemaking was cancelled due to Project AIM	Gap in Part 21 guidance	
11	C2400124	Safety	ISI inspection at Browns Ferry issues	NEI inappropriately influenced NRC staff inspection findings	
12	C2400146	Safety	Solar flare not considered external hazard	2.206 petition misrepresented EPRI report	

Attachment



MEMORANDUM

DATE: January 14, 2025

TO: (b)(7)(C)

FROM: (b)(7)(C)
Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.01.14 19:38:49
0900

SUBJECT: REFERRAL OF CASE
(OIG CASE NO. I2303337)

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board, received an anonymous complaint regarding (b)(7)(C) Region II, NRC, claiming she is still conducting her private real estate business during duty hours.

Previously, the OIG received four other complaints also alleging that (b)(7)(C) was conducting her private real estate business during duty hours. The OIG substantiated one of the previous allegations, finding that (b)(7)(C) conducted her real estate business during work hours and that she used government equipment to conduct her personal business. The OIG shared those findings with the agency, and on April 28, 2017, the agency issued a 4-day suspension to (b)(7)(C).

The new complaint did not provide new information to the OIG except for the alleged facts that (b)(7)(C) continued to conduct her real estate business during duty hours and that telework was making it easier for her to do so.

The OIG conducted an independent investigation related to this new complaint. The OIG found 31 instances of website activity, across 6 websites, that give the appearance (b)(7)(C) utilized U.S. government equipment and time to conduct her personal real estate

business. (b)(7)(C) provided to the OIG a plausible explanation for visiting two of the websites and denied using the other four websites. The OIG was unable to substantiate or refute the allegation, however, due to lack of sufficient physical evidence and the inability to follow up with the anonymous complainant (or complainants) for more detailed allegations.

While investigating the new complaint, the OIG learned that from December 27, 2017, through April 2, 2024, (b)(7)(C) took 14 unofficial overseas trips. During an interview with the OIG, the OIG informed (b)(7)(C) of the Security Executive Agent Directive 3 reporting requirements, which require her to report to the NRC all her overseas travel. (b)(7)(C) stated she would report all the travel right after the interview. As of December 2, 2024, she has reported only one of her overseas trips: a trip from (b)(7)(C) to (b)(7)(C) (b)(7)(C)

The OIG respectfully requests that you acknowledge receipt of this Referral of Case and, by March 14, 2025, provide a response describing what action, if any, the agency takes regarding this matter. If you have any questions, please contact Senior Special Agent (b)(7)(C) at (b)(7)(C) or me at (b)(7)(C)

ATTACHMENTS:

- (1) Activity Giving an Appearance of Misused Government Equipment and Time
- (2) Unreported Overseas Travel

Activity Giving an Appearance of Misused Government Equipment and Time

1. August 10, 2023, and June 11, 2024 – Tenanthandbooks.com – Electronic tenant solutions, online maintenance request. This website appears to be an online portal login for maintenance requests. The OIG determined the Region II office does not use this portal for maintenance requests for the region office. (2 times)
2. November 6 and 7, 2023 – Mediamarketstream.com – This website is a portal login page. The page does not identify the company nor type of business it was associated with. The OIG could not determine whether [REDACTED] used the website for private business or duty-related purposes. (2 times)
3. December 10 through 13, 2023 – Sharevault.net – Online encrypted document sharing. This website appears to be used for secure document sharing. The OIG noted that it is common for real estate agents to use online document sharing services to conduct business. (22 times)
4. March 18 and 19, 2024 – Reservecloud.com – Online marketing and event management portal. This website appears to be a login page for a “Sales and Event Management” application; however, the OIG could not determine whether [REDACTED] used the website for private business or duty-related purposes. (2 times)

ATTACHMENT

Unreported Overseas Travel

1. (b)(7)(C)
- 2.
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- 7.
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- 9.
- 10.
- 11.
- 12.
- 13.
14. (b)(7)(C) (Reported to PERSEC November 1, 2024)



MEMORANDUM

DATE: May 29, 2025

TO: Concur: Case Closed

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.05.29 10:19:17 -04'00'

THROUGH:

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.05.29 10:53:00 -04'00'

FROM:

(b)(7)(C) [Redacted] (b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Senior Special Agent Date: 2025.05.29 15:57:17 -04'00'

SUBJECT: (PROJECT): PROACTIVE CYBER INVESTIGATIONS
(OIG CASE NO. I2303348)

PROJECT

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board (DNFSB), maintains an ongoing, proactive project to review information about and to develop potential investigations on several cyber issues. The OIG refines the scope of the project as needed. During the reporting period, the scope of the project included the following issues and activities: misuse of agency information technology (IT) systems, unauthorized overseas travel with agency IT equipment (geofence violations), and NRC Office of the Chief Information Officer (OCIO) daily information security meetings. The OIG also used this project to record requests for OIG Cyber Crimes Unit (CCU) support in other OIG cases.

SUMMARY OF PROJECT ACTIVITY

From May 2023 through September 2024, the CCU completed two forensic reviews, (b)(7)(E) [Redacted] performed two network log reviews, and assisted with one intrusion event. In addition to conducting case-specific activity, the CCU facilitated the development and review of cyber issues by participating in the Council of the Inspectors General on Integrity and Efficiency, Investigations Committee, Forensic Subcommittee Group; supporting the Federal Bureau of Investigations (FBI) Cyber Task

Force; and, maintaining close contact and fostering open communication with multiple NRC offices. The CCU conducted the following specific activities, categorized by project issue, from May 1, 2023, through September 30, 2024.

Forensic Reviews: The CCU completed two forensic reviews during this project period:

- I2303348—Review of a DNFSB laptop for alleged personnel security issues.
- I2400138—Review of an NRC laptop for an alleged security violation.

(b)(7)(E)

- I2302608—NRC Management Failure to Properly Document Interactions with Licensees in Accordance with Management Directive 3.5.
- I2303337—NRC Manager Operating a Personal Business During Work Hours.
- P2303390 (two separate email pulls)—DNFSB’s Use and Oversight of Diverse USA Contract.
- I2400030—Reported Falsified Time Reporting by DNFSB Contractor Employee.
- C2400077—Declaration of Harassment.
- I2400125—Reported Alleged Child Molestation and Drug Use by NRC employee.
- P2400208—Alleged Conflict of Interest of Office of Nuclear Reactor Regulation Branch Chief.

Network Log Reviews: The CCU performed two network log reviews, in support of the following cases:

- I2303337—NRC Manager Operating a Personal Business During Work Hours.
- I240030—Reported Falsified Time Reporting by DNFSB Contractor Employee.

Geofence Violations: The CCU received five reports from the NRC OCIO of suspected geofence violations. The CCU monitored the agency’s disposition of the suspected violations, which were as follows:

- March 18, 2024, suspected violation in (b)(7)(C) —An individual traveled, with an NRC-issued laptop, to (b)(7)(C) to assist (b)(7)(C). The individual attempted to mask his location while using the laptop by connecting to a portable router. The NRC OCIO instructed the individual to turn in his laptop whenever he returned to the United States and informed him that he would receive a new laptop. The NRC OCIO reviewed the laptop and found no unauthorized access to any NRC IT system.
- May 5, 2024, suspected violation in India—The suspected violation was a false positive. The NRC OCIO determined that the agency had decommissioned the laptop but had not removed the geofence software.
- June 9, 2024, suspected violation in (b)(7)(C) —An individual traveled, with an

NRC-issued laptop, to (b)(7)(C) for a day trip. The individual turned on his laptop, realized he was in (b)(7)(C) and immediately turned off the laptop. The NRC OCIO scanned the laptop remotely and determined no unauthorized access had occurred; the NRC OCIO allowed the individual to keep the laptop and continue with his trip.

- July 12, 2024, suspected violation in India—The suspected violation was a false positive. The NRC OCIO determined that the agency had decommissioned the laptop but had not removed the geofence software.
- September 17, 2024, suspected violation in (b)(7)(C) —An individual traveled, with an NRC-issued laptop, to (b)(7)(C) for a day trip. The NRC OCIO discovered the suspected violation when the individual returned to the United States and turned on the laptop. The NRC OCIO determined that the laptop was not turned on while in (b)(7)(C) and found no unauthorized access to either the laptop hardware or any NRC IT system via the laptop.

Intrusion Events: The CCU assisted the NRC with referral and investigative steps relating to the following cyber intrusion incident:

- The NRC Office of Nuclear Material Safety and Safeguards (NMSS) hosted a program, off the main NRC IT network and in the (b)(7)(E) for licensees to update their information. A contractor-controlled (b)(7)(E) functioned as the program's firewall, and NMSS identified a breach of the appliance. The CCU assisted the NRC in (b)(7)(E)

(b)(4), (b)(7)(E)

(b)(7)(E)

Ultimately, the NRC found no loss of data or intrusion into the NRC IT network.

FBI Cyber Task Force: The CCU continued to support the Baltimore FBI Cyber Task Force through the following activities:

- The CCU attended weekly intergovernmental meetings, providing support and expertise on nuclear-related incidents.
- The CCU identified that information in a draft FBI report regarding (b)(5) (b)(5) the report prior to finalization.
- The CCU participated in seven FBI Safe Streets events from June 2023 through August 2023, canvassing neighborhoods in Baltimore, Maryland, to provide to

residents contact information for various emergency and non-emergency law enforcement services.

DISPOSITION

For details of the referenced investigations, see the individual case files. The OIG closed this project to file. The OIG opened a new project with similar objectives under OIG case number I2500038.



MEMORANDUM

DATE: January 30, 2025

TO: Concur: Case Closed

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.01.30 17:35:46
-05'00'

FROM:

(b)(7)(C)

Digitally signed by

(b)(7)(C)

Date: 2025.01.30 15:47:50
-05'00'

SUBJECT: MISUSE OF SMALL ENTITY REDUCED ANNUAL FEE PROGRAM—PHARMALOGIC (OIG CASE NO. I2303357)

ALLEGATION

The Office of the Inspector General (OIG) conducted a proactive review of entities which have certified to the U.S. Nuclear Regulatory Commission (NRC) their status as a small entity via NRC Form 526, "Certification of Small Entity Status for the Purposes of Annual Fees Imposed under 10 CFR Part 171." Through this review, the OIG identified that subsidiary entities of PharmaLogic Holdings Corporation (PharmaLogic), 1 S Ocean Boulevard, Suite 206, Boca Raton, Florida 33432, might have falsely certified their status as a small business entity, resulting in an underpayment of annual fees.

POTENTIAL VIOLATIONS

Legal standards potentially relevant to this investigation include Title 31 of the United States Code section 3729(a)(1)(D), "False Claims"; Title 10 of the Code of Federal Regulations (C.F.R.) Part 13, "Program Fraud Civil Remedies"; 10 C.F.R. Part 15, "Debt Collection Procedures"; and, 10 C.F.R. section 171.16, "Annual fees: Materials licensees, holders of certificates of compliance, holders of sealed source and device registrations, holders of quality assurance program approvals, and government agencies licensed by the NRC."

FINDINGS

PharmaLogic agreed to pay to the United States \$350,000.00, of which \$195,000.00 constituted restitution, to settle allegations that between 2015 and 2023, nine entities

acquired by PharmaLogic falsely certified on NRC Form 526 their status as a small entity.

BASIS FOR FINDINGS

PharmaLogic is a corporation headquartered in the State of Florida. The company's primary line of business, and that of its affiliates and subsidiaries, is the compounding and manufacturing of radiopharmaceuticals. Radiopharmaceuticals are the radioactive form of chemical elements and such drugs are used in nuclear medicine to diagnose and treat certain diseases.

While regulating and licensing civilian use of radioactive materials, the NRC charges a fee annually to entities granted licenses to handle, store, and dispose of radioactive materials. If an entity qualifies as a small business, then under 10 C.F.R. 171.16(c) the entity may obtain a reduction in the ordinary annual fee. The entity obtains the fee reduction by filing an NRC Form 526.

From March 31, 2015, through December 31, 2023, nine entities acquired by PharmaLogic filed NRC Forms 526. Through these filings, each entity certified its status as a "small entity" and its entitlement to a reduced NRC annual fee. The certifications were false, however, because the entities exceeded the size limits to qualify for reduced annual fees.

The NRC relied on the veracity of the certifications and reduced each PharmaLogic entity's annual fee.

The PharmaLogic entities that claimed small entity status improperly were PharmaLogic MT, Inc.; Radiopharmacy Inc. (Evansville); Hot Shots Nuclear Medicine, L.L.C. (Lansing); PharmaLogic MI, L.L.C.; Hot Shots Nuclear Medicine, L.L.C. (Marquette); Mid-America Isotopes, Inc.; PharmaLogic WV Ltd.; PharmaLogic WY, Inc.; and, PharmaLogic Puerto Rico L.L.C.

DISPOSITION

On January 7, 2025, PharmaLogic entered into a settlement agreement with the United States, acting through the United States Department of Justice and on behalf of the NRC. PharmaLogic agreed to pay to the United States \$350,000.00, of which \$195,000.00 constituted restitution, no later than February 6, 2025. Therefore, this investigation is closed with no further OIG action taken.

ATTACHMENT: Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney's Office for the District of Maryland, and on behalf of the United States Nuclear Regulatory Commission ("NRC") (collectively the "United States"), and PharmaLogic Holdings Corporation (hereinafter "PHC") (the United States and PHC hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. PHC is a corporation headquartered in the State of Florida. Its primary line of business, and that of its affiliates and subsidiaries, is the compounding and manufacturing of radiopharmaceuticals. "Radiopharmaceuticals" are the radioactive form of chemical elements and such drugs are used in nuclear medicine to diagnose and treat certain diseases.

B. The United States contends that it has certain civil claims against PHC for conduct that occurred during the period dating from on or about March 31, 2015 through December 31, 2023. As background, the NRC, which regulates and licenses civilian use of radioactive materials, charges a fee annually to entities granted licenses to handle, store, and dispose of radioactive materials. If an entity qualifies as a small business, then under 10 C.F.R. § 171.16(c) the entity may obtain a reduction in the ordinary annual fee. The entity obtains the fee reduction by filing an NRC Form 526, "Certification of Small Entity Status for the Purposes of Annual Fees Imposed under 10 CFR Part 171." During the period identified above, nine entities acquired by PHC filed NRC Form 526s. Through these filings, each entity certified its status as a "small entity" and its

entitlement to a reduced NRC annual fee. The certifications were false, however, because the entities exceeded the size limits to qualify for reduced annual license fees. The NRC relied on the veracity of the certifications and reduced each PHC entity's annual license fee. The PHC entities claiming small business status improperly were PharmaLogic MT, Inc.; Radiopharmacy Inc. (Evansville); Hot Shots Nuclear Medicine, L.L.C. (Lansing); PharmaLogic MI, L.L.C.; Hot Shots Nuclear Medicine, L.L.C. (Marquette); Mid-America Isotopes, Inc.; PharmaLogic WV Ltd.; PharmaLogic WY, Inc.; and PharmaLogic Puerto Rico L.L.C. This conduct is referred to below as the Covered Conduct.

C. This Settlement Agreement is neither an admission of liability by PHC nor a concession by the United States that its claims are not well founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. PHC shall pay to the United States Three-Hundred and Fifty Thousand dollars (\$350,000) (Settlement Amount), of which \$195,600 constitutes restitution, by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Maryland, no later than 30 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the receipt by the United States of the Settlement Amount, the United States releases PHC together with its current and former parent corporations;

direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Contract Disputes Act, 41 U.S.C. §§ 7101-7109, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;

- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due;
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct:

4. PHC waives and shall not assert any defenses PHC may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. PHC fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that PHC has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of PHC, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement:

- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) PHC's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment PHC makes to the United States pursuant to this Agreement

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by PHC, and PHC shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, PHC shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by PHC or any of its subsidiaries or affiliates from the United States. PHC agrees that the United States, at a minimum, shall be entitled to recoup from PHC any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine PHC's books and records

and to disagree with any calculations submitted by PHC or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by PHC, or the effect of any such Unallowable Costs on the amount of such payments.

7. PHC agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, PHC shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. PHC further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

8. This Agreement is intended to be for the benefit of the Parties only.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

10. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of Maryland. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and

shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

13. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

14. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

15. This Agreement is binding on PHC's successors, transferees, heirs, and assigns.

16. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

THE UNITED STATES OF AMERICA

DATED: January 7, 2025 BY:

(b)(7)(C)

Assistant United States Attorney
United States Attorney's Office for the
District of Maryland

PHARMALOGIC HOLDINGS CORPORATION -- DEFENDANT

DATED: _____ BY:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.01.02 12:59:32
-05'00'

(b)(7)(C)

PharmaLogic Holdings Corporation

DATED: Jan 2, 2025 BY:

(b)(7)(C)



MEMORANDUM

DATE: February 14, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.14 11:20:13 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.02.14 10:04:14
-05'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.14 10:01:50
-05'00'

Senior Special Agent

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION REGIONAL MANAGERS NOT INAPPROPRIATELY INFLUENCED BY LICENSEE BY REDUCING FEE-BILLABLE CHARGES (OIG CASE NO. I2303380)

ALLEGATIONS

The Office of the Inspector General (OIG) received a complaint regarding potential licensee influence on U.S. Nuclear Regulatory Commission (NRC) Region III management. Specifically, the complainant questioned Region III management's decision to reduce certain hours the NRC had billed to licensee DTE Energy for a (b)(7)(C) inspection at Fermi Power Plant, Unit 2 (Fermi). Allegedly, in August 2023, Region III management requested a greater than 10-week prior period adjustment to reduce fee-billable hours without a thorough assessment of the situation or adequate basis.

The OIG referred the complaint to Region III for review. Pursuant to Regional Procedure (RP) 8.17, "Handling of Allegations of Improper Actions by NRC Staff," a senior executive from outside Region III reviewed the complaint, and Region III responded to the OIG with the reviewer's conclusions. After receiving Region III's response, the OIG also initiated an investigation.

POTENTIAL VIOLATIONS

The potential violations or areas of noncompliance involved in this case included Title 5 of the Code of Federal Regulations (C.F.R.) Section 2635.101, "Basic Obligation of Public Service," and NRC Management Directive 10.34, *Time and Labor Reporting*.

FINDINGS

Region III's response memorandum to the OIG's referral of this complaint stated that the region found no evidence of misconduct or impropriety. The OIG found that Region III's finding was appropriate.

In addition, Region III's response listed five conclusions regarding the decision-making process and the decision to reduce the fee-billable hours for the (b)(7)(C) inspection at Fermi. The OIG validated the facts underlying Region III's five conclusions.

The OIG identified that in 2023, when Region III management decided to change (b)(7)(C) (b)(7)(C) hours from fee-billable to training because (b)(7)(C) was (b)(7)(C) the region did not have a documented process for coding hours for (b)(7)(C). To address this lack of guidance, on (b)(7)(C) (b)(7)(C) Region III initiated office instruction (b)(7)(C) (b)(7)(C)

BASIS FOR FINDINGS

From (b)(7)(C) the NRC conducted a (b)(7)(C) (b)(7)(C) inspection at Fermi. During the inspection, Region III management assigned (b)(7)(C) to assist the team and mentor (b)(7)(C) (b)(7)(C) Region III had no published guidance, however, for how (b)(7)(C) should charge inspection hours when (b)(7)(C)

DTE Energy disagreed with the fee-billable hours the NRC charged for the (b)(7)(C) (b)(7)(C) inspection, and Region III management tasked Acting Branch Chief (b)(7)(C) (b)(7)(C) to review the hours. (b)(7)(C) notes about the review documented that the inspection team "did a deep dive – person by person – week by week – created an excel spreadsheet. Split it out by Prep/Doc, Inspection, and Travel." (b)(7)(C) further documented, (b)(7)(C) had high Prep/Doc (should be 60% of inspection hours)." Additionally, (b)(7)(C) noted that Region III had added (b)(7)(C) (b)(7)(C) to the inspection team because (b)(7)(C) was having trouble.

In a July 26, 2023 memorandum to the NRC comptroller, Region III management requested, in part, that 54 hours from the (b)(7)(C) inspection at Fermi be changed from fee-billable inspection hours to training for (b)(7)(C)

Appropriate Region III Finding and Conclusions

While the RP 8.17 review of Region III's decision to reduce fee-billable hours for the (b)(7)(C) inspection at Fermi did not identify any evidence of misconduct or impropriety, Region III listed five conclusions from the review:

1. The decision to adjust inspection hours seemed reasonable and appropriate. Hours can vary based on the number, complexity, and significance of issues revealed during an inspection. While this inspection did have a large number of condition reports opened by the licensee, there were no significant findings. Interviews revealed inconsistencies in approaches for charging time and varying levels of experience among team members. These factors seem to indicate a reasonable basis for adjusting hours....
2. The (b)(7)(C) did not have access to fee validation reports, resulting in a lost opportunity for identifying the high charges prior to the licensee raising the topic. The inspection team was also matrixed across branches which could present its own challenges to having a fulsome view of the total hours by (b)(7)(C) (b)(7)(C) ...
3. The decision-making process used to inform the path forward regarding the billable charges for the Fermi (b)(7)(C) inspection could have been more participative in nature. Specifically, more communication with the inspection team members to both inform decisions regarding the adjustment of hours and to provide a rationale for the decisions made could have been of value to affected parties. Deliberate consideration of touch points with affected individuals wasn't fully prioritized, and when attempted communications were met with resistance, important communication steps were not completed. In one case, an acting branch chief of a member of the inspection team asked the individual conducting the assessment of hours (b)(7)(C) (b)(7)(C) to not to speak with his employee until he first spoke with her and was then nonresponsive to follow up requests. In addition, leadership team members (i.e., peer branch chiefs and division managers) could have aided the individual conducting the assessment of hours by helping ensure that she was able to engage all affected individuals in an intentional manner and to alleviate barriers presented during her efforts....

4. Interviewees conveyed a lack of clear expectations regarding how to charge hours for inspection activities, including how to consider qualification status in decisions related to charging....
5. The Fermi (b)(7)(C) inspection team could have benefitted from a more balanced composition. The team included a (b)(7)(C) (b)(7)(C) (b)(7)(C) It is important to ensure that team composition allows for the successful completion of inspection samples and disposition of items identified during the inspection.

The OIG determined that Region III's conclusions were appropriate, based on the information the OIG gathered in its investigation. For example, (b)(7)(C)

(b)(7)(C)

(b)(7)(C) Therefore, the revised hours the NRC billed to the licensee aligned with the inspection procedure resource hours.

Regarding a lost opportunity to identify an hours-charging issue sooner, Region III Branch Chief (b)(7)(C) confirmed to the OIG that Region III had multiple acting branch chiefs, including (b)(7)(C) in 2023. (b)(7)(C) stated that one of the acting branch chiefs "never got the March or April fee validation reports. Actually, no one reviewed them." Later, Region III management discovered that there was an internal process issue with distributing the March and April 2023 reports and corrected the issue.

In addition, in interviews with the OIG, Region III inspectors (b)(7)(C) (b)(7)(C) and (b)(7)(C) all stated that during the Fermi inspection process, unfortunate personal events occurred which had an impact on the NRC inspection team. One of the actions Region III branch chiefs took to address the matter was assigning (b)(7)(C) to support (b)(7)(C)

(b)(7)(C)

New Guidance for (b)(7)(C)

In its response listing the five conclusions from the RP 8.17 review, Region III identified opportunities for addressing the conclusions and thereby enhancing inspection processes. Notably, effective (b)(7)(C) Region III released (b)(7)(C)

(b)(7)(C)

Table 1 contains, in part, the email Region III distributed to staff regarding the new office instruction (b)(7)(C)

(b)(7)(C)

Source: NRC

Discussing the revised Fermi inspection hours and the new office instruction during an interview with the OIG, (b)(7)(C) stated, “It wasn’t really a Fermi issue—we really needed the guidance (b)(7)(C) ..The region has learned.”

DISPOSITION

The OIG found that Region III’s finding of no evidence of misconduct or impropriety, based on the RP 8.17 review of the decision to reduce the Fermi inspection hours, was appropriate, and the OIG validated the underlying facts. The OIG briefed Region III

(b)(7)(C) and (b)(7)(C) on the OIG’s findings. The NRC has addressed the findings by implementing Region III’s new office instruction (b)(7)(C). Because neither the OIG nor Region III found misconduct, the region will take no personnel action.

The OIG Investigations Division observed that when DTE Energy disagreed with the inspection charges, the NRC did not inform the licensee of the appropriate processes—such as those under 10 C.F.R. 170. 51, “Right to review and appeal of prescribed fees,” and 10 C.F.R. 15.31, “Disputed debts”—to dispute charges. Therefore, the OIG Investigations Division will refer this issue to the OIG Audits and Evaluations Division for consideration.

This investigation supported the OIG’s Annual Plan for Fiscal Year 2025, Safety and Security initiative for Investigations, to “[i]nvestigate allegations that the NRC has not maintained an appropriate ‘arm’s length’ distance from licensees and contractors.”



MEMORANDUM

DATE: March 31, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.03.31 09:51:17 -04'00'

THROUGH: (b)(7)(C)

(b)(7)(C) Digitally signed
by (b)(7)(C)
(b)(7)(C)
Date: 2025.03.31
10:20:02 -04'00'

FROM: Senior Special Agent

SUBJECT: POTENTIAL U.S. NUCLEAR REGULATORY COMMISSION
MANAGEMENT RETALIATION FOR RAISING A SAFETY CONCERN
(OIG CASE NO. I2400026)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from (b)(7)(C)
(b)(7)(C)
(b)(7)(C) Office of Nuclear Reactor Regulation (NRR), U.S. Nuclear
Regulatory Commission (NRC), alleging whistleblower retaliation and violations of
commercial nuclear power plant access policies. Allegedly, (b)(7)(C) then the
(b)(7)(C) lowered (b)(7)(C) performance appraisal for 2023 from an overall
rating of (b)(7)(C) because (b)(7)(C) disclosed information to (b)(7)(C) regarding
mismanagement, abuse of authority, and a substantial and specific danger to public
health and safety.

The information (b)(7)(C) disclosed related to a request from (b)(7)(C)
(b)(7)(C) Region II, to place (b)(7)(C)
(b)(7)(C)
(b)(7)(C) on the unescorted access list for
commercial nuclear power plants. (b)(7)(C) alleged that (b)(7)(C) request
circumvented NRC Inspection Manual Chapter (IMC) 1240, *Unescorted Access at
Commercial Nuclear Power Plants, Selected Fuel Cycle Facilities, Independent Spent*

Fuel Storage Installations or Non-Power Production and Utilization Facilities, and NRC Management Directive (MD) 12.3, NRC Personnel Security Program. (b)(7)(C) further alleged that (b)(7)(C) pressured NRC staff to approve the request.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation involved the Whistleblower Protection Act of 1989 (WPA), as amended and primarily codified at Title 5 of the United States Code (U.S.C.) Section 2302, "Prohibited Personnel Practices"; IMC 1240; and MD 12.3.

PRIMA FACIE CASE OF RETALIATION

As a threshold matter, the OIG found that (b)(7)(C) allegation regarding his 2023 performance appraisal met the four requirements for a prima facie case of whistleblower retaliation:

- The employee made a protected disclosure under 5 U.S.C. 2302(b)(8) or engaged in protected activity under 5 U.S.C. 2302(b)(9). (b)(7)(C) made a protected disclosure regarding mismanagement, abuse of authority, and a substantial and specific danger to public health and safety, and he made the disclosure to his management, an authorized entity.
- A personnel action involving the employee was taken, withheld, or threatened. (b)(7)(C) supervisor, (b)(7)(C) took a personnel action by lowering (b)(7)(C) 2023 performance appraisal rating, as compared to the 2022 rating.
- The responsible management official had actual or constructive knowledge of the protected disclosure or activity prior to the decision to take, withhold, or threaten the personnel action. (b)(7)(C) knew of (b)(7)(C) protected disclosure.
- The protected disclosure was a contributing factor in the decision to take, withhold, or threaten the personnel action. A plausible timeline existed between (b)(7)(C) protected disclosure and the issuance of the performance appraisal.

Therefore, the OIG investigated the allegation of retaliation for potential violations of the WPA.

FINDINGS

The OIG did not substantiate the allegation that (b)(7)(C) retaliated against (b)(7)(C) for making a protected disclosure when (b)(7)(C) issued to (b)(7)(C) a lower performance appraisal for 2023 than (b)(7)(C) received for 2022. In addition, the OIG did not substantiate the allegation that (b)(7)(C) circumvented IMC 1240 or MD 12.3 by requesting to place (b)(7)(C) on the unescorted access list for commercial nuclear

power plants, nor that (b)(7)(C) impermissibly pressured NRC staff to grant the request.

BASIS FOR FINDINGS

Allegation of Retaliation

On April 20, 2023, (b)(7)(C) responded to an email from (b)(7)(C) thanking (b)(7)(C) for working on commercial nuclear power plant site access coordination. In his response email, (b)(7)(C) stated that he had some security and safety concerns regarding the site access program and would like to be removed as the backup coordinator for the program. (b)(7)(C) responded, offering time for (b)(7)(C) to lay out his concerns so they could be elevated to leadership. (b)(7)(C) added that articulating the challenges, resource issues, and relevant guidance (or lack thereof) and providing recommendations on how to address the concerns would be helpful. (b)(7)(C) sent to (b)(7)(C) an email in which he described the concerns as follows:

- Current CFR / guidance is lacking / unknown. Items likely exist, but there was no turnover.
- There was a lot of pressure to add an individual to the list with improper management justification. There was focus on what's been previously done as opposed to understanding why actions were previously taken. I felt there was also some personal arrogance displayed (in the form of statements made) by management yesterday which I prefer not to write down. Without a basis of understanding the "why" things are done and being able to point to references that allow our actions, future issues will develop. In my opinion, this is a safety culture issue as well.
- I felt like there was no management support from you or (b)(7)(C) only obstacles presented as to why I can't carry out actions that were previously done. I really needed your help yesterday, you were nowhere to be found. I don't have the background the previous lead did. Again, a safety culture issue.
- I came really close to taking an action I was not supposed too (i.e. adding (b)(7)(C) to the list). By luck, I happened to get in touch with a staff member from Region II that knew a bit more than me. I haven't heard anything from management regarding appreciation from avoiding a potential safety issue. From some of the statements made by management, there may be more of a concern as to why (b)(7)(C) was not added to the list.

(b)(7)(C) did not, however, articulate the resource issues or provide recommendations on how to address the concerns.

The concerns (b)(7)(C) expressed to (b)(7)(C) related to a request from (b)(7)(C) to

place (b)(7)(C) on the unescorted access list for commercial nuclear power plants. Upon (b)(7)(C) request to be removed as the backup coordinator for the site access program, he was removed from the duty.

In October 2023, (b)(7)(C) signed (b)(7)(C) 2023 performance appraisal, rating (b)(7)(C) performance for the 2023 rating period—October 2022 through September 2023—as (b)(6) with an overall numerical rating of (b)(6) (b)(7)(C) overall rating for 2022 was also (b)(6) but the overall numerical rating was (b)(6) (b)(6). In contrast to the (b)(6) (b)(6) rating (b)(7)(C) received for 2022, for 2023 (b)(7)(C) received a rating of (b)(6). Also, in contrast to the (b)(6) (b)(6) rating (b)(7)(C) received for 2022, for 2023 (b)(7)(C) received a rating of (b)(7)(C) (b)(6).

In an interview with the OIG, (b)(7)(C) stated that employee performance is based on the rating period in question: prior year appraisals are not taken into consideration. (b)(7)(C) also stated, under oath, that (b)(7)(C) appraisal rating was not negatively impacted by (b)(7)(C) April 2023 disclosure. (b)(7)(C) stated that he determined (b)(7)(C) 2023 appraisal rating in concert with (b)(7)(C) who served as (b)(7)(C) supervisor for the first 6 months of the rating period. (b)(7)(C) further stated that (b)(7)(C) had assessed (b)(7)(C) performance for October 2022 through March 2023 as potentially meriting (b)(6) for two elements (which performance and rating, if sustained over the full rating period, would have resulted in a lower overall rating than (b)(7)(C) received for 2023).

(b)(7)(C) stated that, as he was not (b)(7)(C) supervisor at the time of mid-year reviews, he did not conduct (b)(7)(C) mid-year review to discuss any improvements needed to maintain element ratings from 2022. (b)(7)(C) held a performance appraisal feedback session with (b)(7)(C) to discuss the 2023 performance appraisal ratings, with (b)(7)(C) (b)(7)(C) in attendance.

Prior to finalizing (b)(7)(C) 2023 performance appraisal, (b)(7)(C) received from (b)(7)(C) his “(b)(7)(C) Appraisal Element Considerations,” providing input on his performance during the rating period. (b)(7)(C) stated that he reviewed (b)(7)(C) input but considered some of the performance (b)(7)(C) described as warranting (b)(6) rating for (b)(6) and (b)(6) rating for (b)(6). During the OIG interview, (b)(7)(C) provided several examples.

For (b)(6) for example, (b)(7)(C) cited his work on (b)(6), (b)(7)(C) (b)(6), (b)(7)(C). During the OIG interview, (b)(7)(C) stated that (b)(7)(C) work on this assignment was (b)(6) but required above-average supervision because (b)(7)(C) did not propose changes for identified issues. (b)(7)(C) added that he had discovered that one of the proposed changes (b)(6), (b)(7)(C) directly conflicted with (b)(6), (b)(7)(C) which conflict required (b)(6), (b)(7)(C).

For (b)(6), (b)(7)(C) also cited his work on (b)(6) (b)(6) (b)(7)(C) explained to the OIG that (b)(7)(C) served as part of a three-person team assigned to (b)(6), (b)(7)(C) At the end (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Someone else identified and corrected the issue.

Lastly, for (b)(6), (b)(7)(C) also cited his involvement on (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(7)(C) stated that as this work was in support of another branch employee, he could not credit the work entirely to (b)(7)(C) Furthermore, (b)(7)(C) credited (b)(7)(C) supporting work under (b)(6)

Ultimately for (b)(6) (b)(7)(C) concluded, he did not find that (b)(7)(C) performance was (b)(6) (b)(6)

Likewise, for (b)(6) for example, (b)(7)(C) cited his work on (b)(6) (b)(6) (b)(7)(C) explained to the OIG that this work involved attending meetings, ensuring management awareness, and arranging meetings, and that such work constituted (b)(6) (b)(7)(C) stated that (b)(7)(C) also completed routine and mandatory computer-based training ahead of schedule but that, given the absence of formal training, self-study activities, and on-the-job training, this training did not reflect (b)(6) (b)(7)(C) noted that during the feedback session, he recommended (b)(7)(C) (b)(6)

For (b)(6), (b)(7)(C) also cited development of one-pagers to support meeting preparations, such as for (b)(6), (b)(7)(C) as well as serving as the backup for (b)(6), (b)(7)(C) (b)(7)(C) stated that these activities were communications activities, so he credited them to (b)(7)(C) under (b)(6) (b)(6)

(b)(7)(C) described the standard for (b)(6) as performance that (b)(6) (b)(6) Ultimately for (b)(6) (b)(7)(C) concluded, (b)(7)(C) performance was (b)(6) (b)(6)

Based on the evidence set forth above, the OIG determined that (b)(7)(C) 2023 performance appraisal rating of (b)(6) and (b)(6) (b)(6) did not result from retaliation for engaging in activity protected under 5 U.S.C. 2302.

Allegation of Management Misconduct

In (b)(7)(C) (b)(7)(C) participated in a rotational assignment in Region II. To enable (b)(7)(C) to complete his duties during the assignment, (b)(7)(C) requested that the NRC place (b)(7)(C) on the commercial nuclear power plant unescorted access list. When (b)(7)(C) submitted the request, (b)(7)(C) in his position as (b)(7)(C) expressed a concern that the NRC lacked guidance authorizing such access (b)(7)(C)

(b)(7)(C) alleged that (b)(7)(C) sought approval of the request by impermissibly pressuring (b)(7)(C) (b)(7)(C) Office of the Chief Human Capital Officer; (b)(7)(C) (b)(7)(C) Region II; and (b)(7)(C) (b)(7)(C) Office of Administration.

IMC 1240 provides guidance for how to obtain unrestricted access at commercial nuclear power plants. (b)(7)(C) (b)(7)(C)

The objective of MD 12.3 (effective date July 18, 2022) is “[t]o provide assurance that NRC employees, consultants, and licensees are reliable and trustworthy to have access to...nuclear power facilities.” (b)(7)(C) (b)(7)(C)

The OIG interviewed (b)(7)(C) regarding (b)(7)(C) request to place (b)(7)(C) on the commercial nuclear power plant unescorted access list. All three individuals separately stated that (b)(7)(C) did not pressure them to approve the request.

The OIG also interviewed (b)(7)(C) regarding the request. (b)(7)(C) denied pressuring anyone into placing (b)(7)(C) on the unescorted access list. (b)(7)(C)

stated that she believed she was responsible for determining whether (b)(7)(C) rotational assignment had a need for unescorted access to nuclear power plants and, if so, for entering (b)(7)(C) into the process for receiving the access. (b)(7)(C) explained that unescorted access was not the same as and did not necessarily require a security clearance—the NRC widely granted to NRC employees unescorted access, regardless of whether the employees had obtained a security clearance. Then, licensees determined what individuals with unescorted access could access at the site.

(b)(7)(C) also stated that she asked NRR to make a formal adjudication of the request, so she would have a record of the reasoning for any denial. (b)(7)(C) stated that during the initial review of the request she was told one reason for a possible denial was that (b)(7)(C) was (b)(7)(C) explained that she did not think that reasoning was correct, as the NRC had permitted (b)(7)(C) unescorted access during (b)(7)(C)

Based on the evidence set forth above, the OIG determined that (b)(7)(C) did not circumvent NRC processes, nor did she pressure NRC staff, when she requested that the NRC place (b)(7)(C) on the unescorted access list.

DISPOSITION

The OIG determined that (b)(7)(C) did not retaliate against (b)(7)(C) because of a protected activity when (b)(7)(C) issued to (b)(7)(C) a 2023 performance appraisal that incorporated (b)(7)(C) received for 2022. (b)(7)(C) provided to the OIG examples identifying legitimate, work-related concerns regarding (b)(7)(C) performance, and the OIG determined that (b)(7)(C) judgment of appraisal ratings based on those concerns was a permissible management decision and not a violation of the WPA.

In addition, the OIG determined that (b)(7)(C) did not circumvent IMC 1240 nor MD 12.3 when she sought to add (b)(7)(C) to the unescorted access list, and she did not impermissibly pressure NRC staff to add (b)(7)(C) to the list.

Therefore, this investigation was closed to file with no further OIG action taken.



MEMORANDUM

DATE: March 26, 2025

TO: Mirela Gavrilas
Executive Director
for Operations

FROM: Malion A. Bartley
Assistant Inspector General
for Investigations

**MALION
BARTLEY** Digitally signed by
MALION BARTLEY
Date: 2025.03.26
13:18:47 -04'00'

SUBJECT: MISUSE OF GOVERNMENT TRAVEL CHARGE CARD
(OIG CASE NO. I2400074)

The Office of the Inspector General (OIG) prepared the attached Report of Investigation based on an allegation of possible misuse of a U.S. Nuclear Regulatory Commission (NRC) employee's government travel charge card.

Our investigation substantiated that while not on official government travel, the employee made hundreds of unauthorized transactions on his NRC travel charge card.

This Report of Investigation conveys the results of our investigation and is being provided to the NRC for appropriate action. We respectfully request a formal response by June 30, 2025, describing what action, if any, the agency takes based on the results of this investigation. If the NRC would like to discuss any aspect of the OIG's investigation into this matter, please contact (b)(7)(C)

CONTACT: (b)(7)(C)

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The distribution of this memorandum should be limited to those NRC employees whose involvement is required for evaluation of this matter. Neither the memorandum, the report, nor its exhibits may be distributed outside of the OIG without the OIG's express written permission.

ATTACHMENT:

Report of Investigation with exhibits

cc: J. Martin, Associate Director for Operations, Division for Executive Operations
J. Golder, Chief Human Capital Officer, Office of Chief Human Capital Officer
B. Harris, Deputy General Counsel, Office of the General Counsel

(b)(7)(C)

(Without Attachment)



REPORT OF INVESTIGATION

**POTENTIAL MISUSE OF GOVERNMENT TRAVEL CHARGE CARD
(OIG CASE NO. 12400074)**

(b)(7)(C)

**THIS REPORT IS RELEASABLE ONLY BY THE U.S. NUCLEAR
REGULATORY COMMISSION AND DEFENSE NUCLEAR FACILITIES
SAFETY BOARD OFFICE OF THE INSPECTOR GENERAL.**

**THIS REPORT AND ITS EXHIBITS MAY NOT BE PLACED IN ADAMS
WITHOUT WRITTEN PERMISSION OF THE OIG.**

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STATUTES, REGULATIONS, AND POLICY

5 C.F.R. Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch"

§ 2635.704(a), "Use of Government Property"—(a) *Standard*. Employees have a duty to protect and conserve Government property and may not use such property, or allow its use, for other than authorized purposes.

41 C.F.R. Chapter 301, "Temporary Duty (TDY) Travel Allowances"

§ 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.

U.S. Nuclear Regulatory Commission Management Directive 14.1, *Official Temporary Duty Travel*

It is the policy of the U.S. Nuclear Regulatory Commission to adhere to the statutory and regulatory principles of the Federal Travel Regulation (FTR) (41 CFR, Chapters 301-304), associated Executive Orders, Comptroller General decisions, and decisions of the General Services Administration Board of Contract Appeals related to official Government travel.

SUBJECT

(b)(7)(C)

Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission

ALLEGATION

The Office of the Inspector General (OIG) initiated this investigation based on a complaint from (b)(7)(C) in the U.S. Nuclear Regulatory Commission (NRC) Office of the Chief Financial Officer. Allegedly, while overseeing the NRC's travel charge card program, (b)(7)(C) flagged certain transactions linked to the NRC travel charge card issued to (b)(7)(C) as instances of possible misuse of a government travel charge card.

FINDINGS

The OIG found that from April 10, 2019, to December 31, 2024, while not on official travel, (b)(7)(C) used his NRC travel charge card for 504 transactions. The unauthorized transactions were for charges totaling \$26,174.86. The OIG found no evidence that the government incurred pecuniary loss due to (b)(7)(C) unauthorized use of his NRC travel charge card.

BASIS FOR FINDINGS

Background

Under the Travel and Transportation Reform Act of 1998 and the Federal Travel Regulation, federal employees are generally required to use a government travel charge card to pay for official travel expenses. The Government Charge Card Abuse Prevention Act of 2012 requires agency officials to establish and maintain internal controls to ensure the proper, efficient, and effective use of travel charge cards. The act also mandates that OIGs conduct periodic audits or reviews of travel charge card programs to analyze the risks of illegal, improper, or erroneous purchases and payments.

The NRC's travel charge card program provides a financial means for staff to schedule official travel, pay for authorized expenses while on official travel, and be reimbursed for official travel expenses. NRC travel charge cards are issued by U.S. Bank.

504 Unauthorized Transactions on (b)(7)(C) NRC Travel Charge Card

Initially, the OIG obtained and reviewed (b)(7)(C) official government travel authorizations and travel charge card records for April 10, 2019, to January 22, 2024, which showed that (b)(7)(C) made 309 transactions, for charges totaling \$18,188.44. After (b)(7)(C) informed the OIG that he last used the NRC travel charge card for personal expenses in November 2024, the OIG requested from the NRC and reviewed (b)(7)(C) official government travel authorizations and travel charge card records for January 22, 2024, to December 31, 2024, as well. These records showed that (b)(7)(C) made an additional 195 transactions, for charges totaling \$7,986.42.

From April 10, 2019, to December 31, 2024, (b)(7)(C) made a total of 504 unauthorized transactions on his NRC travel charge card, for charges totaling \$26,174.86. Table 1 shows the yearly sum of charges to the card for 2019 to 2024.

Table 1: Charges for Unauthorized Transactions by Year

Year	Charges for Unauthorized Transactions
2019	\$588.35
2020	\$639.78
2021	\$5,647.88
2022	\$4,237.36
2023	\$6,378.25
2024	\$8,683.24
Total:	\$26,174.86

Source: See Exhibit 1.

(b)(7)(C) last official government travel was in September 2023. The unauthorized transactions were for airline tickets, fuel, rental cars, hotels, groceries, and other miscellaneous items. The OIG found no evidence that (b)(7)(C) requested reimbursement from the NRC for any of the unauthorized transactions.

(b)(7)(C) Completed NRC Travel Charge Card Training

NRC Training Management System records show that (b)(7)(C) completed “The Government Travel Charge Card Training,” a web-based course, on December 3, 2018, and July 12, 2024. (Exhibit 2.)

(b)(7)(C) Used His NRC Travel Charge Card for Personal Expenses

On December 12, 2024, the OIG interviewed (b)(7)(C) under oath. During the interview, (b)(7)(C) shared his understanding of the government travel charge card policy, including that the card is for use only when on official travel. (b)(7)(C) acknowledged that he had, however, used his NRC travel charge card for personal expenses while not on official travel. (b)(7)(C) further acknowledged that between April 10, 2019, and January 22, 2024—the only timeframe for which the OIG had yet obtained records—he made 309 transactions, for charges totaling \$18,188.44, on his NRC travel charge card while not on official travel, and that the transactions were for personal expenses including airline tickets, fuel, rental cars, hotels, and groceries. The OIG asked (b)(7)(C) when he last used the card for personal expenses, and (b)(7)(C) stated he last used it in November 2024; after the interview, the OIG obtained additional records for 2024, revealing a further 195 transactions.

(b)(7)(C) stated that the card had been delinquent approximately three times but that the balance was now \$0. Expressing an intention not to use the card again and possibly to cancel the card depending on NRC policy, (b)(7)(C) stated that he would communicate with his management to ascertain the frequency of his expected travel for

2025. On January 13, 2025, (b)(7)(C) voluntarily closed the account associated with his NRC travel charge card. (Exhibit 3.)

During the OIG interview, (b)(7)(C) explained that he used his NRC travel charge card for personal expenses when he had no available credit on his personal credit cards, particularly while experiencing financial difficulties related to (b)(6). He explained that he had been afraid to seek the financial guidance he needed, but that he was currently taking the necessary steps, including receiving financial counseling, to resolve the issues. (Exhibit 4.)

(b)(7)(C) Actions Were Inconsistent with 5 C.F.R. 2635.704 and Management Directive 14.1

The U.S. General Services Administration (GSA) oversees the government travel charge card program. In its oversight role, the GSA has issued training materials explaining that the misuse of a travel charge card—including personal use of the charge card and use while not on official government travel—can violate the Standards of Ethical Conduct for Employees of the Executive Branch at 5 C.F.R. Part 2635.¹ Among these ethical standards is 5 C.F.R. 2635.704, which states that each employee has “a duty to protect and conserve Government property and may not use such property, or allow its use, for other than authorized purposes.” Section 2635.704(b)(1) broadly defines “government property” to include “any form of real or personal property in which the Government has an ownership, leasehold, or other property interest.” Section 2635.704(b)(2) states that “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.”

The Directive Handbook (DH) to Management Directive (MD) 14.1 also addresses travel card usage. Section V.A.3(a) of the DH states that “[a] cardholder may only use his or her travel charge card for official TDY travel[.]” and section V.A.3(b) states that “[t]he charge card cannot be used for personal expenditures or anything else that would not be reimbursable on the employee’s travel voucher.”²

Based on the evidence obtained during this investigation, the OIG determined that (b)(7)(C) violated both 5 C.F.R. 2635.704 and the procedures in MD/DH 14.1 through the 504 unauthorized transactions involving his NRC travel charge card.

¹ https://training.smartpay.gsa.gov/training_travel/lesson12/.

² The NRC’s “Procedures for Obtaining a Government Charge Card” (May 2024) state, “The travel charge card cannot be used for personal use. It is only to be used to pay for official travel expenses.” The OIG was unable to determine, however, whether the procedures in effect when (b)(7)(C) obtained his NRC travel charge card included this language.

REFERRAL

The OIG briefed the U.S. Attorney's Office for the Southern District of Maryland (USAO-MD) Criminal Division on the facts of this investigation. The OIG's briefing was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance. The USAO-MD's discretionary decision was to decline criminal prosecution (b)(5)

DISPOSITION

This Report of Investigation conveys the results of the OIG's investigation and is being provided to the NRC for appropriate action. The OIG respectfully requests a response by June 30, 2025, describing any action taken regarding these findings. To the extent time beyond June 30, 2025, is required to plan or implement any corrective action, please update the OIG by June 30, 2025, and every 90 days thereafter on progress made in this regard.

EXHIBIT LIST

1. Excel Spreadsheet and Memorandum to File. Review of Questionable Travel Charges, dated October 25, 2024
2. Memorandum to File. Review of Training Records, dated October 21, 2024
3. Memorandum to File, Review of Travel Card Statements for (b)(7)(C) dated February 12, 2025
4. Transcript of (b)(7)(C) dated December 12, 2024



MEMORANDUM

DATE: April 17, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.04.17 13:59:47 -0400

THROUGH:

(b)(7)(C)

FROM:

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.04.17 14:08:19 -0400

SUBJECT: ALLEGED SUPPRESSION OF VIOLATIONS AT (b)(7)(C)
(b)(7)(C) BY REGION I BRANCH CHIEF
(OIG CASE NO. I2400104)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Region I (b)(7)(C). The complaint stated that (b)(7)(C) Region I, had alleged that (b)(7)(C) Branch Chief, Region I, suppressed findings of apparent violations (b)(7)(C) identified at (b)(7)(C) (b)(7)(C) further alleged that (b)(7)(C) had similarly suppressed findings of apparent violations other branch staff identified at other plants.

POTENTIAL VIOLATION

The potential violation relevant to this investigation involved the NRC Enforcement Policy and Inspection Manual Chapter 2561, *Decommissioning Power Reactor Inspection Program*.

FINDING

The OIG did not substantiate the allegation that (b)(7)(C) had suppressed findings of apparent violations (b)(7)(C) or other branch staff identified.

During its investigation into the allegation, the OIG noted that the NRC had issued one of the allegedly suppressed violations at (b)(7)(C) as an observation, which the (b)(7)(C) licensee, (b)(7)(C) had not yet resolved. The OIG did not identify a safety concern regarding the unaddressed issue, however, and NRC staff informed the OIG that the NRC intended to follow up on the issue during a future inspection, in accordance with NRC procedures.

BASIS FOR FINDINGS

Alleged Suppression of Violations

In March 2024, the OIG received a complaint containing an allegation from (b)(7)(C) stating that (b)(7)(C) had suppressed NRC findings of two apparent violations (b)(7)(C) identified at (b)(7)(C) as well as findings other staff identified at other plants. (b)(7)(C) informed the OIG that he had shared with Region I management information about the alleged suppression but that he did not believe the NRC had resolved the issue.

As part of the NRC's differing views programs, (b)(7)(C) Region I, reviewed the apparent violations (b)(7)(C) had identified. The OIG interviewed (b)(7)(C) and he stated that he did not believe (b)(7)(C) was suppressing findings of apparent violations. (b)(7)(C) stated that when staff disagree on an issue, staff need to discuss the issue professionally and listen to each other's differing views; if, afterward, staff still disagree, staff can use the non-concurrence process. (b)(7)(C) recounted two previous instances in which, after he, (b)(7)(C) and (b)(7)(C) discussed (b)(7)(C) and (b)(7)(C) differing views on issues, (b)(7)(C) agreed to performing an inspection or to changing an inspection report based on (b)(7)(C) input.

During an interview with the OIG, (b)(7)(C) stated that one of the allegedly suppressed findings of a potential violation he identified at (b)(7)(C) involved several issues in (b)(7)(C) Post-Shutdown Decommissioning Activities Report (PSDAR) that had been superseded or required updating. Ultimately, the NRC issued the potential violation as an observation in (b)(7)(C)

NRC Observation Regarding (b)(7)(C) PSDAR

Under (b)(7)(C) the NRC

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reported, (b)(7)(C)

(b)(7)(C)

Source: NRC

As of (b)(7)(C) had not yet updated the PSDAR in response to the NRC's inspection observation.

In an OIG interview with (b)(7)(C) stated that the NRC planned to follow up with (b)(7)(C) on the PSDAR observation during the next inspection. In an OIG interview with (b)(7)(C) confirmed the same intent.

DISPOSITION

The OIG did not substantiate the allegation that (b)(7)(C) suppressed findings of potential violations. (b)(7)(C) and (b)(7)(C) had disagreed on some inspection activities and findings, but NRC regional management, (b)(7)(C) and

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(b)(7)(C) utilized appropriate mechanisms under the agency's differing views programs to resolve the professional disagreements.

In addition, the NRC, in accordance with agency procedures, confirmed its intent to follow up with (b)(7)(C) regarding the PSDAR observation during a future inspection.

Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: January 27, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.01.27 08:15:50 -05'00'

THROUGH:

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.01.27 08:18:52 -05'00'

FROM:

(b)(7)(C) (b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C) Date: 2025.01.27 06:01:44 -05'00'

Senior Special Agent

SUBJECT: SECURITY INCIDENT INVOLVING OIP EMPLOYEE WITH UNSECURED LAPTOP AND PIV (OIG CASE NO. I2400138)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the Naval Criminal Investigative Service, Naval Air Station (NAS) Pensacola, regarding (b)(7)(C) (b)(7)(C) Office of International Programs, U.S. Nuclear Regulatory Commission (NRC). Allegedly, (b)(7)(C) allowed her NRC-issued laptop and personal identity verification (PIV) card to be in the possession of (b)(7)(C) a German national unaffiliated with the NRC. On (b)(7)(C) when (b)(7)(C) attempted to enter NAS Pensacola, in Pensacola, Florida, the air station performed a vehicle inspection and confiscated the laptop, with the PIV card already inserted into the laptop's smart card reader.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation are Title 18 of the United States Code Section 1030, "Fraud and Related Activity in Connection with Computers"; Title 5 of the Code of Federal Regulations (C.F.R.) Section 2635.101, "Basic Obligation of Public Service"; and, 5 C.F.R. 2635.704, "Use of Government Property."

FINDINGS

The OIG found that (b)(7)(C) a German national unaffiliated with the NRC, was in possession of (b)(7)(C) NRC-issued laptop and PIV card when (b)(7)(C) tried to enter NAS Pensacola.

The OIG could not eliminate the possibility that five suspicious files created on (b)(7)(C) laptop on the date (b)(7)(C) had possession of the laptop were malicious in nature.

BASIS FOR FINDINGS

(b)(7)(C) attempted to access NAS Pensacola via automobile. During a random counterterrorism-related inspection of the vehicle, NAS Pensacola discovered an NRC laptop with a PIV card already inserted into the laptop's smart card reader. The name on the PIV card was (b)(7)(C). Hence, NAS Pensacola determined that the NRC equipment had not been issued to (b)(7)(C). NAS Pensacola confiscated the laptop and PIV card; the air station also denied (b)(7)(C) entry. NAS Pensacola informed (b)(7)(C) that (b)(7)(C) could retrieve the property personally.

The OIG performed a forensic review of (b)(7)(C) NRC-issued laptop for evidence of unauthorized access. During the review, the OIG discovered five suspicious files created on the date (b)(7)(C) had possession of the laptop. After multiple attempts to determine the function of the five files, the OIG determined that the files might be corrupted and unable to be reviewed further.

SUBJECT INTERVIEW

On (b)(7)(C) the OIG interviewed (b)(7)(C). When asked about the incident at NAS Pensacola, (b)(7)(C) stated she was on a weekend trip with friends from school at that time, camping close to Pensacola, Florida. (b)(7)(C) (b)(7)(C) stated she left her NRC-issued laptop and PIV card in the car (b)(7)(C) was driving because she felt that location would be safer than the camping tent. (b)(7)(C) denied allowing anyone access to her NRC laptop and stated she never shared with anyone her logon information. (b)(7)(C) stated she did not know anything about suspicious files on the laptop nor about how such files could have appeared on the laptop.

(b)(7)(C) had exited the United States before the OIG could interview him.

DISPOSITION

The OIG was unable to substantiate that (b)(7)(C) allowed unauthorized access to her NRC-issued laptop or that (b)(7)(C) accessed the laptop.

~~OFFICIAL USE ONLY - OIG INVESTIGATION INFORMATION~~

The OIG is referring this case to the NRC Office of International Programs, carbon copying the Personnel Security Office and the Office of the General Counsel, for agency action. This investigation is closed with no further OIG action taken.

~~OFFICIAL USE ONLY - OIG INVESTIGATION INFORMATION~~

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MEMORANDUM

DATE: January 31, 2025

TO: Mirela Gavrilas
Executive Director
for Operations

FROM: Malion A. Bartley
Assistant Inspector General
for Investigations

Malion A. Bartley Digitally signed by
Malion A. Bartley
Date: 2025.01.31
11:03:30 -05'00'

SUBJECT: ALLEGED UNAUTHORIZED TRANSACTIONS ON GOVERNMENT TRAVEL CARD BY AN EMPLOYEE OF THE U.S. NUCLEAR REGULATORY COMMISSION (OIG CASE NO. I2400153)

The Office of the Inspector General (OIG) prepared the attached Report of Investigation based on an allegation that a U.S. Nuclear Regulatory Commission (NRC) Region III employee made numerous unauthorized transactions on his NRC travel charge card.

Our investigation substantiated that while not on official government travel, the employee made many unauthorized transactions on his NRC travel charge card. Many of the transactions were in the form of cash advances.

This Report of Investigation conveys the results of our investigation and is being provided to the NRC for appropriate action. We respectfully request a formal response by April 29, 2025, describing what action, if any, the agency takes based on the results of this investigation. If the NRC would like to discuss any aspect of the OIG's investigation into this matter, please contact (b)(7)(C)

CONTACT: (b)(7)(C)

The distribution of this memorandum should be limited to those NRC employees whose involvement is required for evaluation of this matter. Neither the memorandum, the report, nor its exhibits may be distributed without the OIG's express written permission.

ATTACHMENT:

Report of Investigation (with exhibits transmitted via Box)

- cc: B. Clark, General Counsel
- O. Barwell, Chief Financial Officer
- J. Giessner, Regional Administrator, Region III
- S. Lewman, Regional Counsel, Region III
- (b)(7)(C) Region III
- (b)(7)(C) Region III
- (b)(7)(C) Region III



REPORT OF INVESTIGATION

**ALLEGED UNAUTHORIZED TRANSACTIONS ON GOVERNMENT TRAVEL
CARD BY NRC EMPLOYEE
(CASE NO. I2400153)**

(b)(7)(C)	(b)(7)(C)	(b)(7)(C)	(b)(7)(C)
Senior Special Agent			
Digitally signed by (b)(7)(C) (b)(7)(C) Date: 2025.01.31 10:11:22 -05'00'	Digitally signed by (b)(7)(C) (b)(7)(C) Date: 2025.01.31 10:29:14 -05'00'	Digitally signed by (b)(7)(C) (b)(7)(C) Date: 2025.01.31 10:23:21 -05'00'	Digitally signed by (b)(7)(C) (b)(7)(C) Date: 2025.01.31 10:23:21 -05'00'

**THIS REPORT IS RELEASABLE ONLY BY THE U.S. NUCLEAR
REGULATORY COMMISSION AND DEFENSE NUCLEAR FACILITIES
SAFETY BOARD OFFICE OF THE INSPECTOR GENERAL.**

**THIS REPORT AND ITS EXHIBITS MAY NOT BE PLACED IN ADAMS
WITHOUT WRITTEN PERMISSION OF THE OIG.**

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STATUTES, REGULATIONS, AND POLICY

The potential violations relevant to this investigation involve Title 5 of the Code of Federal Regulations (C.F.R.) Section 2635.704, "Use of Government Property," and U.S. Nuclear Regulatory Commission (NRC) Management Directive (MD) 14.1, *Official Temporary Duty Travel*.

ALLEGATION

The OIG initiated this investigation upon an internal referral from the OIG Audits and Evaluations Division. The referral included information indicating that between fiscal year (FY) 2020 and FY 2023, Region III employee (b)(7)(C) might have used his NRC travel charge card while not on official travel.

FINDING

The OIG found that (b)(7)(C) violated 5 C.F.R. 2635.704 and NRC MD 14.1 when, while not on official travel, he initiated 92 unauthorized transactions, for charges totaling approximately \$27,000.00, on his NRC travel charge card between October 1, 2019, and September 30, 2023 (FY 2020 through FY 2023). The OIG found no evidence, however, that the government incurred pecuniary loss due to (b)(7)(C) unauthorized use of his NRC travel charge card.

BASIS FOR FINDING

Background

Under the Travel and Transportation Reform Act of 1998 and the Federal Travel Regulation, federal employees are generally required to use a government travel charge card to pay for official travel expenses. The Government Charge Card Abuse Prevention Act of 2012 requires agency officials to establish and maintain internal controls to ensure the proper, efficient, and effective use of travel charge cards. The act also mandates that OIGs conduct periodic audits or reviews of travel charge card programs to analyze the risks of illegal, improper, or erroneous purchases and payments.

The NRC's travel charge card program provides a financial means for staff to schedule official travel, pay for authorized expenses while on official travel, and be reimbursed for official travel expenses. NRC travel charge cards are issued by U.S. Bank.

(b)(7)(C) Used His NRC Travel Charge Card for 92 Unauthorized Transactions

The OIG reviewed (b)(7)(C) NRC travel authorizations and travel charge card records documenting locations and dates of FYs 2020–2023 transactions on his NRC travel

charge card. The OIG also reviewed U.S. Bank records documenting timestamps of most FYs 2020–2023 transactions on the card. (Exhibits 1–3.)

(b)(7)(C) initiated 92 transactions on his NRC travel charge card when not on authorized travel. Many of the transactions were cash advances. In sum, the 92 transactions were for approximately \$27,000.00.

(b)(7)(C) initiated many of the unauthorized transactions on his NRC travel charge card at or near a casino. Most of the casino-proximate transactions for which timestamps were available happened outside (b)(7)(C) regular duty hours, while on leave, on weekends, or on holidays. The following list is a sample of transactions on (b)(7)(C) NRC travel charge card:

1. Sunday, November 17, 2019—Cash advance totaling \$403.50 from an automated teller machine (ATM) located at (b)(7)(C) (b)(7)(C) within walking distance of several casinos in (b)(7)(C)
2. Sunday, November 22, 2020—Two cash advances totaling \$1,000.00 from an ATM located at the (b)(7)(C) Casino, (b)(7)(C) (b)(7)(C)
3. Friday, January 29, 2021—Two cash advances totaling \$1,207.00 from an ATM located at (b)(7)(C) about three blocks away from (b)(7)(C) Casino, located at (b)(7)(C) (b)(7)(C)
4. Friday, April 8, 2022—Cash advance totaling \$500.00 from an ATM located at the (b)(7)(C) Casino, (b)(7)(C) and.
5. Tuesday, January 31, 2023—Two transactions totaling \$74.99 from (b)(7)(C) (b)(7)(C)

Without complete timestamps, the OIG could not conclude that all the casino-proximate transactions on (b)(7)(C) NRC travel charge card occurred outside his regular duty hours. Regardless of when and where the transactions occurred, however, the evidence the OIG obtained showed that (b)(7)(C) initiated a total of 92 transactions when he was not on authorized travel.

No Requests for Reimbursement for Unauthorized Transactions

Between FY 2020 and FY 2023, (b)(7)(C) submitted 36 vouchers for reimbursement of official travel expenses. The OIG reviewed the vouchers and found no evidence that (b)(7)(C) requested reimbursement for any of the 92 unauthorized transactions referenced above.

No NRC Travel Charge Card Delinquencies

U.S. Bank confirmed that (b)(7)(C) has made timely monthly payments on the account associated with his NRC travel charge card since the account was opened. In addition, U.S. Bank reported that there are no delinquencies on (b)(7)(C) account.

(b)(7)(C) Used the NRC Travel Charge Card as a Personal Credit Card

On August 9, 2024, the OIG called (b)(7)(C) to schedule an interview and informed him the interview would be regarding his use of his NRC travel charge card while not on official travel. Without prompting, (b)(7)(C) stated that he used his NRC travel charge card as his personal credit card.

On August 13, 2024, the OIG interviewed (b)(7)(C) under oath, at (b)(7)(C) (b)(7)(C). The OIG reminded (b)(7)(C) of what he said on August 9 and asked why he used his NRC travel charge card as his personal credit card. In response, (b)(7)(C) stated that he does not have many other credit cards and that when he uses his NRC travel charge card, he pays it off. (b)(7)(C) stated he had not previously been told he was using the NRC travel charge card inappropriately.

The OIG informed (b)(7)(C) that the OIG had reviewed U.S. Bank records for the account associated with his NRC travel charge card and that the records showed he made multiple cash advances at casinos. (b)(7)(C) acknowledged he made the transactions and stated he might have made the transactions while on personal travel. (Exhibit 4.)

(b)(7)(C) Completed NRC Travel Charge Card Training in 2018

The OIG reviewed (b)(7)(C) Training Management System (TMS) records. His TMS transcript shows that (b)(7)(C) completed a course titled “The Government Travel Charge Card Training” on January 28, 2018. (Exhibit 5.)

(b)(7)(C) Actions Were Inconsistent with 5 C.F.R. 2635.704 and MD 14.1

The U.S. General Services Administration (GSA) oversees the government travel charge card program. In its oversight role, the GSA has issued training materials explaining that the misuse of a travel charge card—including personal use of the charge card, use while not on official government travel, and excessive ATM withdrawals—can violate the Standards of Ethical Conduct for Employees of the Executive Branch at 5 C.F.R. Part 2635.¹ Among these ethical standards is 5 C.F.R. 2635.704, which states that each employee has “a duty to protect and conserve Government property and may not use such property, or allow its use, for other than authorized purposes.” Section 2635.704(b)(1) broadly defines “government property” to include “any form of real or

¹ https://training.smartpay.gsa.gov/training_travel/lesson12/.

personal property in which the Government has an ownership, leasehold, or other property interest.” Section 2635.704(b)(2) states that “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.”

The Directive Handbook (DH) to MD 14.1 also addresses travel card usage. Section V.A.3(a) of the DH states that “[a] cardholder may only use his or her travel charge card for official TDY travel[,]” and section V.A.3(b) states that “[t]he charge card cannot be used for personal expenditures or anything else that would not be reimbursable on the employee’s travel voucher.”²

Based on the evidence obtained during this investigation, the OIG determined that (b)(7)(C) violated both 5 C.F.R. 2635.704 and the procedures in MD/DH 14.1 through the 92 unauthorized transactions involving his NRC travel charge card.

REFERRAL

The OIG briefed the U.S. Attorney’s Office for the District of Maryland (USAO-MD) Criminal Division on the facts of this investigation. The OIG’s briefing was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance. The USAO-MD’s discretionary decision was to decline criminal prosecution. The USAO-MD advised (b)(5)

(b)(5)

DISPOSITION

This Report of Investigation conveys the results of the OIG’s investigation and is being provided to the NRC for appropriate action. The OIG respectfully requests a response by **April 29, 2025**, describing any action taken regarding this finding. To the extent additional time is required beyond **April 29, 2025**, to plan or implement any corrective action, please update the OIG by March 31, 2025, and every 90 days thereafter on progress made in this regard.

² The NRC’s “[Procedures for Obtaining a Government Charge Card](#)” (May 2024) state, “The travel charge card cannot be used for personal use. It is only to be used to pay for official travel expenses.” The procedures further state that “[c]ash advances are allowed for official travel only[.]” The OIG was unable to determine, however, whether the procedures in effect when (b)(7) obtained his NRC travel charge card included this language.

EXHIBIT
(Transmitted via Box)

1. Travel Authorizations of (b)(7)(C) FYs 2020–2023
2. U.S. Bank Transactions
3. U.S. Bank Transactions with Timestamps
4. Transcript of (b)(7)(C) Interview, dated August 13, 2024
5. (b)(7)(C) 2018 Travel Card Training Certificate



MEMORANDUM

DATE: January 14, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.01.14 11:55:53 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)

Date: 2025.01.14 11:04:55 -05'00'

FROM:

(b)(7)(C)
Special Agent

(b)(7)(C)

Digitally signed by (b)(7)(C)

Date: 2025.01.14 11:02:49 -05'00'

SUBJECT: ALLEGED FRAUD AND SECURITY ISSUES WITH NRC VOICE OVER INTERNET PROTOCOL TELEPHONE SERVICES (OIG CASE No. I2400158)

ALLEGATIONS

The Office of the Inspector General (OIG) initiated this investigation based upon a complaint through our internal hotline portal. Allegedly, the U.S. Nuclear Regulatory Commission (NRC) was paying its telephone provider, Verizon Communications Inc. (Verizon), for inactive phone lines. In addition, former NRC employees allegedly still had access to NRC desk phone voicemail, which posed a potential security vulnerability.

POTENTIAL VIOLATIONS

Standards potentially relevant to this investigation include NRC Management Directive (MD) Volume 6, *Internal Management*, and MD 12.4, *NRC Communications Security (COMSEC) Program*.

FINDINGS

The OIG found that the NRC was not paying for inactive phone lines. In addition, the OIG found that former NRC employees did not have access to NRC desk phone voicemail after leaving the NRC.

BASIS OF FINDINGS

The General Services Administration (GSA) entered into the Enterprise Infrastructure Solutions (EIS) contract GS00Q17NSD3009 with Verizon to offer telecommunications services to the federal government. Through the EIS contract, the GSA, on behalf of the NRC, negotiated contracts GS00Q17NSD3009/3130020045 and GS00Q17NSD3009/3130020F0008 with Verizon to provide phone services to the NRC.

Both contracts are fixed price full performance contracts. According to the statements of work, Verizon will provide voice, data, and unified communications, along with other services, to the NRC. Phone services fall within “data services,” and all phone service additions and disconnections are included within the fixed price.

On December 3, 2024, the OIG interviewed (b)(7)(C) Office of the Chief Information Officer (OCIO). (b)(7)(C) Zakour stated that the NRC, through the GSA, pays Verizon for a block of phone numbers attributed to the NRC. The contracts do not require the NRC to maintain a minimum amount of phone numbers. Hence, based on the fixed price nature of the contracts, the amount the NRC pays Verizon for phone services remains constant regardless of how many phone numbers the NRC activates or deactivates.

(b)(7)(C) also stated that once an employee begins the process to terminate employment at the NRC, the employee should complete a Form 270, “HQ Separation Clearance.” (b)(7)(C) explained that this form contains numerous checklists and tasks for various offices to complete. Regarding voicemail, (b)(7)(C) stated that once the employee submits the Form 270, the OCIO receives a “ticket” or “task order” to delete the employee’s voicemail. The deletion process takes about one week; as part of his responsibility as (b)(7)(C) meets biweekly with the program manager to address any delinquent tickets. Once the OCIO processes a ticket to delete a departing employee’s voicemail, the security settings on the phone number are reset, and it returns to the general phone bank database for redistribution. As former employees do not have access to the reset security settings for accessing voicemail, like passcodes and needing to call from an internal phone number, former employees do not have voicemail access once OCIO has processed the deletion ticket.

DISPOSITION

The OIG found no indication of the NRC paying for inactive phone numbers. Additionally, the OIG found no evidence of former NRC employees’ continued access to NRC desk phone voicemail or of related security vulnerabilities. Therefore, this investigation is closed with no further OIG action taken.



MEMORANDUM

DATE: March 4, 2025

TO: John D. Monninger
Regional Administrator
Region IV

FROM: (b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.03.04 13:38:20 -0500

SUBJECT: (b)(7)(C) AT REGION IV ALLEGEDLY DISCLOSED
PERSONAL SENSITIVE HUMAN RESOURCES INFORMATION TO
STAFF MEMBERS WITHOUT A NEED TO KNOW
(OIG CASE NO. I2400159)

This memorandum conveys the results of an Office of the Inspector General (OIG) investigation into an allegation that U.S. Nuclear Regulatory Commission (NRC) Region IV (b)(7)(C) inappropriately told a retired NRC employee sensitive and private information about a Region IV employee. During the investigation, the retired employee claimed that, in various social settings, (b)(7)(C) had told her information about multiple employees that he learned in the normal course of his duties as (b)(7)(C)

The OIG could not determine whether (b)(7)(C) provided the retired NRC employee with the alleged information, as (b)(7)(C) denied divulging such information to anyone and the OIG discovered no relevant physical evidence. The OIG verified that the details the retired employee had provided regarding five current or former Region IV employees allegedly involved in six incidents were accurate, however, and all five employees denied telling the retired employee about the incidents. Ultimately, therefore, the OIG found that the retired employee knew sensitive personnel information about at least five current or former Region IV employees and that she would not have had reason to learn the information in the course of her duties at the NRC.

The OIG respectfully requests a formal response to this report by May 16, 2025, describing what steps Region IV will take to improve the protection of employees'

personal information from unauthorized disclosure.

If you have any questions, please contact Senior Special Agent (b)(7)(C) at (b)(7)(C) or me at (b)(7)(C)

cc: M. Gavrilas, Executive Director for Operations
J. Martin, Associate Director for Operations
J. Golder, Chief Human Capital Officer
D. Cylkowski, Regional Counsel, Region IV

ALLEGATION

U.S. Nuclear Regulatory Commission (NRC) Region IV (b)(7)(C) referred to the Office of the Inspector General (OIG) a complaint alleging that Region IV (b)(7)(C) inappropriately told retired NRC employee (b)(7)(C) sensitive and private information about a current Region IV employee.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were the Privacy Act of 1974, codified (as amended) at Title 5 of the United States Code Section 552a, "Records Maintained on Individuals"; Title 5 of the Code of Federal Regulations (C.F.R.) Part 2635, "Standards of Ethical Conduct"; and, 5 C.F.R. Section 735.203, "Conduct Prejudicial to the Government."

FINDINGS

The OIG found that (b)(7)(C) knew sensitive personnel information, about at least five current or former Region IV employees, that she would not have had reason to learn in the course of her duties at the NRC. The OIG was unable to determine whether (b)(7)(C) provided (b)(7)(C) with the information as she claimed, as (b)(7)(C) denied divulging such information to anyone and no physical evidence existed to corroborate or contradict (b)(7)(C) claims.

BASIS FOR FINDINGS

In an interview with the OIG, (b)(7)(C) stated that prior to her retirement from the NRC in (b)(7)(C) while she worked at Region IV, she maintained a long-lasting and close friendship with (b)(7)(C) stated that over the years of friendship, (b)(7)(C) told her about incidents involving several Region IV employees. (b)(7)(C) specifically named seven current or former employees and provided details about eight alleged incidents as examples of information (b)(7)(C) allegedly inappropriately told her.

The OIG verified that the details (b)(7)(C) provided regarding five current or former Region IV employees involved in six incidents were accurate. The OIG interviewed the five employees, and they all denied telling (b)(7)(C) about the incidents. The OIG reviewed Office of the Chief Human Capital Officer files and Personnel Security Branch files and identified that (b)(7)(C) might have had access to information regarding one of the incidents during (b)(7)(C). Otherwise, the OIG did not identify a source through which Hurley might have legitimately obtained the details regarding any of the seven employees.

The OIG interviewed (b)(7)(C) without divulging (b)(7)(C) identity as a source of information, though (b)(7)(C) stated he believed (b)(7)(C) was the individual who claimed he

inappropriately revealed sensitive and private personnel information. (b)(7)(C) denied telling anyone any sensitive information regarding other NRC employees.

CONCLUSION

The OIG could not substantiate that (b)(7)(C) learned sensitive personnel information from (b)(7)(C) but (b)(7)(C) mere possession of the information indicated to the OIG that problems with the release of sensitive personnel information may exist in Region IV.

Consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance, the OIG referred this investigation to the U.S. Attorney's Office for the Northern District of Texas (USAO-NDTX) Criminal Division to consider any potential criminal violations. The USAO-NDTX's discretionary decision was to decline criminal prosecution (b)(5)

Accordingly, the OIG respectfully requests a formal response describing what steps Region IV will take to improve the protection of employees' personal information from unauthorized disclosure.



MEMORANDUM

DATE: March 19, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.19 11:44:54 -04'00'

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.19 12:21:43 -04'00'

FROM:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.19 12:24:01 -04'00'

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION PROPERLY HANDLED ALLEGATIONS REGARDING VALCOR VALVE DESIGN (OIG CASE NO. I2400193)

ALLEGATIONS

From early 2022 to late 2023, the Office of the Inspector General (OIG) received four complaints¹ from a concerned individual (CI) questioning the U.S. Nuclear Regulatory Commission (NRC) Office of Enforcement (OE) review of the CI's two allegations, NRR-2021-A-0010 and NRR-2023-A-0001, regarding the design of Valcor Engineering Corporation (Valcor) safety valves.

In the fourth complaint, provided to the OIG on November 23, 2023, the CI alleged that "the NRC wasted two years of erroneous evaluations riddled with false assertions" during the agency's review of the CI's allegations that Valcor's incorrect design calculations for safety valves connected directly to the pressure boundary of nuclear reactors.

Upon the OIG's receipt of the first complaint, the OIG began monitoring the OE's

¹ (1) C2200077, Concerns Regarding the Review of Valcor's Technical Analysis Conducted by NRC Allegation Team, 3/29/2022; (2) C2303336, Concerns Regarding Valcor Engineering Corporation, 4/13/2023; (3) C2400020, Failure to Properly Address Allegation Regarding Valve Use for Safe Shutdown of Nuclear Reactors, 10/12/2023; and, (4) C2400193, Alleged Safety Concern Regarding Valcor Engineering Corporation, November 23, 2023.

ongoing review of the CI's allegations by assessing related documents in the NRC Allegation Management System (AMS) and following up periodically with OE staff for updates on the review. After the OE's final closure of the allegations on January 3, 2024, the OIG initiated an investigation into whether the NRC properly handled the CI's concerns.

POTENTIAL VIOLATION

The potential violation or area of noncompliance involved in this case was NRC Management Directive (MD) 8.8, *Management of Allegations*.

FINDINGS

The OIG found that the NRC appropriately handled the CI's concerns for both NRR-2021-A-001 and NRR-2023-A-0001.

Ultimately, the NRC did not substantiate either allegation. Specifically, the OE found that the CI's concern regarding (b)(4) (b)(4) was valid because (b)(4)

(b)(4) In addition, the OE acknowledged to the CI that its initial review of the NRC allegations incorrectly determined that (b)(4)

(b)(4) The OE maintained, however, that the margins and conservatisms in the design calculations provided reasonable assurance that the Valcor valves would perform their design basis function. The OIG validated the facts underlying the OE's conclusions and found that the OE's findings for both allegations were appropriate.

In 2023, the NRC initiated actions to determine whether a generic issue existed regarding licensees using appropriate methodologies for (b)(4) Specifically, NRC Office of Nuclear Reactor Regulation (NRR) management instructed an inspector to review the design calculations for (b)(4)

(b)(4) The NRC reported no findings for the (b)(4) design report (DR) the inspector reviewed, and the NRC did not open the issue as a formal generic issue.

BASIS FOR FINDINGS

OE's NRR-2021-A-0010 Conclusions Were Appropriate

(b)(4)

(b)(4)

NRC subject matter experts assessed the claims and reviewed information from a confidential technical letter that Valcor had commissioned on the issue from an outside, professional engineer consultant. The OE reached two conclusions and, based on them, did not substantiate the allegation.

Conclusion 1: The NRC Accepted Valve Disc Calculations (b)(4)

The NRC issued to Valcor a request for information (RFI) regarding the CI's claims. In preparing its response, Valcor contracted a third-party consultant recognized for

(b)(4)

After reviewing Valcor's RFI response, the OE documented in AMS the following summary provided from NRR staff:

(b)(4)

The OIG's review of information in AMS identified that the OE further documented that the NRR staff stated, (b)(4)

(b)(4)
the NRC staff finds [this assessment] acceptable."

The OIG determined that the OE's conclusions were appropriate, based on the information the OIG gathered in its investigation. For example, on a site visit to Valcor, the OIG reviewed documents and interviewed licensee technical staff. One document the OIG reviewed on-site and received a partial copy of was the Valcor consultant's confidential report. In the confidential report, the consultant acknowledged that Valcor

(b)(4) The report went on to state:

(b)(4)

(b)(4)

Conclusion 2: The NRC Accepted Threaded Joint Calculations (b)(4)
(b)(4)

The Valcor safety valves (b)(4)
(b)(4)

In the confidential report, (b)(4)
(b)(4)
(b)(4) NRC staff reviewed several publications, (b)(4) and
accepted that methodology. NRC staff also reviewed (b)(4)
(b)(4) and determined that it was acceptable.

The OIG interviewed a Valcor senior engineer regarding the licensee's design calculations for safety valves. The engineer provided to the OIG the following written statement:

(b)(4)

(b)(4)

In addition, the confidential report concluded, (b)(4)

(b)(4)

OE's NRR-2023-A-0001 Conclusions Were Appropriate

The CI submitted to the NRC additional information, including DRs for Valcor safety valves, installed at (b)(4). With the information, the CI alleged that Valcor (b)(4)

(b)(4)

(b)(4) In addition, the CI alleged that Valcor provided false information to the NRC regarding (b)(4)

(b)(4)

The OE initiated NRR-2023-A-001 based on the additional information. During the subsequent MD 8.8 review, the OE reached two conclusions and, based on them, did not substantiate the allegation.

Conclusion 1: The NRC Accepted the DRs for Installed Valves at (b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

In addition, NRR staff performed a vendor inspection at Valcor in May 2023. Based on their review of the design documents during the inspection, as well as on the technical assessment listed above, the NRR staff concluded that (b)(4)

(b)(4)

The OIG determined that the NRC's conclusions were appropriate, based on the information the OIG gathered in its investigation. For example, the OIG identified an NRC internal email from an NRR subject matter expert (SME) (b)(4)

(b)(4)

Source: NRC

Conclusion 2: The NRC Acknowledged Incorrect Understanding and Accepted (b)(4)

(b)(4)

In a September 5, 2023 response memorandum to the CI, the NRC acknowledged that

(b)(4)

(b)(4)

During the OIG's site visit to Valcor, the OIG reviewed (b)(4) (b)(4) and verified that the NRC's assessment was appropriate. The OIG also interviewed a Valcor SME (b)(4)

(b)(4)

The OIG also performed a site visit to (b)(4) where the OIG interviewed (b)(7)(C) and (b)(7)(C)

(b)(7)(C). The interview focused primarily on design issues related to valves manufactured by Valcor. During the interview, (b)(7)(C) and (b)(7)(C) stated that Valcor had submitted a notification (b)(4)

(b)(4)

(b)(4) Furthermore, the OIG noted that the design issues raised at (b)(4) did not relate to the alleged incorrect design calculation issues.

NRC Reported No Findings from Review of (b)(4)

(b)(4)

(b)(4)

Source: NRC

In an interview with the OIG, the NRC inspector who reviewed (b)(4) (b)(4) stated that he did not identify any findings from the review.

DISPOSITION

The OIG found that the NRC appropriately handled the CI's concerns through the MD 8.8 reviews of NRR-2021-A-0010 and NRR-2023-A-0001. While the OIG investigation was ongoing, the NRC also explored whether a generic issue existed regarding licensees using appropriate methodologies (b)(4). The NRC found that both licensees (b)(4) the agency reviewed used methodologies that met the

standard of reasonable assurance of public health and safety, and subsequently the NRC did not open a formal generic issue. Therefore, this investigation was closed with no further OIG action taken.

This investigation supported the OIG's Annual Plan for Fiscal Year 2025, Safety and Security initiative for Investigations, to investigate whether the agency properly handled alleged concerns.



MEMORANDUM

DATE: July 2, 2025

TO: Scott C. Flanders
Chief Information Officer (Acting)

FROM: (b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.07.02
12:06:08 -04'00'

SUBJECT: ALLEGED FRAUD INVOLVING U.S. NUCLEAR REGULATORY COMMISSION LEIDOS MICROSOFT 365 TASK ORDER (OIG CASE NO. I2400206)

This memorandum conveys the results of the Office of the Inspector General (OIG) investigation into an anonymous complaint stating that Leidos, Inc. (Leidos), a U.S. Nuclear Regulatory Commission (NRC) contractor, had inappropriately steered NRC contracts to itself and had committed time and attendance fraud. Allegedly, Leidos had developed a position within the NRC that enabled the company to steer NRC task orders to itself. In addition, Leidos assigned the same personnel to work on multiple task orders and allegedly had billed the NRC the same hours multiple times, once for each task order.

The OIG did not substantiate that Leidos had inappropriately steered NRC task orders to itself. In addition, while Leidos assigned some personnel to work on multiple task orders, the OIG did not substantiate that Leidos had double billed the NRC.

The OIG observed, however, that the (b)(7)(C) (b)(7)(C) lacked visibility of the total hours worked by Leidos personnel assigned to multiple task orders. The OIG further observed that while (b)(7)(C) had proactively identified which Leidos personnel were assigned to multiple task orders awarded to Leidos, the NRC had no practicable mechanism for (b)(7)(C) to ascertain whether and which Leidos subcontractors were also assigned to non-Leidos NRC contracts and task orders. (b)(7)(C)

CONTACT: (b)(7)(C)

(b)(7)(C) stated that they knew of no NRC policy or procedure designed to mitigate double billing.

Therefore, the OIG respectfully requests a formal response to this report by **September 26, 2025**, answering the questions posed below and describing what actions, if any, the agency will take to address the OIG's observations:

1. How will the NRC improve (b)(7)(C) visibility of contract employees' and subcontractors' work on multiple task orders and contracts?
2. What policies or procedures will the NRC consider to mitigate the potential for double billing by contract employees and subcontractors that work on multiple task orders and contracts?

cc: M. King, Acting Executive Director for Operations
J. Martin, Associate Director for Operations
E. Deeds, Executive Technical Assistant
C. Carroll, Acting Chief Financial Officer

ALLEGATION

The OIG received an anonymous complaint regarding Leidos, Inc. (Leidos), a U.S. Nuclear Regulatory Commission (NRC) contractor with a blanket purchase agreement (BPA) to provide support services to the NRC. Some of the services Leidos provided to the NRC through the BPA were under a task order for SharePoint, Microsoft 365, and cloud support (the "Microsoft 365 task order"). Allegedly, through its prior work for the NRC, Leidos had developed a position within the agency that enabled the company inappropriately to steer new task orders to itself. Leidos assigned personnel working on the Microsoft 365 task order to work on the new task orders, as well. Allegedly, Leidos had billed the NRC multiple times, once under each task order, for the same hours those multi-tasked personnel worked.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation involve Title 18 of the United States Code (U.S.C.) Section 1001, "Statements or Entries Generally"; 18 U.S.C. § 641, "Theft of Public Money - Property or Records"; and, 18 U.S.C. § 3729, "False Claims."

FINDINGS

The OIG did not substantiate that Leidos had inappropriately steered NRC task orders to itself. Rather, the NRC had bid the projects through the Global Infrastructure and Development Acquisition (GLINDA) program before awarding the projects to Leidos, a GLINDA-approved vendor, as task orders associated with the Leidos BPA. Further, the OIG did not substantiate that Leidos had committed time and attendance fraud by double billing the NRC for hours worked by company personnel assigned to multiple task orders.

The OIG observed that (b)(7)(C)
(b)(7)(C) lacked visibility of whether Leidos personnel were assigned to other task orders or other, non-Leidos contracts with the NRC. The NRC had implemented no policies or procedures designed to mitigate double billing.

BASIS FOR FINDINGS

The OIG Did Not Substantiate that Leidos Steered NRC Task Orders to Itself

As of April 1, 2025, the NRC Office of the Chief Information Officer (OCIO) GLINDA Program SharePoint Site stated, "In order to support the Project AIM goals, the [OCIO] developed [GLINDA] to procure the required Information Technology/Information Management (IT/IM) support services and solutions." GLINDA is an NRC procurement vehicle for awarding BPAs and, subsequently, bidding IT/IM projects among vetted vendors through a streamlined process. The NRC has awarded under GLINDA six

BPAs: four to large businesses—including Leidos—and two to small businesses. The Leidos BPA contract number is NRC-HQ-10-17-A-0007.

When the NRC bids an IT/IM project under the GLINDA program, the NRC notifies all GLINDA vendors of the bid via FedConnect, a platform for federal agencies to post, award, and communicate with vendors about contracts and other funding opportunities. The NRC awards the project to a GLINDA vendor as a task order associated with the vendor's BPA.

In separate interviews with the OIG, an NRC contracting officer (CO) and several NRC CORs stated that the NRC provided notice of each project associated with the Leidos BPA through FedConnect. All GLINDA vendors had the opportunity to bid on the projects, though typically the NRC received only two to four bids on each project. Often, Leidos's capability to use existing, part-time personnel to complete the new projects contributed to the competitiveness of the company's bids for the projects Leidos won.

The NRC invites its employees to recommend projects to improve the agency.¹ In addition, the NRC encourages public participation in agency activities.² Like NRC employees and external stakeholders, Leidos personnel may identify and recommend to the NRC projects to improve the agency.

The OIG Did Not Find that Leidos Double Billed the NRC

(b)(7)(C) provided to the OIG a list of Leidos personnel assigned to their task order. The OIG compared the lists and identified several personnel assigned to multiple task orders. As the complaint alleged improprieties specifically regarding personnel assigned to the Microsoft 365 task order, the OIG focused its comparison on those individuals.

The OIG identified one employee and one subcontractor who worked on the Microsoft 365 task order and also on other task orders. The Leidos employee served as (b)(7)(C) (b)(7)(C) for the Microsoft 365 task order and as (b)(7)(C) for three other task orders. The Leidos subcontractor worked part time on the Microsoft 365 task order and also was assigned to task order number 31310020F0052, which provided Information Security Management Program (ISMP) support.

The OIG reviewed Leidos's invoices for the task orders to which the two personnel were assigned and did not identify any instance where the individuals billed more than the maximum hours possible during the invoiced time frames. Further, (b)(7)(C) (b)(7)(C) stated that neither individual had billed more than part-time hours to that

¹ For example, the NRC invites ideas and collaborations within the agency through Innovate NRC 2.0.

² The NRC provides information about how the public can participate in agency activities and contact the agency at <https://www.nrc.gov/public-involve.html>.

(b)(7)(C) task order; the Leidos subcontractor did not bill any hours at all to the ISMP support task order.

While reviewing Leidos's invoices, the OIG discovered a possible issue with an invoice dated December 3, 2024, for the Microsoft 365 task order. During the NRC-Leidos billing period for November 4 through December 1, 2024, (b)(7)(C) (b)(7)(C) billed 304 hours. (b)(7)(C) informed the OIG that two individuals were authorized to bill to that position and that the NRC had not approved any overtime for the billing period. Due to the Veterans Day and Thanksgiving holidays, however, the maximum billable hours for one individual, without overtime, from November 4 through December 1 was only 144 hours—a maximum of 288 hours for two individuals. The OIG found that the apparent discrepancy did not reveal overbilling, however, because Leidos's invoice to the NRC reflected the Leidos subcontractors' billable hours for a one-week earlier time frame, which encompassed only one federal holiday. Specifically, Leidos's invoice reflected the subcontractors' billable hours for October 25 through November 22, 2024, during which each individual could have billed a maximum of 152 hours: a maximum of 304 hours for two individuals, corresponding with the hours Leidos billed.

When it first discovered the apparent discrepancy, the OIG requested that (b)(7)(C) provide more information, but (b)(7)(C) failed to respond. Only after the OIG notified (b)(7)(C) and (b)(7)(C) supervisor of (b)(7)(C) lack of cooperation did (b)(7)(C) provide the additional information to the OIG.

The OIG Observed that the NRC Lacked Policies and Procedures Designed to Mitigate Double Billing

The OIG separately interviewed (b)(7)(C) (b)(7)(C). All (b)(7)(C) stated they had no formal visibility of whether the Leidos personnel (b)(7)(C) were (b)(7)(C) to other task orders. Therefore, none (b)(7)(C) knew how many hours, if any, the Leidos personnel (b)(7)(C) billed to other task orders.

(b)(7)(C) proactively identified which Leidos personnel were assigned to multiple task orders associated with the BPA. She stated that no policy mandated that activity, however, and no standard mechanism existed for her to identify which personnel were multi-tasked. (b)(7)(C) also stated that she did not review the invoices for each task order associated with the BPA, and no policy or procedure required that she do. She stated that she believed some Leidos subcontractors were assigned to NRC task orders outside the BPA, but she was unaware of which subcontractors were assigned to such orders or their time commitments outside the BPA.

(b)(7)(C) stated that NRC employees and managers within the OCIO were aware of the Leidos personnel's day-to-day activities on the task orders, and that the agency and contractor personnel formed close-knit teams. In addition, OCIO managers assigned priorities for Leidos's program managers to focus their personnel's attention. The OIG asked all (b)(7)(C) interviewed (b)(7)(C) about NRC policies or procedures designed to mitigate double billing, however, and the only examples of this effort that (b)(7)(C) provided were (b)(7)(C) descriptions of personal relationships and priority setting.

CONCLUSION

The OIG did not substantiate that Leidos had inappropriately steered NRC task orders to itself or that Leidos personnel had committed time and attendance fraud, leading the company to double bill the NRC. The OIG observed, however, that a lack of agency mechanisms designed to mitigate double billing, and (b)(7)(C) limited visibility of contractor personnel's assignments and billing to other task orders, created conditions conducive to fraudulent invoicing.

Therefore, the OIG respectfully requests that the NRC provide a formal response describing what action the agency will take to address these observations and answering the questions posed earlier in this memorandum.



MEMORANDUM

DATE: November 6, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.11.06 10:25:57 -05'00'

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

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.11.17 09:18:44 -05'00'

SUBJECT: ALLEGED NON-COMPLIANCE OF NRC REGULATIONS BY HOLTEC (OIG CASE NO. I2400217)

ALLEGATION

In September 2024, the Office of the Inspector General (OIG) received a letter signed by (b)(7)(C). The letter referenced an anonymous whistleblower concerns sent to the Massachusetts Department of Health in 2023 and 2024 about multiple violations by HOLTEC. The letter requested that the OIG “investigate HOLTEC’s pattern of environmental, legal, and regulatory recklessness and assess whether the NRC needs to reevaluate any license approvals or conditions.”

The OIG typically does not investigate licensees; rather, its role is to ensure the NRC has followed its processes when, in this case, responding to the whistleblower’s concerns.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation are NRC Management Directive 8.8, *Management of Allegations*.

FINDINGS

The OIG reviewed the NRC’s responses to the whistleblower’s complaints and found them appropriate. The OIG found the whistleblower’s allegations had been submitted to the NRC Region 1 Allegations Review Board (ARB) and had been dispositioned according to the policies and procedures defined in MD 8.8.

BASIS OF FINDINGS

The OIG reviewed three ARB dispositions stemming from the whistleblower's complaints. All three allegations were processed in accordance with MD 8.8.

Issue 1 – The whistleblower raised concerns regarding management's handling of worker safety and well-being at Pilgrim Nuclear Power Station, Plymouth County, Massachusetts. The whistleblower alleged that personnel working near wastewater evaporators had repeatedly requested radiation exposure data but received no response from management. The whistleblower also stated that technical staff responsible for safety and radiation monitoring had been laid off due to cost-cutting measures.

Outcome – The Region I ARB reviewed the issue, identifying the concern as an allegation and addressing it through the formal allegation process. Following the NRC's inspection, a violation was identified for HOLTEC's failure to establish appropriate radiological work controls, resulting in airborne radioactivity and an internal radiation dose to an individual. The NRC categorized this as a Non-Cited Violation (NCV) in accordance with the Enforcement Policy. HOLTEC is required to implement corrective actions, and NRC inspectors will continue to monitor compliance.

Issue 2 – A second incident was noted, in which a 480-volt power cable was severed, endangering nearby workers.

Outcome – The NRC determined that this industrial safety concern fell under the jurisdiction of the Occupational Safety and Health Administration (OSHA) and referred the matter accordingly.

Issue 3 – HOLTEC was alleged to have suppressed worker concerns related to health and safety.

Outcome – In May 2024, the NRC issued a notice of violation to HOLTEC for actions that discouraged employees from reporting potential site violations. The NRC found that several employees had signed separation and release agreements that deterred them from raising concerns and prohibited participation in matters adverse to HOLTEC. Additionally, HOLTEC's Conditions of Employment forms were found to discourage reporting of potential violations to the NRC.

INTERVIEW

On May 23, 2025, the OIG interviewed (b)(7)(C) [redacted] (b)(7)(C) [redacted] Region I, NRC, regarding whistleblower allegations. (b)(7)(C) [redacted] stated that the allegations were not reported directly to the NRC but were received from the State of Massachusetts and reviewed through the allegation process. She confirmed that Issues 1 and 3 had already resulted in NRC violations and would not be readdressed. Issue 2 was referred to OSHA due to

jurisdictional relevance. (b)(7)(C) affirmed that all three issues were handled in accordance with MD 8.8.

On September 24, 2025, OIG reinterviewed (b)(7)(C) to clarify additional points. When asked whether previous violations influence future findings or licensing actions, (b)(7)(C) explained that the allegation process treats each incident independently. Prior complaints, whether substantiated or not, do not affect new allegations unless specifically referenced. The ARB does not look for prior allegations when reviewing a new complaint. She also noted that multiple minor violations do not cumulatively escalate to a higher-level violation. (b)(7)(C) stated that Region I occasionally sends allegations to companies for response and that HOLTEC's responses have consistently met expectations.

DISPOSITION

Because the OIG found that the NRC followed established policies and procedures, and (b)(7)(C) did not request the results of the investigation, this investigation is closed with no further OIG action.



MEMORANDUM

DATE: June 4, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.06.04 14:50:27 -0400

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.06.04 15:34:27 -0400

FROM:

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.06.06 14:17:25 -0400

SUBJECT:

(b)(7)(C) EMPLOYEE ALLEGED TO HARASS OGC
STAFF AND VIOLATE (b)(7)(C)
(b)(7)(C) (OIG CASE NO. I2400226)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint alleging a U.S. Nuclear Regulatory Commission (NRC) employee violated (b)(7)(C). (b)(7)(C) placed classified information in the public Agencywide Documents Access and Management System (ADAMS), and harassed staff in the NRC Office of the General Counsel (OGC). Specifically, the complainant alleged that (b)(7)(C) NRC, provided classified information to (b)(7)(C) and made public, disparaging comments regarding the OGC staff involved in (b)(7)(C).

POTENTIAL VIOLATION

The potential violation relevant to this investigation was Title 5 of the Code of Federal Regulations (C.F.R.) Section 2635, "Standards of Ethical Conduct for Employees of the Executive Branch."

FINDINGS

The OIG found that (b)(7)(C) disregarded (b)(7)(C) when he continued to engage in (b)(7)(C) communications with (b)(7)(C) (b)(7)(C). If NRC staff, (b)(7)(C) had not reviewed (b)(7)(C) emails to (b)(7)(C) prior to publication (b)(7)(C) emails would have caused the public disclosure of critical energy/electric infrastructure information (CEII). In addition, the OIG found that (b)(7)(C) communications with (b)(7)(C) contributed to delays in (b)(7)(C). While the OIG found that some of the emails from (b)(7)(C) contained language that, in context, could reasonably be understood to denigrate the OGC, and particularly OGC staff involved in (b)(7)(C) the OIG did not substantiate the allegation of harassment.

BASIS FOR FINDINGS

(b)(7)(C)

(b)(7)(C) was an NRC employee (b)(7)(C) (b)(7)(C) sent to (b)(7)(C) (b)(7)(C) email communications relating to (b)(7)(C)

Upon receipt of the emails from (b)(7)(C) (b)(7)(C)

(b)(7)(C) requested that, (b)(7)(C) (b)(7)(C) NRC staff review the emails and determine whether

(b)(7)(C)

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the emails contained nonpublic information, including CEII.² NRC staff reviewed the emails and identified CEII in some of the emails. (b)(7)(C)

(b)(7)(C)

Some of the emails (b)(7)(C) sent to (b)(7)(C) discussed (b)(7)(C) (b)(7)(C) Some of those emails also criticized the OGC. For example, in (b)(7)(C) email, (b)(7)(C) stated:

(b)(7)(C)

² CEII was defined and protected from public release under the Fixing America's Surface Transportation System Act, Pub. L. 114-94, in 2015. In 2016, the Federal Energy Regulatory Commission (FERC) promulgated regulations regarding the identification and handling of CEII. In 2018, the NRC and FERC entered into a memorandum of understanding regarding the treatment of CEII in NRC records.

(b)(7)(C)

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Later in the same email, (b)(7)(C) wrote:

(b)(7)(C)

Counseling Memorandum

On October 8, 2024, (b)(7)(C) gave (b)(7)(C) a direct order (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) " At that time, (b)(7)(C) also informed (b)(7)(C) that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) "

On March 11, 2025, (b)(7)(C) issued to (b)(7)(C) a counseling memorandum regarding his failure to follow (b)(7)(C) direct order. In the counseling memorandum, (b)(7)(C) stated, in part:

(b)(6), (b)(7)(C)

(b)(7)(C)

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(b)(6), (b)(7)(C)

DISPOSITION

The OIG partially substantiated the allegations, finding that (b)(7)(C) engaged in (b)(7)(C) (b)(7)(C) communications with (b)(7)(C) regarding (b)(7)(C) and that some of the communications included CEII. While the OIG found that some of the emails from (b)(7)(C) contained language that, in context, could reasonably be understood to denigrate OGC staff involved in (b)(7)(C) however, the OIG did not substantiate the allegation of harassment.

(b)(7)(C) gave (b)(7)(C) a direct order not to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) also issued to (b)(7)(C) a counseling memorandum notifying him that continuing to (b)(6)

(b)(6)

Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: January 29, 2025

TO: Concur: Case Closed
[Redacted] Digitally signed by [Redacted]
[Redacted] (b)(7)(C)
Date: 2025.01.30 17:37:46 -05'00'

THROUGH: [Redacted] Digitally signed by [Redacted]
[Redacted] (b)(7)(C)
Date: 2025.01.30 14:43:28 -05'00'

FROM: [Redacted] (b)(7)(C) [Redacted] (b)(7)(C) Digitally signed by [Redacted] (b)(7)(C)
Special Agent [Redacted] (b)(7)(C) Date: 2025.01.30 14:43:28 -05'00'

SUBJECT: NRC EMPLOYEE REPAID INCORRECT LOCALITY PAY (OIG CASE NO. I2400259)

ALLEGATION

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board, initiated this investigation based on a referral from the OIG Audits and Evaluations Division.

The OIG Audits and Evaluations Division reviewed NRC special circumstances telework arrangements and learned that [Redacted] (b)(7)(C) had received locality pay as if she were working from the NRC Headquarters in Rockville, Maryland, while she was on approved telework in [Redacted] (b)(7)(C). The incorrect locality payments resulted in salary overpayments benefiting [Redacted] (b)(7)(C).

POTENTIAL VIOLATIONS

Potential violations relevant to this investigation are Title 18 of the United States Code Section 1343, "Fraud by wire, radio, or television"; Title 5 of the Code of Federal Regulations (C.F.R.) Part 531 Subpart F, "Locality-Based Comparability Payments"; 5 C.F.R. 531.205, "Converting pay upon change in location of employee's official worksite"; 5 C.F.R. 531.604, "Determining an employee's locality rate"; 5 C.F.R. 531.605, "Determining an employee's official worksite"; NRC Management Directive (MD) 10.41, *Pay Administration*; and, MD 10.166, *Telework*.

FINDING

The OIG found (b)(7)(C) did not violate any laws or statutes in this case, as she did not purposefully receive higher locality pay than she was allowed, and she repaid the difference in locality pay once the overpayments were identified.

BASIS FOR FINDING

On October 20, 2021, the NRC approved (b)(7)(C) for special circumstances telework so she could work from (b)(7)(C) where she was staying to care for (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(7)(C) completed an NRC Form 624, Telework Program Participation Agreement, listing her alternate work site in (b)(7)(C)

Initially, however, Office of the Chief Human Capital Officer (OCHCO) staff did not update NRC records with (b)(7)(C) new duty location. Consequently, (b)(7)(C) continued to receive locality pay for the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA area (DMV locality) while teleworking from (b)(7)(C). The DMV locality pay was approximately (b)(7)(C) percent higher than the locality pay for (b)(7)(C) in the (b)(7)(C) (b)(7)(C) locality area).

On June 27, 2022, (b)(7)(C) (b)(7)(C) OCHCO, informed (b)(7)(C) that the NRC was changing her duty location from Headquarters to her residence in (b)(7)(C) and backdating the change. As a result of the retroactive change, (b)(7)(C) stated, the NRC had overpaid (b)(7)(C) salary since she commenced special circumstances telework.

On December 12, 2022, the U.S. Department of the Interior, which administered pay on behalf of the NRC, sent (b)(7)(C) a notice stating that the total amount she must repay was \$2,888.29. (b)(7)(C) NRC leadership applied for relief from the debt on (b)(7)(C) behalf, as (b)(7)(C) actions did not purposefully cause the salary overpayments and corresponding debt, but the request was denied.

The OIG obtained emails from (b)(7)(C) Branch Chief (b)(7)(C) and various personnel in OCHCO and the Office of the Chief Information Officer showing that the DMV locality payments were an oversight on the NRC's behalf and that (b)(7)(C) had repaid the salary overpayments.

(b)(7)(C) repaid the salary overpayments through withdrawals from her biweekly NRC pay.

DISPOSITION

The OIG found (b)(7)(C) did not mislead the NRC into overpaying her salary and she repaid the salary overpayments. The OIG issued a clearance letter and closed this investigation with no further action.



MEMORANDUM

DATE: February 20, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.02.20 13:37:07 -05'00'

THROUGH:

(b)(7)(C) Digitally signed by
(b)(7)(C)
Date: 2025.02.20
11:56:02 -05'00'

FROM:

(b)(7)(C) Senior Special Agent (b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.02.20 12:45:44 -05'00'

SUBJECT: NRC EMPLOYEE ALLEGEDLY VIOLATING FIXED TELEWORK AGREEMENT (OIG CASE NO. I2400260)

ALLEGATION

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board, received a referral from its Audits and Evaluations Division stating (b)(7)(C)

(b)(7)(C) Office of Nuclear Reactor Regulation, NRC, might not have completed the required 2 in-office days per pay period in Rockville, Maryland, between January 1, 2024, and May 31, 2024. Considering the January 20, 2025 Presidential Memorandum (PM), *Return to In-Person Work*, the OIG did not investigate this issue.

Prior to the PM's issuance, however, the OIG identified several changes in (b)(7)(C) official duty station over several months following his promotion in (b)(7)(C). The OIG investigated whether, due to agency errors in processing (b)(7)(C) promotion and accompanying change in duty station, either (b)(7)(C) or the NRC owed money to the other.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation included Title 5 of the United States Code (U.S.C.) Section 5304, "Locality-Based Comparability Payments," and NRC

Management Directive 10.41, *Pay Administration*.

FINDINGS

The OIG found that neither (b)(7)(C) nor the NRC owed money to the other related to (b)(7)(C) changes in duty station following his (b)(7)(C) promotion.

BASIS FOR FINDINGS

Under 5 U.S.C. 5304, government employees may receive locality-based comparability payments, which are geographic-based percentage increases to base pay designed to keep federal pay competitive with private sector pay in the same area. The locality pay for Rockville, Maryland (the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA area), is about (b)(7)(C) higher than the locality pay for (b)(7)(C)

From at least (b)(7)(C) through December 2024, the NRC required most employees to work at their official duty station at least 2 days per pay period.

On (b)(7)(C) the NRC promoted (b)(7)(C) to GG-14, (b)(7)(C). Before the promotion, (b)(7)(C) duty station was (b)(7)(C) accordingly, (b)(7)(C) worked the required 2 in-office days per pay period in (b)(7)(C) and teleworked the remaining 8 days in the pay period from his home in (b)(7)(C). The (b)(7)(C) position, however, entailed a duty station of Rockville.

After the promotion, (b)(7)(C) submitted a request to continue completing the required in-office days in (b)(7)(C). (b)(7)(C) denied the request, because the vacancy announcement for the (b)(7)(C) position listed Rockville as the duty station. Thus, the NRC required (b)(7)(C) to work the in-office days in Rockville.

Between (b)(7)(C) and June 4, 2023, the Office of the Chief Human Capital Officer (OCHCO) processed multiple personnel corrective actions changing (b)(7)(C) official duty station and locality pay: (1) from (b)(7)(C) to Rockville, (2) back to (b)(7)(C) and, ultimately, (3) back to Rockville.

OCHCO Review

At the OIG's request, OCHCO performed an internal review of the personnel actions surrounding (b)(7)(C) promotion in November 2022 and provided a memorandum to the OIG explaining the actions:

In summary, (b)(7)(C) was competitively promoted to a GG-14 (b)(7)(C) (b)(7)(C) effective (b)(7)(C). The duty station, as listed in the

vacancy announcement, was Rockville, MD. Prior to selection, (b)(7)(C) duty station was (b)(7)(C)

Shortly after accepting the promotional position, (b)(7)(C) inquired with his servicing HR Specialist in OCHCO, questioning if a new telework agreement was required. After receiving confirmation that a new agreement was required, the agreement was submitted, and subsequently denied.

While awaiting the outcome of the telework request, (b)(7)(C) promotion personnel action was processed with the duty station listed as (b)(7)(C) (b)(7)(C). After receipt of the telework request denial, on 05/19/23, a correction to the promotion action was processed, changing the duty station to Rockville, MD. However, on 06/01/23 OCHCO processed another personnel action to change the duty station back to (b)(7)(C). After final confirmation was received that the employee's duty station should have been Rockville, MD, on 06/04/23 a personnel action was processed to change (b)(7)(C) duty station to Rockville, MD.

A Senior HR Specialist re-reviewed (b)(7)(C) personnel folder, actions processed via the Federal Personnel Processing System (FPPS), and earnings and leave statements (ELS) as they pertain to the period in which the above actions were processed. The findings are as follows:

1. While there were multiple personnel actions processed for (b)(7)(C) namely corrections to the employee's duty station, the ELS' for this period indicate the employee is not in debt to the U.S. Government, and there are no monies owed.
2. Similarly, the U.S. Government is not in debt to the employee, and there are no monies owed due to the series of actions discussed above.

The analysis of the employee's record, as discussed above, can conclude that the employee's record is accurate and up-to-date, and no further action is needed.

DISPOSITION

The federal government did not owe money to (b)(7)(C) and (b)(7)(C) did not owe money to the government, for a locality pay discrepancy related to an incorrectly recorded official duty station. Under the *Return to In-Person Work* PM, most NRC employees will likely be required to work at their official duty station on a full-time basis. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: October 14, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.10.14 13:13:15 -04'00'

THROUGH:

(b)(7)(C)

Digitally signed by

(b)(7)(C)

Date: 2025.10.14 13:18:09 -04'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.10.14 13:40:26 -04'00'

Senior Special Agent

SUBJECT: NRC EMPLOYEE FRAUDULENTLY RECEIVING LOCALITY-PAY (OIG CASE NO. I2400261)

ALLEGATION

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board, received a referral from its Audits and Evaluations Division stating (b)(7)(C)

(b)(7)(C)

(b)(7)(C)

Office of Nuclear

Material Safety and Safeguards (NMSS) might have received overpayment since September 10, 2023, related to changes in her official duty station.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation include Title 5 of the United States Code (U.S.C.) Section 5304, "Locality-Based Comparability Payments," and NRC Management Directive (MD) 10.41, *Pay Administration*.

FINDINGS

The OIG found that (b)(7)(C) received locality pay for Rockville, Maryland (the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA area) beginning September 10, 2023, until approximately the time of this memo. The OIG also found that (b)(7)(C)

regularly completed the required 2 in-office days per pay period in order to receive locality pay for the area. NRC's practice at the time was to count official travel to any geographical location as in-office time.

BASIS OF FINDINGS

Under 5 U.S.C. 5304, government employees may receive locality-based comparability payments, which are geographic-based percentage increases to base pay designed to keep federal pay competitive with private sector pay in the same area. The locality pay for Rockville, Maryland (the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA area), (b)(7)(C) official duty station, was about (b)(7)(C) more annually in 2024 than the locality pay for (b)(7)(C) her home.

From at least March 2023 through December 2024, the NRC required most employees to work at their official duty station at least 2 days per pay period, be in an official travel for duty status, or be on approved telework in order to receive the locality pay for their official duty station. (b)(7)(C) regularly completed the required 2 in-office days per pay period in order to receive locality pay for the area.

(b)(7)(C) was on a special circumstance telework plan that began on March 12, 2023, and ended September 9, 2023. While on the special circumstance telework plan, her alternate workplace was (b)(7)(C) and she received the proper locality pay for that area. Both (b)(7)(C) and her branch chief (b)(7)(C) confirmed (b)(7)(C) was receiving locality pay for (b)(7)(C) during her special circumstance telework plan and that her locality pay reverted back to Rockville, Maryland, when the special circumstance telework plan ended.

The OIG reviewed (b)(7)(C) time and attendance records along with her travel vouchers and found that from September 10, 2023, through at least March 2025, she was either on approved telework, on official travel, or at the office in Rockville, Maryland. (b)(7)(C) and (b)(7)(C)

(b)(7)(C) Office of the Chief Human Capital Officer (OCHCO), testified that the NRC considers official travel whether in the geographical area for the received locality pay or not to be an in-office duty and therefore meets the requirement to receive that locality pay. The Office of Personnel Management fact sheet Official Worksite for Location-Based Pay Purposes¹ states:

“The official worksite generally is the location where the employee regularly performs his or her duties. If the employee’s work involves recurring travel or the employee’s work location varies on a recurring basis, the official worksite

¹ <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/official-worksite-for-location-based-pay-purposes/>

is the location where the work activities of the employee's position of record are based, as determined by the employing agency, subject to the requirement that the official worksite must be in a locality pay area in which the employee regularly performs work."

As of June 17, 2025, (b)(7)(C) was approved for a fixed telework arrangement allowing her to "fulfill the duties of her position from her home in (b)(7)(C) full-time (10 days per pay period), consistent with the agency's authorities to support recruitment and retention in areas requiring specialized technical expertise, as well as the agency's return to in-person work policy." (b)(7)(C) locality pay is now (b)(7)(C) (b)(7)(C) due to her new fixed telework arrangement.

DISPOSITION

The OIG found that due to NRC's practice of counting official travel to any geographical location as in-office days to receive a particular locality pay, (b)(7)(C) met the requirements for her receiving Rockville, Maryland, locality pay. (b)(7)(C) now has a fixed telework arrangement to work from home in (b)(7)(C) and is receiving the locality pay for that area. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: July 2, 2025

TO: Eleni Jernell
Acting Director
Office of Administration

FROM: (b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.07.02 11:55:30
-04'00'

SUBJECT: IRREGULARITIES IN CONTRACT OVERSIGHT
(OIG CASE NO. 12400275)

This memorandum conveys the results of the Office of the Inspector General (OIG) investigation into two complaints alleging U.S. Nuclear Regulatory Commission (NRC) contracting officers (COs) failed to issue contracting officer's representative (COR) delegation letters in accordance with the Federal Acquisition Regulation (FAR) and NRC Management Directive (MD) 11.1, *NRC Acquisition of Supplies and Services*. Allegedly, these failures prevented a COR from executing duties, like approving invoices, timely. In addition, one of the complainants alleged a CO withheld deliverables and inappropriately directed a COR to approve invoices, despite knowing the COR had not reviewed deliverables or otherwise verified the contractor had fulfilled its contractual obligations.

The OIG substantiated the allegations regarding COR delegation letters, finding that the two COs involved in the three instances the OIG investigated both failed to issue COR delegation letters in accordance with the FAR and MD 11.1. The OIG found that the failures stemmed from an absence of written procedures for issuing COR delegation letters and a lack of enforcement of related regulations and policies.

The OIG did not substantiate the allegation that a CO withheld deliverables and inappropriately directed a COR to approve invoices without appropriate support. In an interview with the OIG, the COR professed a lack of experience in contracting and a

CONTACT: (b)(7)(C)

limited understanding of federal contracts. The OIG found that the COR's lack of experience, coupled with a lack of on-the-job training and COR mentorship requirements at the NRC, possibly laid the groundwork for the allegation. Therefore, the OIG respectfully requests a formal response to this report by September 26, 2025, answering the questions posed below and describing what actions, if any, the agency will take to address the OIG's findings:

1. What steps will the NRC take to improve the timely issuance of COR delegation letters, in accordance with the FAR and MD 11.1?
2. What are the NRC's policies or procedures, implemented or planned, for training new CORs on agency procurement, federal contracts, and COR duties and responsibilities?
3. How will the NRC enforce and oversee CO compliance with the MD 11.1 requirements for issuing COR delegation letters?

cc: M. King, Acting Executive Director for Operations
J. Martin, Associate Director for Operations
E. Deeds, Executive Technical Assistant
D. Collins, Acting Regional Administrator, Region I
J. Lara, Acting Regional Administrator, Region II
J. Giessner, Regional Administrator, Region III
J. Monninger, Regional Administrator, Region IV
B. Klukan, Regional Counsel, Region I
S. Price, Regional Counsel, Region II
S. Lewman, Regional Counsel, Region III
D. Cylkowski, Regional Counsel, Region IV

ALLEGATION

The Office of the Inspector General (OIG) received a complaint alleging the former U.S. Nuclear Regulatory Commission (NRC) contracting officer (CO) for the agency's contract with (b)(7)(C) never issued a contracting officer's representative (COR) delegation letter to a previous (b)(7)(C) COR. In addition, another CO, for the agency's contract with (b)(7)(C) (b)(7)(C) allegedly never issued a COR delegation letter to that same COR for that contract. During an interview, the OIG received a further allegation that the (b)(7)(C) CO withheld deliverables from the COR and inappropriately directed the COR to approve invoices, despite knowing the COR had not reviewed deliverables or otherwise verified the contractor had met its contractual obligations.

The OIG also received a separate complaint, alleging the former (b)(7)(C) CO never issued a COR delegation letter to the current (b)(7)(C) COR, either. Allegedly, the lack of a COR delegation letter delayed the agency in removing the previous COR and thereby prevented the new COR from approving invoices timely.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation involve the Federal Acquisition Regulation (FAR) at Title 48 of the Code of Federal Regulations Section 1.602-2, "Responsibilities," and NRC Management Directive (MD) 11.1, *NRC Acquisition of Supplies and Services*.

FINDINGS

The OIG substantiated that the former (b)(7)(C) CO failed to issue a COR delegation letter to the previous COR during the COR's approximately 3-month assignment and failed to issue a COR delegation letter to the current COR until approximately 2 months after the COR was assigned. The OIG also substantiated that the (b)(7)(C) CO failed to issue a COR delegation letter to the COR until approximately 6 months after the agency assigned the COR. The missing or belated COR delegation letters resulted from an absence of written procedures or other effective agency communication with CORs as well as a lack of enforcement of COs' compliance with related FAR and MD 11.1 requirements.

The OIG did not substantiate that the (b)(7)(C) CO withheld deliverables from the COR or inappropriately directed the COR to approve unsupported invoices. At the same time, the OIG found that the NRC lacks on-the-job training or other required programs within the agency, beyond the FAR-mandated Level I certification training, to help CORs learn the responsibilities of the role.

BASIS FOR FINDINGS

The OIG Found that COs Failed to Issue COR Delegation Letters in Accordance with the FAR and MD 11.1

FAR section 1.602-2 outlines CO responsibilities. Under FAR section 1.602-2(d), one of a CO's responsibilities is to "designate and authorize, in writing and in accordance with agency procedures, a [COR] . . ." FAR section 1.602-2(d)(7) states that when a CO designates and delegates authority to a COR, the COR:

Shall be designated in writing, with copies furnished to the contractor and the contract administration office—

- (i) Specifying the extent of the COR's authority to act on behalf of the [CO];
- (ii) Identifying the limitations on the COR's authority;
- (iii) Specifying the period covered by the designation;
- (iv) Stating the authority is not redelegable; and
- (v) Stating that the COR may be personally liable for unauthorized acts.

The Directive Handbook (DH) to NRC MD 11.1 provides some agency-specific guidance on how a COR is designated and obtains delegated authority. In section (III)(B)(2)(b), DH 11.1 states that a COR obtains delegated authority through a "COR delegation letter," issued by the CO:

To be eligible to be appointed as a COR, a candidate must first obtain a Federal Acquisition Certification for Contracting Officer's Representative (FAC-COR). . . . A candidate with a valid FAC-COR certification who is eligible to receive a formal COR designation is then nominated . . . as possessing the minimum qualifications required to perform the COR role. The COR candidate then receives a COR delegation letter issued by a CO, correlating to a particular contract or order (COR delegation letter). That COR delegation letter defines the COR's authorities and limitations with respect to that specific contract or order.

DH 11.1 section (III)(B)(3)(g) also states that COR delegation letters are issued by COs: "Once a contract or order is awarded, the CO issues a written delegation letter to the COR, authorizing the COR authority to perform specific technical or administrative functions."

The OIG interviewed the two CORs mentioned in the complaints as allegedly not having obtained timely COR delegation letters. Each COR stated that, at the time of the interview, the COR was assigned to work on one contract for which the COR had not yet obtained a COR delegation letter. After the interviews, and while the OIG's investigation remained ongoing, the CORs each obtained the required COR delegation letter.

The OIG also interviewed the (b)(7)(C) CO, who stated that not issuing the COR delegation letter had been his oversight. The (b)(7)(C) CO had changed since the OIG began this investigation, and the OIG did not interview the former CO, who left the NRC (b)(7)(C).

In an October 2024 email chain between the current (b)(7)(C) COR and a branch chief in the Office of Administration's (ADM's) Acquisition Management Division (AMD), the COR reported the lack of a COR delegation letter and cited MD 11.1 for the CO's responsibility to issue one. The email chain indicated the COR was confused about the process for initiating a COR on a contract assignment, and the COR had not received an explanation of the process from the relevant branch chief. While later emails between that branch chief and another branch chief reflected some discussion on how they believed the process should work, the OIG found no indication that the COR's branch chief followed up with the COR to relay the conclusions of that discussion.

In a March 2025 email chain between the same COR and the newly assigned (b)(7)(C) CO, the COR reported that the agency had not timely removed the previous (b)(7)(C) COR as the COR in the NRC's Strategic Acquisition System (STAQs) for tracking contracts, causing invoices to continue to be transmitted to the previous COR for the 5 months since the agency had changed the COR. According to these emails, in October 2024 the COR filed two requests to remove the previous COR, but the requests were denied because the new COR lacked a COR delegation letter. In December 2024, the then-current CO issued a COR delegation letter to the current COR but reportedly never informed the COR of the need to renew the request to remove the previous COR. In March 2025, the new CO remedied the issue by explaining to the current COR the need to submit a new request, now that a COR delegation letter had been issued.

In addition, the OIG found that in or around June 2024 the previous (b)(7)(C) COR assumed COR responsibilities, but the COR never received a COR delegation letter for the (b)(7)(C) assignment. The COR filed a July 2024 grievance for being assigned duties outside a position description, for the assignments as COR on the (b)(7)(C) contract as well as COR on the (b)(7)(C) contract. In October 2024, adjudication of the grievance concluded, and the agency removed the COR from the (b)(7)(C) contract. The COR remained on the (b)(7)(C) contract and, in December 2024, received a COR delegation letter.

The OIG interviewed an AMD branch chief regarding the NRC's process for issuing COR delegation letters. The branch chief stated that for new contracts, the CO provides a COR delegation letter, the COR and the COR's supervisor sign the letter, and then the CO reviews the letter for final approval and issues the letter to the COR and the contractor. For preexisting contracts that are either being renewed or transferred to a different COR, the COR drafts and signs the COR delegation letter, the COR's supervisor signs the letter, and then the CO reviews for final approval and issues the letter. The branch chief stated that while this process reflects ADM's procedure, the process is not written or otherwise broadly available to CORs for review.

The OIG Did Not Find that the (b)(7)(C) CO Withheld Deliverables from the COR or Inappropriately Directed the COR to Approve Invoices

Contract number (b)(7)(C) was a firm fixed price agreement between the NRC and (b)(7)(C) for the provision of (b)(7)(C). (b)(7)(C) The contractor met its primary contractual obligation when (b)(7)(C). (b)(7)(C)

Due to the nature of the contracted services, (b)(7)(C) was required to provide to the NRC limited to no tangible deliverables. In addition, the payment terms of a firm fixed price contract meant (b)(7)(C) invoices and the NRC's payment obligations were likely to remain constant throughout most of the life of the contract.

In an interview with the OIG, the (b)(7)(C) COR stated that the CO possessed deliverables or other information relevant to a review of the contractor's invoices but did not share them with the COR. The COR stated that the CO, mostly orally, directed the COR to approve invoices, despite knowing the COR had received no deliverables.

The OIG obtained one email regarding the allegedly inappropriate directions, but the email did not indicate wrongdoing: the email chain showed that the COR asked the CO to inform the COR when an invoice could be approved, and the CO replied that the COR could approve the invoice; subsequently, the COR approved the invoice. The OIG discovered no evidence that (b)(7)(C) provided tangible deliverables to the CO, nor that the CO withheld deliverables from the COR. Moreover, the OIG discovered no evidence that (b)(7)(C) had failed to provide (b)(7)(C). (b)(7)(C)

The OIG Found that the NRC Lacked Policies and Procedures Designed to Ensure New CORs Understood the Agency's Procurement Processes, Federal Contracts, and COR Responsibilities

In an interview with the OIG, the (b)(7)(C) COR stated that, when applying for the COR's current position on NRC staff, the COR was unaware the position involved assuming COR responsibilities. Immediately upon being assigned as a COR, the COR reportedly informed a supervisor that she had no desire to serve in that role. The COR stated to the OIG that she possessed no contracting and procurement experience and had completed only one related training: the FAR-mandated Level I COR certification training.

The Federal Acquisition Institute (FAI) website, fai.gov, explains that the *Federal Acquisition Certification for CORs* program "contains three levels of certification that allows for appropriate training and experience for [CORs] managing a range of various contracts . . ." The FAI training description for Level I certification states that Level I CORs require no contracting experience and are "generally appropriate for simple, low-

risk contract vehicles, such as supply contracts and orders.” The FAI describes Level I training as 8 hours of self-paced, online courses.

An AMD branch chief stated to the OIG that the NRC had implemented no on-the-job training program for CORs. The NRC had, however, established a voluntary mentorship COR program. In addition, AMD offered quarterly town hall meetings, designed for CORs, to discuss various procurement-related topics. Attendance at those meetings remained voluntary, the branch chief stated, but participation continued to increase. The branch chief confirmed that the agency’s only required training for new CORs was the Level I COR certification training.

CONCLUSION

The OIG substantiated that two COs failed to issue COR delegation letters in accordance with the FAR and MD 11.1. The OIG did not substantiate that a CO withheld deliverables from a COR and inappropriately directed the COR to approve unsupported invoices. Finally, the OIG found that the NRC had implemented minimal required training and mentoring to assist new CORs in understanding COR duties and responsibilities.

Therefore, the OIG respectfully requests that the NRC provide a formal response describing what action the agency will take to address these findings and answering the questions posed earlier in this memorandum.



MEMORANDUM

DATE: February 19, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.19 07:53:16 -05'00'

THROUGH:

(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.19 10:12:56 -05'00'

FROM:

(b)(7)(C) (b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.19 06:37:57 -05'00'

Senior Special Agent

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C)

(b)(7)(C) (OIG CASE NO. I2400280)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported (b)(7)(C) ownership of a prohibited security via annual ethics filings. Specifically, (b)(7)(C) (b)(7)(C) Office of Nuclear Security and Incident Response, reported to the OGC that in 2023 and 2024 (b)(7)(C) owned a prohibited security through a managed account.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive 7.7 (MD), *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically

intended for (b)(7)(C) to purchase the prohibited security, conducted significant work on particular matters involving the company whose security was prohibited, or substantially benefited from (b)(7)(C) ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 when (b)(7)(C) owned a security prohibited by the NRC between approximately September 2023 and January 2024.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In annual ethics filings he submitted to the OGC in 2023 and early 2024, (b)(7)(C) reported that (b)(7)(C) (b)(6) stated that (b)(7)(C) owned the prohibited security through a managed account for a total of approximately 5 months and that (b)(7)(C) financial advisor purchased the prohibited security without (b)(7)(C) knowledge. Upon (b)(7)(C) discovery of the ownership, the financial advisor divested the prohibited security in January 2024.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to the company whose prohibited security (b)(7)(C) owned. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System;
- Project milestone assignment, status, and completion data available through the Reactor Program System, PowerBI dashboards, and MapAnalytics dashboards; and,
- Public meeting schedules.

The OIG's review yielded no indication that in 2023 and 2024 (b)(7)(C) had worked on projects related to the company whose prohibited security (b)(7)(C) owned.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding the company whose prohibited security (b)(7)(C) owned. The owned prohibited security did not significantly increase in market value while (b)(7)(C) owned it: the security showed a net gain of approximately \$45.00.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled

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(b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed him that (b)(7)(C) must divest the prohibited security, and confirmed he had come into compliance with the NRC's prohibited securities rules. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: April 14, 2025

TO: Concur: Case Closed

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.04.14
11:25:58 -04'00'

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.04.14
11:25:21 -04'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.04.14
11:14:04 -04'00'

Senior Special Agent

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.04.14
11:31:23 -04'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C) (OIG CASE NO. I2400281)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via a 2024 annual ethics filing. Specifically, (b)(7)(C)

(b)(7)(C) Office of Nuclear Material Safety and Safeguards, reported to the OGC that in 2023 and 2024 he owned a prohibited security. After (b)(7)(C) submitted the 2024 ethics filing, he reported to the OGC that he had divested the prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208. The investigation found evidence that (b)(7)(C) owned a security identified by the NRC as prohibited and conducted work on particular matters involving the companies owned by the prohibited security; however, the U.S. Attorney's Office for the District of Maryland (USAO-MD) determined (b)(7)(C) actions lacked criminal intent and therefore did not violate the statute.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 in 2023 and 2024 when he owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In the first annual ethics filing he submitted to the OGC in 2024, (b)(7)(C) reported that he

(b)(6), (b)(7)(C)

(b)(6) Upon discovery that ownership of FIUIX was prohibited, (b)(7)(C) divested FIUIX.

During an interview with the OIG, (b)(7)(C) stated that he acquired FIUIX around 2007. The OGC informed the OIG that (b)(7)(C) became subject to NRC confidential financial disclosure filing requirements in 2023.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to FIUIX or any companies whose securities FIUIX held. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System;
- Project milestone assignment, status, and completion data available through the Reactor Program System, PowerBI dashboards, and MapAnalytics dashboards; and,
- Public meeting schedules.

The OIG's review yielded indications that in 2023 and 2024 (b)(7)(C) had worked on projects related to three companies whose securities FIUIX held: (b)(7)(C)

(b)(7)(C) The NRC separately listed those three companies on the agency's prohibited securities list, as well. During 2023, (b)(7)(C) acted as the (b)(7)(C) for the (b)(7)(C)

(b)(7)(C)

(b)(7)(C) The OIG found that (b)(7)(C) by virtue of his work on license renewals for these companies, conducted work on particular matters before the agency.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding FIUIX and its asset companies. FIUIX showed an 18-percent increase in value between January 2023 and January 2024.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed (b)(7)(C) to divest the prohibited security, and confirmed (b)(7)(C) had come into compliance with the NRC's prohibited securities rules.

The OIG referred this investigation to the USAO-MD Criminal Division to consider any potential criminal violations. The OIG's referral was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance. The USAO-MD determined (b)(7)(C) actions lacked criminal intent and, therefore, the USAO-MD declined criminal prosecution.

Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: February 20, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.20 15:30:08 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.02.20
15:33:34 -05'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.02.20
15:52:48 -05'00'

Senior Special Agent

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE (OIG CASE NO. I2400282)

(b)(7)(C)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of a prohibited security via an annual ethics filing. Specifically, (b)(7)(C) OGC, reported to the OGC that in 2024 she discovered (b)(7)(C) owned a prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended for (b)(7)(C) to purchase the prohibited security, conducted significant work on

particular matters involving the companies owned by the prohibited security, or substantially benefited from ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 when (b)(7)(C) owned securities prohibited by the NRC in January 2024.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, “Prohibited securities,” the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In an annual ethics filing she submitted to the OGC in January 2024, (b)(7)(C) reported that (b)(7)(C) (b)(6) (b)(6) Upon discovery of (b)(7)(C) ownership, (b)(7)(C) requested he divest the security, which he did the next day.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to VPU or any companies whose securities VPU owned. The review encompassed the following records:

- Information (b)(7)(C) disclosed, as provided by OGC ethics officials;
- Time and attendance records in the Cost Activity Code System; and,
- Document authoring and concurrence information in the Agencywide Documents Access and Management System (ADAMS).

In addition, according to public information from The Vanguard Group, Inc.—which sells interests in and manages the fund—VPU owned securities in approximately 70 companies. Like VPU, many of the companies whose securities VPU owned were listed on the NRC’s prohibited securities list.

ADAMS records from 2023 and 2024 indicated (b)(7)(C) worked on a rulemaking that might have impacted NRC licensees, including some licensees VPU owned, at the time (b)(7)(C) owned VPU. The OIG found no indication, however, that (b)(7)(C) work was influenced by personal financial gain related to VPU. While NRC time and attendance records showed that (b)(7)(C) charged significant amounts of time to rulemaking activities, the records did not indicate that (b)(7)(C) worked on any projects directly related to VPU or its asset companies.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on the legal statutes and ethics regulations governing ownership of prohibited securities. The OGC directed (b)(7)(C) that (b)(7)(C) must divest VPU and that neither she nor (b)(7)(C) may acquire any prohibited security. The OGC also confirmed that

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(b)(7)(C) did not work on particular matters involving VPU or its asset companies during the period (b)(7)(C) owned the prohibited security. Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: February 25, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.25 10:37:28 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.02.25
10:38:38 -05'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)

Senior Special Agent

(b)(7)(C)
Date: 2025.02.25 13:03:34
-05'00'

SUBJECT: PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C)
(OIG CASE NO. I2400283)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via an annual ethics filing. Specifically, (b)(7)(C)

(b)(7)(C) OGC, reported to the OGC that in 2024 he owned securities in Utilities Select Sector SPDR Fund (XLU) through a managed account.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive 7.7 (MD), *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended

to purchase the prohibited security, conducted significant work on particular matters involving the companies owned by the prohibited security, or substantially benefited from ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 in 2024, when he owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In an annual ethics filing he submitted to the OGC in early 2024, (b)(7)(C) reported that (b)(6) (b)(7)(C) reported that his financial advisor purchased the security on or about January 9, 2024, despite (b)(7)(C) having provided to the financial advisor the prohibited securities list maintained by the NRC Ethics Program and instructions not to purchase any securities on the list. Upon discovery of the ownership, on or about January 19, 2024, (b)(7)(C) divested the prohibited security. He provided the OGC with confirmation of the sale.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to XLU or any companies whose securities XLU owned. The review encompassed the following records:

- Labor summary report in the Cost Activity Code System (CACS);
- Employee assignment report in the CACS; and,
- Document authoring and concurrence information in the Agencywide Documents Access and Management System.

The OIG's review yielded no indication that from January 9, 2024, through January 19, 2024, (b)(7)(C) had worked on projects related to XLU. Time and attendance records for the period indicated (b)(7)(C) was involved in licensing actions and decommissioning actions, however, which could have impacted any of the companies whose securities XLU owned.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding XLU. From January 9, 2024, through January 19, 2024, the market value of XLU fell from a per-share price of \$62.96 to \$61.72. (b)(7)(C) disclosed owning \$709.89 worth of the security on January 9; if he owned XLE for that entire period, (b)(7)(C) would have experienced a loss of \$13.98, or approximately 2 percent. Regardless, the OIG found no evidence that (b)(7)(C) worked on projects for or substantially benefited from ownership of XLU or its asset companies.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed to divest XLU, and confirmed he had divested. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: February 19, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.19 07:52:24 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.02.19
10:10:31 -05'00'

FROM:

(b)(7)(C)

Investigator

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.02.19 09:36:05 -05'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C)
(OIG CASE NO. I2400284)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via a 2024 annual ethics filing. Specifically, (b)(7)(C) Office of the Executive Director for Operations, reported to the OGC that in 2023 and 2024 he owned prohibited securities. After (b)(7)(C) submitted the 2024 ethics filing, he reported to the OGC that he had divested the prohibited securities.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive 7.7 (MD), *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to

purchase the prohibited securities, conducted significant work on particular matters involving the companies whose securities were prohibited, or substantially benefited from ownership of the prohibited securities.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 when he and (b)(7)(C) owned securities prohibited by the NRC between January and March 2024.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In the annual ethics filing he submitted to the OGC in 2024, (b)(7)(C) reported that he and (b)(7)(C) (b)(6)

(b)(6), (b)(7)(C) (b)(6) Upon discovery that the ownership was prohibited, (b)(7)(C) and (b)(7)(C) divested the prohibited securities between January and March 2024.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to any companies whose prohibited securities he and (b)(7)(C) owned. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System;
- Project milestone assignment, status, and completion data available through the Reactor Program System, PowerBI dashboards, and MapAnalytics dashboards; and,
- Public meeting schedules.

The OIG's review yielded no indication that (b)(7)(C) had worked on projects related to the companies whose prohibited securities he and (b)(7)(C) owned. In addition, according to information the OGC provided to the OIG, (b)(7)(C) stated to the OGC that he never knowingly worked on any matter involving the prohibited securities he and (b)(7)(C) owned.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding the companies whose prohibited securities he and (b)(7)(C) owned. The owned prohibited securities showed essentially no gain or loss in value between January 2023 and January 2024.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed that (b)(7)(C) and (b)(7)(C) divest the prohibited securities, and confirmed (b)(7)(C) had come into compliance with the NRC's prohibited securities rules. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: May 8, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.05.08 11:10:48 -04'00'

THROUGH:

(b)(7)(C) (b)(7)(C) Digitally signed
by (b)(7)(C)
Date: 2025.05.08
11:16:14 -04'00'

FROM:

(b)(7)(C) Senior Special Agent (b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.05.08 12:07:28 -04'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE--(b)(7)(C)
(OIG CASE NO. I2400285)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of a prohibited security via a 2024 annual ethics filing. Specifically, (b)(7)(C) (b)(7)(C) Office of Nuclear Reactor Regulation, reported to the OGC that in 2024 he owned shares of a prohibited security through a 401(k) from his prior, private employment. After (b)(7)(C) submitted the 2024 ethics filing, he reported to the OGC that he had divested the prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to purchase the prohibited security or conducted significant work on matters involving the company whose securities were prohibited.

The OIG found that (b)(7)(C) was in violation of MD 7.7 from (b)(7)(C) to 2024, when he owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

(b)(7)(C) began working at the NRC in (b)(7)(C). In 2024, (b)(7)(C) submitted (b)(7)(C) In the filing, (b)(7)(C) reported (b)(6) (b)(6) (b)(7)(C) stated that he owned the security through a 401(k) from his former employer—(b)(7)(C) (b)(7)(C)—and that the 401(k) contained the security without his knowledge. Upon discovery of the ownership, in February 2024, (b)(7)(C) divested the prohibited security.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to BWXT. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System; and,
- Document authoring and concurrence information in the Agencywide Documents Access and Management System.

The OIG's review yielded no indication that (b)(7)(C) had worked on NRC projects related to BWXT during (b)(7)(C) through 2024. In an interview with the OIG, however, (b)(7)(C) stated that he had served as (b)(7)(C) to a BWXT-related project conducted by (b)(7)(C) (b)(7)(C) work as (b)(7)(C) was not substantial or significant.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding BWXT. New York Stock Exchange public securities for BWXT public common stock showed an approximately 350-percent increase in value between (b)(7)(C) and February 2024.

On April 22, 2025, the OIG interviewed (b)(7)(C) regarding his ownership of a prohibited security. (b)(7)(C) stated he had received the security in (b)(7)(C) as part of a 401(k), when he left (b)(7)(C). (b)(7)(C) stated he rolled the 401(k) into an account with The Vanguard Group, Inc., without looking deeply at the capital assets in the 401(k). (b)(7)(C) took a closer look at the holdings, he stated, only when he received a notification that he must file a U.S. Office of Government Ethics Form 450, "Confidential Financial Disclosure Report." Upon realizing he possessed a prohibited security, he notified the OGC and requested advice; the OGC instructed (b)(7)(C) to divest the prohibited security, and he divested the following day. (b)(7)(C) also stated he informed his brokerage of the NRC prohibited securities policy and shared with his brokerage the NRC prohibited securities list.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed (b)(7)(C) to divest BWXT, and confirmed he had divested.

The OIG referred this investigation to the U.S. Attorney's Office for the District of Maryland (USAO-MD) Criminal Division to consider any potential criminal violations. The OIG's referral was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance. The USAO-MD's discretionary decision was to decline criminal prosecution.

Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: March 31, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.31 08:52:25 -04'00'

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.31 09:17:11 -04'00'

FROM:

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

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.03.31 09:08:28 -04'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE (OIG CASE NO. I2400286)

(b)(7)(C)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via a 2024 annual ethics filing. Specifically, (b)(7)(C)

(b)(7)(C) NRC, reported to the OGC that in 2023 and 2024 she owned 120 shares of a prohibited security. After (b)(7)(C) submitted the 2024 ethics filing, she reported to the OGC that she had divested the prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to purchase the prohibited security, conducted significant work on matters involving the company whose securities were prohibited, or substantially benefited from ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 in 2023 and 2024, when she owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In an annual ethics filing she submitted to the OGC in 2024, (b)(7)(C) reported that

(b)(6), (b)(7)(C)

In March 2024, (b)(7)(C) divested the prohibited security.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to GOLD. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System; and,
- Project milestone assignment, status, and completion data available through the Reactor Program System, PowerBI dashboards, and MapAnalytics dashboards.

The OIG's review yielded no indication that (b)(7)(C) had worked on projects related to GOLD in 2023 or 2024. Nonetheless, (b)(7)(C) informed the OGC that (b)(7)(C) she provided a peer review of and written comments on a Safety Evaluation Report (SER) involving (b)(7)(C) an asset owned by GOLD.

The OIG also reviewed information (b)(7)(C) provided to the OGC and open-source information regarding GOLD. New York Stock Exchange public securities for GOLD public common stock showed an approximately 9-percent decrease in value between February 2023 and February 2024.

Other than (b)(7)(C) self-reported involvement in the SER, the OIG found no evidence that (b)(7)(C) worked on projects related to GOLD. The OIG also found no evidence that (b)(7)(C) substantially benefited from ownership of GOLD.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on her obligations under MD 7.7 pertaining to prohibited securities, directed (b)(7)(C) to divest the prohibited security, and confirmed (b)(7)(C) had come into compliance with the NRC's prohibited securities rules.

The OIG referred this investigation to the U.S. Attorney's Office for the District of Maryland (USAO-MD) Criminal Division to consider any potential criminal violations. The OIG's referral was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency, and other applicable directives and guidance. The USAO-MD's discretionary decision was to decline criminal prosecution.

Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: May 1, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.05.01 15:31:54 -04'00'

FROM:

(b)(7)(C) Digitally signed by (b)(7)(C)
Special Agent (b)(7)(C) (b)(7)(C)
Date: 2025.05.01 15:28:10 -04'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE--(b)(7)(C)
(OIG CASE NO. I2400287)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via a 2024 annual ethics filing. Specifically, (b)(7)(C)

(b)(7)(C) Office of Nuclear Reactor Regulation, reported to the OGC that in 2024 she owned two prohibited securities through (b)(7)(C) investment account. She also reported to the OGC that she divested the prohibited securities in April 2024.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to purchase the prohibited securities or conducted significant work on particular matters involving the companies whose securities were prohibited.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 from at least 2015 to 2024, when she owned securities prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees and (b)(7)(C) are generally prohibited from owning.

In an annual ethics filing she submitted to the OGC in early 2024, (b)(7)(C) reported that

(b)(6), (b)(7)(C)

During an interview with the OIG, (b)(7)(C) explained that (b)(7)(C) had purchased AEP and GE and that (b)(7)(C) stated she did not have any knowledge of when or why he made specific investments.

(b)(7)(C) divested AEP on April 5, 2024, and GE on April 9, 2024. Additionally, (b)(7)(C) divested the Consolidated Edison, Inc., stock (b)(7)(C) had purchased; Consolidated Edison, Inc., was not on the NRC prohibited securities list in April 2024, but (b)(7)(C) stated she felt divesting was appropriate as the company was an energy utility.

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to AEP or GE. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System; and,
- Public meeting schedules and the GE Hitachi Boiling Water Reactor X-300 (GEH BWRX-300) project page on the NRC's external-facing website and internal-facing SharePoint.

The OIG's review yielded indications that in 2022 and 2023 (b)(7)(C) attended several public and semi-public meetings related to the GEH BWRX-300 project. The OIG asked (b)(7)(C) about her involvement with the project, and (b)(7)(C) explained that while the GEH BWRX-300 project was not in her portfolio, she had attended related meetings because (b)(7)(C) were involved. The subject of the meetings (b)(7)(C) attended was the safety program for the advanced reactor design. The OIG determined that the meetings did not appear to have had any significant impact on the value of GE stock.

The OIG also reviewed open-source financial information regarding AEP and GE. New York Stock Exchange common stock for AEP showed modest gains over the last decade,

rising from approximately \$57 per share in 2015 to approximately \$85 in 2024. GE, however, showed a significant increase in value from 2015 to 2024. In addition, over the course of 2023 and 2024, GE split into three public entities: GE HealthCare Technologies, Inc.; GE Vernova, Inc.—which held the former parent company’s energy assets; and, GE Aerospace, Inc. As a result of the GE Vernova, Inc., spin-off in March 2024, GE shareholders received one share of GE Vernova, Inc. common stock for every four shares they owned of GE stock; hence, (b)(7)(C) also received GE Vernova, Inc., shares prior to divesting GE. Regardless of those increases, however, the OIG found no evidence that (b)(7)(C) worked on projects for or substantially benefited from ownership of AEP or GE.

The OIG ultimately interviewed (b)(7)(C) regarding her ownership of prohibited securities on March 28, 2025. On February 19, 2025, however, the OIG initially attempted to schedule the interview. In response to the OIG’s email requesting a proposed time to meet, (b)(7)(C) sent an email stating, “I am a full time remote teleworker. My duty station is in (b)(7)(C) I have no scheduled trips to HQ. I am out of the office today, and in training all day 20 Feb.” The OIG received (b)(7)(C) response at 11:31 a.m. ET. The IDENTIV Transaction log, which tracks the use of NRC personal identity verification (PIV) cards throughout NRC facilities, showed that (b)(7)(C) PIV card had been scanned at NRC Headquarters, at a door to the 10th floor of One White Flint North, at 11:19 a.m.

When the OIG asked (b)(7)(C) about the apparent discrepancy of stating “I have no scheduled trips to HQ” approximately 12 minutes after her PIV card was used at NRC Headquarters, (b)(7)(C) stated that as a remote worker, her office is in (b)(7)(C) (b)(7)(C) and not at NRC Headquarters in Rockville, Maryland. She explained that she was in Rockville the week of February 19, 2025, to brief a meeting of the (b)(7)(C) and that she wrote the email either while in a meeting or preparing to go to the airport. The agency travel authorization for (b)(7)(C) time in Rockville showed that (b)(7)(C) departed Ronald Reagan Washington National Airport on February 19, 2025, at (b)(7)(C)

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on her obligations under MD 7.7 pertaining to prohibited securities, directed (b)(7)(C) to divest the prohibited securities, and confirmed (b)(7)(C) had come into compliance with the NRC’s prohibited securities rules.

The OIG referred this investigation to the U.S. Attorney’s Office for the District of Maryland (USAO-MD) Criminal Division to consider any potential criminal violations. The OIG’s referral was consistent with the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity

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and Efficiency, and other applicable directives and guidance. The USAO-MD's discretionary decision was to decline criminal prosecution.

Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: February 25, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.02.25 10:36:41 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by

(b)(7)(C)

Date: 2025.02.25 10:37:27 -05'00'

FROM:

(b)(7)(C)

(b)(7)(C)

Digitally signed by (b)(7)(C)

(b)(7)(C)

Date: 2025.02.25 15:06:54 -05'00'

Special Agent

SUBJECT: PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C)
(OIG CASE NO. I2400288)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of a prohibited security via a 2024 annual ethics filing. Specifically, (b)(7)(C)

(b)(7)(C) Office of Nuclear Reactor Regulation, reported to the OGC that in 2021 through 2024 he owned a prohibited security. After (b)(7)(C) submitted the 2024 ethics filing, he reported to the OGC that he had divested the prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive 7.7 (MD), *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended

to purchase the prohibited security, conducted significant work on particular matters involving the company whose securities were prohibited, or substantially benefited from ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 from 2021 to 2024, when he owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In an annual ethics filing he submitted to the OGC in early 2024, (b)(7)(C) reported that

(b)(6), (b)(7)(C)

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to Honeywell. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System; and,
- Public meeting schedules related to any project involving Honeywell.

The OIG's review yielded no indication that (b)(7)(C) had worked on projects related to Honeywell at any point between 2021 and 2024.

The OIG also compared information (b)(7)(C) provided to the OGC with open-source information regarding Honeywell. New York Stock Exchange public securities for Honeywell showed a slight decrease in value between February 2021 and March 2024. Moreover, the OIG found no evidence that (b)(7)(C) worked on projects for or substantially benefited from ownership of Honeywell stock.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on the legal statutes and ethics regulations governing ownership of prohibited securities, as well as on the NRC-specific restrictions on owning prohibited securities. The OGC directed (b)(7)(C) to divest and confirmed that he had divested the Honeywell stock. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: February 25, 2025

TO: Concur: Case Closed
(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C) Date: 2025.02.25 10:35:53 -05'00'

THROUGH: (b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C) Date: 2025.02.25 10:40:22 -05'00'

FROM: (b)(7)(C) Special Agent (b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.02.25 10:24:05 -05'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE—(b)(7)(C)
(OIG CASE NO. I2400289)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of a prohibited security via an annual ethics filing. Specifically, (b)(7)(C) reported to the OGC that he owned a prohibited security. After (b)(7)(C) submitted the ethics filing, (b)(7)(C) reported to the OGC that he had divested the prohibited security.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive (MD) 7.7, *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to purchase the prohibited security, conducted significant work on particular matters involving the company whose securities were prohibited, or substantially benefited from ownership of the prohibited security.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 in 2024, when he owned a security prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In an annual ethics filing he submitted to the OGC, (b)(7)(C) reported that (b)(6)

(b)(6), (b)(7)(C)

The OIG reviewed several databases for evidence of whether (b)(7)(C) conducted work related to GOLD. The review encompassed the following records:

- Time and attendance records in the Cost Activity Code System;
- Document authoring and concurrence information in the Agencywide Documents Access and Management System;
- Licensing and Regulatory Infrastructure Branch website; and,
- Public meeting schedules related to any project involving GOLD.

The OIG's review yielded no indication that (b)(7)(C) had worked on projects related to GOLD during the period he owned the prohibited security. While the OIG did not establish the exact purchase date of the prohibited security, the OIG determined that (b)(7)(C) did not contribute to the change in GOLD's value while owning the stock.

The OIG also reviewed open-source information regarding GOLD. New York Stock Exchange public securities for GOLD showed an approximately \$1.45 (1-percent) decrease in market value from December 1, 2023, to April 7, 2024. April 5 was the last day of official trading prior to (b)(7)(C) divestment on April 7.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed (b)(7)(C) to

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divest GOLD, and confirmed he had divested. Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: February 24, 2025

TO: Concur; Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.25 07:58:33 -05'00'

THROUGH:

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.24 17:25:48 -05'00'

FROM:

(b)(7)(C)

Special Agent

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.02.25 08:11:20 -05'00'

SUBJECT: ALLEGED PROHIBITED SECURITIES VIOLATIONS BY U.S. NUCLEAR REGULATORY COMMISSION EMPLOYEE - (b)(7)(C)
(OIG CASE NO. I2400290)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint from the U.S. Nuclear Regulatory Commission (NRC) Office of the General Counsel (OGC) stating that an NRC employee self-reported ownership of prohibited securities via an annual ethics filing. Specifically, (b)(7)(C) Atomic Safety and Licensing Board Panel, reported to the OGC that he owned prohibited securities.

Further, after (b)(7)(C) submitted the annual ethics filing, he reported to the OGC that his financial advisor had again purchased prohibited securities on his behalf and that he had divested them.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest," and NRC Management Directive 7.7 (MD), *Prohibited Securities*.

FINDINGS

The OIG did not substantiate that (b)(7)(C) violated Title 18 of the United States Code Section 208, as the investigation found no indication that (b)(7)(C) specifically intended to purchase the prohibited securities, conducted significant work on particular matters involving the companies whose securities were prohibited, or substantially benefited from ownership of the prohibited securities.

The OIG found that (b)(7)(C) was in violation of NRC MD 7.7 in 2024, when he owned securities prohibited by the NRC.

BASIS FOR FINDINGS

Under Title 5 of the Code of Federal Regulations Section 5801.102, "Prohibited securities," the NRC annually publishes a list of entities whose securities NRC employees are generally prohibited from owning.

In December 2023, (b)(7)(C) In an annual ethics filing he submitted to the OGC, (b)(7)(C) reported that (b)(6)

(b)(6)

(b)(6) In a

discussion with the OGC regarding the filing, (b)(7)(C) (b)(5)

(b)(5)

(b)(5) on April 10, 2024, (b)(7)(C) divested

the prohibited securities.

Subsequently, on July 3, 2024, (b)(7)(C) submitted to the OGC (b)(7)(C)

(b)(7)(C) (b)(6)

(b)(6), (b)(7)(C)

The OGC reported to the OIG that (b)(7)(C) did not work on any matters involving AEP, HON, or NEE from the start of his employment at the NRC through the end of June 2024. Furthermore, open-source information showed that New York Stock Exchange public securities for AEP showed a slight decrease in value from June 1, 2024, to June 24, 2024; HON showed a slight increase in value during the same period.

DISPOSITION

The OIG referred the results of the investigation to the OGC. The OGC counseled (b)(7)(C) on his obligations under MD 7.7 pertaining to prohibited securities, directed him to divest the prohibited securities, and confirmed that he had come into compliance

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with the NRC's prohibited securities rules. Therefore, this investigation was closed with no further OIG action taken.

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MEMORANDUM

DATE: March 6, 2025

TO: Mirela Gavrilas
Executive Director
for Operations

FROM: Malion A. Bartley
Assistant Inspector General
for Investigations

**MALION
BARTLEY**

Digitally signed by
MALION BARTLEY
Date: 2025.03.06 15:11:38
0500

SUBJECT: INSUFFICIENT INSPECTION REPORT GUIDANCE RESULTS
IN INCONSISTENT INFORMATION TO THE PUBLIC
(OIG CASE NO. I2400300)

This memorandum conveys the results of an Office of the Inspector General (OIG) investigation into a publicly available U.S. Nuclear Regulatory Commission (NRC) integrated inspection report. In the complaint, an external stakeholder challenged the veracity of the inspection report, alleging insufficient supporting documentation, multiple same-day samples of the same system, and inclusion of a particular sample selection as safety-related.

The OIG found that the NRC appropriately completed the inspections the complainant referred to, despite the public report’s internal inconsistency in listing support for inspection samples—an inconsistency that could have contributed to an external stakeholder doubting the transparency and integrity of NRC reactor oversight.

The OIG sampled publicly available integrated inspection reports from across Regions I–IV and found that, within the regions and agencywide, inspectors list supporting

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301.415.5962

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documents inconsistently due to the NRC's unclear standard for "critically reviewed" documents in NRC Inspection Manual Chapter 0611, *Power Reactor Inspection Reports*.

The OIG respectfully requests a formal response to this report by **June 6, 2025**, answering the questions posed below and describing what actions, if any, the agency will take to address our findings:

1. How will the NRC clarify for and train staff on the standards for listing sources in publicly available integrated inspection reports?
2. What steps will the NRC take to enhance consistency in how staff in Regions I–IV list documents that support the findings in publicly available integrated inspection reports?

cc: Chairman Wright
Commissioner Hanson
Commissioner Caputo
Commissioner Crowell
Commissioner Marzano
S. Morris, DEDR
J. Martin, ADO
J. Jolicoeur, OEDO
L. Dudes, Acting Director, NRR
A. Kock, Regional Administrator, Region I
M. Miller, Acting Regional Administrator, Region II
J. Giessner, Regional Administrator, Region III
J. Monninger, Regional Administrator, Region IV
B. Klukan, Regional Counsel, Region I
S. Price, Regional Counsel, Region II
S. Lewman, Regional Counsel, Region III
D. Cylkowski, Regional Counsel, Region IV

ALLEGATION

The Office of the Inspector General (OIG) received a complaint questioning the veracity of the (b)(7)(C) Integrated Inspection Report, (b)(7)(C) (b)(7)(C). The complainant alleged three deficiencies in the (b)(7)(C) Report: (1) (b)(7)(C) (b)(7)(C) was inconsistent with the *Documents Reviewed* section of the report, which listed no documents related to (b)(7)(C) (2) (b)(7)(C) improperly credited two samples for the (b)(7)(C) system occurring on the same date; and, (3) (b)(7)(C) recorded as a sample the non-safety-related (b)(7)(C) (b)(7)(C).

POTENTIAL VIOLATIONS

The potential violations or areas of noncompliance involved in this case included U.S. Nuclear Regulatory Commission (NRC) Inspection Manual Chapter (IMC) 0308, *Reactor Oversight Process Basis Document*; IMC 0611, *Power Reactor Inspection Reports*; and, IMC 1245, *Qualification Program for the Office of Nuclear Reactor Regulation Programs*.

FINDINGS

The OIG found that the (b)(7)(C) Report failed to provide information at a consistent level of detail. Specifically, the (b)(7)(C) Report did not list as *Documents Reviewed* the (b)(7)(C) documents the inspectors utilized to make a safety finding under Inspection Procedure (IP) (b)(7)(C) yet the report listed documents related to other systems. Nevertheless, the OIG confirmed that NRC inspectors performed the (b)(7)(C) review at the location and on the date stated in the report.

The OIG also found that the NRC observed and categorized, respectively, the two (b)(7)(C) system surveillance testing samples and the (b)(7)(C) described in the (b)(7)(C) Report, consistent with the agency's risk-informed, performance-based oversight policy.

During this investigation, however, the OIG sampled publicly available integrated inspection reports from across Regions I-IV and found inconsistency in the level of detail the NRC provided to the public regarding support for inspection findings. The OIG identified that the inconsistency stemmed from an unclear standard for "critically reviewed" documents and minimal training on the IMC 0611 requirements for the *Documents Reviewed* section of publicly available integrated inspection reports.

BASIS FOR FINDINGS

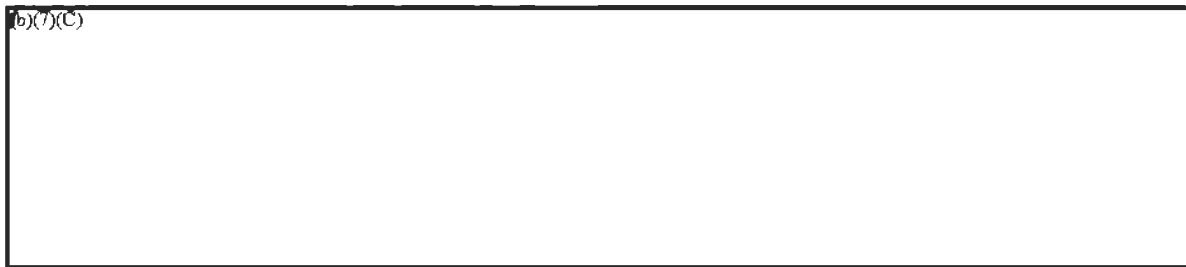
The ^{(b)(7)}_(C) Report Did Not List Documents for ^{(b)(7)(C)} Sample the Inspector Completed

The NRC periodically issues publicly available integrated inspection reports. These reports document the agency's findings from inspections of operating commercial reactors. IMC 0611 contains the NRC's policy and guidance for preparing the reports.

IMC 0611 states that inspectors are responsible for objectively supporting and accurately documenting inspection results. Specifically, IMC 0611 subsection 14.10, *Documents Reviewed*, provides that within integrated inspection reports inspectors should list "critically reviewed" documents that support the inspection results. Listing such documents supports future inspection activities and NRC determinations.

^{(b)(7)(C)} credited four samples where "the inspectors evaluated system configurations during partial walkdowns of the systems/trains." See Figure 1 for a description of the four samples.

Figure 1: ^{(b)(7)(C)} Samples



^{(b)(7)}_(C) security records showed that NRC inspectors entered ^{(b)(7)}_(C) at the locations and on the dates described in the ^{(b)(7)}_(C) Report. In addition, ^{(b)(7)}_(C) records showed that the times NRC inspectors entered ^{(b)(7)(C)} system were consistent with NRC time-and-attendance records showing the inspectors had inspected ^{(b)(7)(C)}. Thus, the OIG found evidence the inspectors conducted the partial walkdowns of the systems/trains described in the ^{(b)(7)}_(C) Report.

Under *Documents Reviewed*, however, the ^{(b)(7)}_(C) Report listed documents in support of only three of the samples described in the report. Notably, the report did not list any documents to support the safety determination of "no finding" for ^{(b)(7)(C)} system sample. Figure 2 shows all the documents listed in the ^{(b)(7)}_(C) Report as related to

^{(b)(7)(C)}

Figure 2: Documents Reviewed Section of (b)(7)(C) Report



In an interview with the OIG, (b)(7)(C) stated that upon review of the (b)(7)(C) Report, the “*Documents Reviewed*” list is not as good as it could be to correlate with IPs in the body of the report.” (b)(7)(C) added, however, that the feedback he generally receives from branch chiefs regarding the *Documents Reviewed* section of integrated inspection reports is mostly that inspectors “don’t need to list everything.”

In an interview with the OIG, a Region III branch chief stated, “NRC inspectors routinely review licensees’ documents but only list those critically reviewed ones in the Document Reviewed table at the end of the inspection report. Also, there are certain criteria that are used to determine if a procedure is included.” If a document is required to ensure another knowledgeable inspector can come to the same conclusions that are outlined in the inspection report, the branch chief stated, the report should list the document. That said, according to the branch chief, inspectors might use (b)(7)(C) alignment procedures without reading them if there are no revisions from prior (b)(7)(C). In addition, the branch chief stated, depending on the complexity of the systems and the familiarity of the inspectors with the systems, the inspectors do not necessarily utilize the licensees’ (b)(7)(C) procedures in every system walkdown. Ultimately, the branch chief stated that the (b)(7)(C) Report’s *Documents Reviewed* section was not unusual and that the report met his expectations.

The (b)(7)(C) Report Appropriately Described Two Same-Day Samples and Categorized (b)(7)(C)

(b)(7)(C) credited three samples for “evaluating the surveillance testing activities to verify system operability and/or functionality”: two (b)(7)(C) samples and one (b)(7)(C) sample. The complaint the OIG received included an allegation that the NRC improperly credited the (b)(7)(C) system inspections as two separate samples and an allegation that the NRC incorrectly recorded the (b)(7)(C) as safety-related.

Two Same-Day Surveillance Testing Samples

The (b)(7)(C) Report recorded two samples as (b)(7)(C). Both samples, the (b)(7)(C) Report stated, were taken on (b)(7)(C). The complainant questioned whether the (b)(7)(C) Report had recorded two different samples for the same activity and, if so, whether doing so was permissible.

The OIG interviewed a Region III branch chief, who stated that licensees conducting multiple surveillance testing samples, and hence NRC inspectors observing the testing samples, on the same system and day was not unusual. The Region III branch chief also stated that "samples for (b)(7)(C) are used to test two distinctly different (b)(7)(C) functionalities that are under different procedures."

(b)(7)(C) Sample

The (b)(7)(C) Report recorded (b)(7)(C) as a surveillance inspection sample. The complainant claimed doing so was improper because these types of checks are not safety-related and hence do not qualify as part of a surveillance inspection sample.

The NRC's Reactor Oversight Process involves a risk-informed, performance-based inspection framework based on risk-significant and safety components. The OIG verified that the licensee identifies (b)(7)(C) could contribute to core damage frequency and large offsite release frequency. In addition, (b)(7)(C). Thus, the OIG found no impropriety in the NRC recording (b)(7)(C) as a surveillance inspection sample.

IMC 0611 Guidance Defining "Critically Reviewed" Documents Is Unclear

The NRC implemented IMC 0611 in 2018 as a "streamlined inspection report" process for preparing integrated inspection reports. Whereas the predecessor guidance on integrated inspection reports (IMC 0612, which has since been renamed and repurposed as *Issue Screening*) required inspectors to list under *Documents Reviewed* "every document reviewed" during an inspection, IMC 0611 requires inspectors to list only "critically reviewed" documents. IMC 0611 does not, however, specifically define "critically reviewed."

During an interview, the OIG asked an NRC Headquarters subject matter expert what the phrase "critically reviewed documents" means. The subject matter expert stated that, during an inspection of a licensee's system lineup procedures, "critically reviewed" can reasonably be interpreted to refer to those documents the inspectors reviewed in-depth. The OIG observed that the NRC's IPs, however, may not always allot sufficient

time for an in-depth review of relevant documents. For instance, under IP 7111.04, the NRC resources only 4 hours for a partial walkdown to confirm system alignment.

The OIG also interviewed at least one SRI from each NRC region regarding IMC 0611 and each inspector's understanding of the standard for critically reviewed documents. One SRI stated the SRI would "list documents that only make sense to public readers" as critically reviewed documents. Another SRI stated the SRI would list everything except the "licensee's documents to aid system alignment checks." A third SRI stated, "When in doubt, list them." In addition, some SRIs stated that supervisors question what documents are listed as critically reviewed documents only when the documents duplicate other systems.


Inspectors Lack Training on Listing Critically Reviewed Documents

IMC 1245, Appendix A, *Basic-Level Training and Qualification Journal*, acknowledges that "NRC inspection reports serve many important functions." One such function is to document formally NRC activities at reactor sites, for internal and external stakeholders. Hence, Appendix A states that "it is vital for inspection reports to clearly document the results of inspection activities."

Since 2020, the NRC has hired more than 65 first-time resident inspectors. The NRC requires first-time resident inspectors to complete a training course on IMC 1245, Appendix A. This course includes a "Documenting Inspection Findings (ISA-20)" module; however, the module lacks a discussion on the meaning of "critically reviewed" documents or what sources inspectors must list under *Documents Reviewed* in publicly available integrated inspection reports.

In 2019, the year after the NRC moved its guidance on integrated inspection reports from IMC 0612 to IMC 0611, the NRC provided training on IMC 0611 for some inspectors. Figures 3 and 4 depict information from that training regarding the requirements for *Documents Reviewed*.

Figure 3: IMC 0611 Training, “Significant Changes”


Topics	Before (IMC 0612)	After (IMC 0611)
Inspection Scope	Described the inspection activity requirement met. Often major portions of the report repeated what was already written in the inspection procedure.	Will not repeat inspection activity details described in applicable inspection procedure(s). Unique details will be documented when they are needed to support regulatory oversight or future inspection planning.
Document Reviewed	Every document reviewed during the inspection was often listed. 	Only critically reviewed documents germane to future inspection planning or regulatory oversight will be listed.

Source: NRC

Figure 4: IMC 0611 Training, “Documents Reviewed”

Documents Reviewed

- Documents recorded in the *official agency record* or report must have appropriate informational value to warrant preservation.
- List critically reviewed documents that support future inspection activities (e.g., inform future design bases assurance inspection sample selections) or NRC determinations (e.g., findings, significance).
- Documents critically reviewed during the completion of the inspection, generally do not need to be listed unless they are needed to support effective regulatory oversight.



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Source: NRC

During the OIG’s interviews of SRIs, some SRIs stated they remembered the 2019 training, and others stated they did not. All the interviewed SRIs stated that they believed future training on IMC 0611—including examples of critically reviewed documents—would be beneficial for all NRC inspectors.

Agencywide, the NRC Lists Documents Reviewed Inconsistently

The OIG randomly selected two recent publicly available integrated inspection reports from each NRC region and reviewed the *Documents Reviewed* sections for IP 7111.04 partial inspections. The OIG observed that the inspectors’ approaches for referencing critically reviewed documents varied substantially. (See Table 1.)

Table 1: Summary of Inspection Report Samples for IP 7111.04 Documents Reviewed

Region of Sampled Inspection Report	Documents Referenced (None, Some, or All)
Region 1	None
Region 1	All
Region 2	None
Region 2	Some
Region 3	All
Region 3	Some
Region 4	All
Region 4	All

Source: OIG-generated from NRC publicly available integrated inspection reports

Through the SRI interviews, the OIG found that the reason approaches for referencing critically reviewed documents varies within and across the NRC regions is likely because inspectors interpret “critically reviewed” differently.

CONCLUSION

The publicly available (b)(7) Report failed to provide information at a consistent level of detail because, in contrast to its treatment of the references it provided for other equipment alignment samples, the report listed no supporting documents for (b)(7)(C) inspection the NRC performed. Without a clearer standard for “critically reviewed” documents or sufficient training on what documents to list under the *Documents Reviewed* section of reports, inspectors within and across Regions I–IV will likely continue to interpret and apply the phrase differently. This agencywide inconsistency in publicly available integrated inspection reports could cause external stakeholders to perceive a lack of transparency or integrity in the NRC’s oversight of operating commercial reactors.

Therefore, the OIG respectfully requests that the NRC provide a formal response describing what actions the agency will take to address these findings and answering the two questions posed earlier in this memorandum.



MEMORANDUM

DATE: July 1, 2025

TO: Concur: Case Closed
(b)(7)(C)

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.07.02
07:24:31 -04'00'

THROUGH: (b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.07.02
07:24:03 -04'00'

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

(b)(7)(C)

Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.07.02 07:23:18
-04'00'

SUBJECT: OUTSIDE EMPLOYMENT ISSUES AND TELEWORK ABUSE BY OIP EMPLOYEE (OIG CASE NO. I2500026)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint alleging (b)(7)(C) (b)(7)(C) Office of International Programs, U.S. Nuclear Regulatory Commission (NRC), might have been receiving compensation from (b)(7)(C) during her employment at the NRC without prior agency approval for the outside employment. The complaint also alleged that (b)(7)(C) performed work for her travel agency business during her official NRC duty hours and that she engaged in personal activities while teleworking during her improperly processed telework agreement.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 5 of the Code of Federal Regulations Section 5801.103, "Prior approval for outside employment," and NRC Management Directive 7.8, *Outside Employment*.

FINDING

The OIG did not substantiate the alleged violations. (b)(7)(C) appeared to have completed all necessary steps, including consulting with NRC legal counsel and

submitting documentation, to comply with NRC policies and legal requirements applicable to her engagement in various outside professional activities while an NRC employee. While her former supervisor did not process (b)(7)(C) telework agreement in accordance with agency policy, the OIG did not substantiate that (b)(7)(C) engaged in personal activities during duty hours while teleworking.

BASIS FOR FINDING

On June 22, 2023, (b)(7)(C) sent an email to (b)(7)(C) (b)(7)(C) in the NRC Office of the General Counsel, (b)(7)(C) (b)(7)(C) In the email, (b)(7)(C) inquired (b)(5) (b)(5), (b)(7)(C)

(b)(6), (b)(7)(C)

One company for which (b)(7)(C) provided services was (b)(7)(C)

In addition to her employment at the NRC and her outside position with (b)(7)(C) (b)(7)(C) operated a travel agency. (b)(7)(C) had owned and operated her travel agency business since October 2015. In an interview with the OIG, (b)(7)(C) stated that she had reported the business to the NRC Office of the General Counsel, in accordance with relevant NRC policies and regulations. As (b)(7)(C) (b)(6) or more from the travel agency business, (b)(7)(C) (b)(6) (b)(6) The OIG's review of (b)(7)(C) NRC email account did not uncover evidence that (b)(7)(C) had used the email account to conduct business related to the travel agency.

In (b)(7)(C) was involved in a (b)(6) during which she sustained (b)(6) injury. Due to the extent of the injury, (b)(7)(C) was unable to continue working in person at an NRC facility. As a result of (b)(7)(C) medical condition and inability to perform in-office duties, in November 2024, (b)(7)(C) then-supervisor allowed (b)(7)(C) to transition to a full-time telework schedule. The supervisor, (b)(7)(C) (b)(7)(C) has since retired from the NRC.

On November 24, 2024, (b)(7)(C) sent an email to (b)(7)(C) confirming that (b)(7)(C) (b)(7)(C) had placed her on a leave of absence due to her injury and the medical

treatment required for recovery. Additionally, (b)(7)(C) stated that she was receiving from (b)(7)(C) workers' compensation benefits related to the injury. As of the date of this memorandum, (b)(7)(C) continued to remain on leave and was receiving workers' compensation benefits from (b)(7)(C)

In January 2025, (b)(7)(C) direct NRC supervisor changed to (b)(7)(C) Branch Chief, Office of International Programs. In an interview with the OIG, (b)(7)(C) stated that (b)(7)(C) did not provide her any documentation regarding the full-time telework agreement related to (b)(7)(C) injury. Therefore, (b)(7)(C) asked (b)(7)(C) to submit the paperwork necessary to amend or formalize the telework agreement and assisted (b)(7)(C) through the process of providing the required documentation.

DISPOSITION

The OIG found no evidence of wrongdoing or violations related to (b)(7)(C) outside employment or use of telework. Therefore, the OIG issued to (b)(7)(C) a clearance letter and closed this investigation with no further OIG action taken.



MEMORANDUM

DATE: September 2, 2025

TO: Concur: Case Closed
(b)(7)(C)

(b)(7)(C)

Digitally signed by
(b)(7)(C)
Date: 2025.09.02
09:22:31 -04'00'

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

SUBJECT: NOTIFICATION OF OCHCO EMPLOYEE ALTERING OFFICIAL PERSONNEL AGREEMENTS (OIG CASE NO. 12500034)

ALLEGATION

The Office of the Inspector General (OIG) received a complaint alleging the U.S. Nuclear Regulatory Commission (NRC) modified the service period of the agency's 2022 service obligation agreement with (b)(7)(C) Region II, after he had signed the agreement and without his consent. Allegedly, the modifications were designed to extend (b)(7)(C) service period under the agreement from 18 months to 24 months.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 18 of the United States Code Section 1001, "Statements or entries generally," and NRC Management Directive (MD) 10.51, *Recruitment, Relocation, and Retention Incentives*.

FINDINGS

The OIG found that the NRC, without (b)(7)(C) consent, modified the service obligation agreement (b)(7)(C) had signed, extending his service period from 18 months to 24 months. At the same time, as the standard service period for a 20-percent relocation

incentive under MD 10.51 was 24 months, the NRC's offer to (b)(7)(C) of a shorter period likely violated NRC policy.

BASIS FOR FINDINGS

Under Section II.H, "Service Obligation Agreement," of the Directive Handbook to MD 10.51, when the NRC will agree to pay a relocation incentive of 19–25 percent of an employee's salary pursuant to a service obligation agreement, the employee's service period will be "24 months of continued service."

In (b)(7)(C) the NRC assigned (b)(7)(C) at the (b)(7)(C) (b)(7)(C). In accordance with the NRC's Alphabetical Listing of Relocation Incentives, the NRC offered (b)(7)(C) a 20-percent relocation incentive in connection with a service obligation agreement related to the assignment.

On September 7, 2022, (b)(7)(C) sent an email to an employee in the NRC Office of the Chief Human Capital Officer (OCHCO). The body of the email stated, "Resigned documents," and attached to the email was a service obligation agreement between the NRC and (b)(7)(C). The agreement stated that, as a condition of receiving a relocation incentive, (b)(7)(C) agreed to remain in NRC service at (b)(7)(C) for 18 months, beginning on (b)(7)(C) and ending on (b)(7)(C). The service obligation agreement, and an accompanying mobility agreement, appeared to bear (b)(7)(C) handwritten signature, both dated September 7, 2022. The line on the service obligation agreement designated for the NRC's signature, by "HR Branch Chief or RPO," was blank.

On February 25, 2025, OCHCO uploaded to (b)(7)(C) electronic official personnel folder a different service obligation agreement. This agreement stated that (b)(7)(C) agreed to remain in NRC service for 24 months, beginning on (b)(7)(C) and ending on (b)(7)(C). The agreement appeared to bear the handwritten signature (or an image of the handwritten signature) of (b)(7)(C) dated September 7, 2022. The line on the agreement designated for the NRC's signature, by "HR Branch Chief," appeared to bear the electronic signature of (b)(7)(C) Branch Chief (b)(7)(C) (b)(7)(C) dated September 22, 2022.

In an interview with the OIG, (b)(7)(C) stated that he discovered the change to his service period when OCHCO uploaded the (b)(7)(C)-signed service obligation agreement, which he had never before seen, in February 2025. (b)(7)(C) stated that after he signed the agreement in September 2022, no one asked him to sign a revised agreement for a 24-month service period nor otherwise asked him whether he consented to extending the service period beyond 18 months.

In an interview with the OIG regarding the service obligation agreements, (b)(7)(C) stated that she signed the NRC's agreement with (b)(7)(C) on September 22, 2022. When she

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signed the agreement, (b)(7)(C) stated, the service period was listed as 24 months. (b)(7)(C) stated that she was aware, however, that the (b)(7)(C) working on the agreement drafted the agreement for an 18-month service period; at that time, (b)(7)(C) reportedly informed (b)(7)(C) that 24 months was the standard term of a service period, per NRC policy. While (b)(7)(C) who worked on the agreement are no longer employed at the NRC, (b)(7)(C) stated that she believed (b)(7)(C) likely had changed the service period from 18 months to 24 months after (b)(7)(C) had signed and before she signed.

Reportedly, (b)(7)(C) former NRC (b)(7)(C) had been tasked with processing (b)(7)(C) service obligation agreement. The OIG attempted to contact (b)(7)(C) multiple times, but the attempts were unsuccessful.

DISPOSITION

(b)(7)(C) informed OCHCO's Human Resources Policy and Program Team (HRPPT) of the differing service obligation agreements and the 18-month service period listed on the agreement (b)(7)(C) signed. (b)(7)(C) presented the issue to the NRC's Federal Employees Pay Comparability Act (FEPCA) Panel, which determined that (b)(6)
(b)(6), (b) (b)(6) (b)(6), (b) (b)(6)
(b)(6), (b)(7)(C) (b)(6), (b) (b)(6), (b)
(b)(6), (b)(7)(C) The NRC notified (b)(7)(C) of the determination in his favor and processed the related personnel actions, awarding the incentive to him on (b)(7)(C)

Therefore, while the OIG substantiated the allegation, the OIG closed this investigation with no further OIG action taken.

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MEMORANDUM

DATE: June 24, 2025

TO: Concur: Case Closed

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.06.24 09:45:24 -04'00'

THROUGH:

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.06.26 14:52:13 -04'00'

FROM:

(b)(7)(C) [Redacted] Senior Special Agent (b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.06.24 19:21:40 -04'00'

SUBJECT: MISUSE OF SMALL ENTITY REDUCED ANNUAL FEE PROGRAM—STAHLY ENGINEERING AND ASSOCIATES (OIG CASE NO. I2500071)

ALLEGATION

The Office of the Inspector General (OIG) conducted a proactive review of entities who have certified to the U.S. Nuclear Regulatory Commission (NRC) their status as a small entity via NRC Form 526, "Certification of Small Entity Status for the Purposes of Annual Fees Imposed under 10 CFR Part 171." Through this review, the OIG identified that Stahly Engineering & Associates, Inc. (Stahly), 3530 Centennial Drive, Helena, Montana, 59601-9756, might have falsely certified its status as a small business, resulting in an underpayment of annual fees.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation included Title 31 of the United States Code 3729(a)(1)(D), "False Claims"; Title 10 of the Code of Federal Regulations (C.F.R.) 171.16, "Annual fees: Materials licensees, holders of certificates of compliance, holders of sealed source and device registrations, holders of quality assurance program approvals, and government agencies licensed by the NRC"; and, 10 C.F.R. Part 13, "Administrative False Claims Act of 2023."

FINDING

The OIG found that Stahly had not falsely certified its status as a small business.

BASIS FOR FINDING

Stahly is a full-service civil engineering and survey firm incorporated in the State of Montana, with branch offices registered in the States of Maryland, North Dakota, and Wyoming. Open-source information, including from www.zoominfo.com and www.rocketreach.com, indicated that Stahly had annual revenues of \$14.4 million.

The OIG obtained from the NRC Office of the Chief Financial Officer, Labor Administration and Fee Billing Branch, the NRC Forms 526 Stahly filed for 2011 through 2024. On each NRC Form 526, Stahly certified that it was a for-profit concern that was not engaged in manufacturing, with average gross receipts over the company's last 3-5 completed fiscal years, as applicable, that were lower than the maximum receipts threshold for small business status that year. From 2011 to 2024, the maximum average gross receipts threshold ranged from \$6.5 million to \$8 million.

The OIG issued to Stahly Inspector General Subpoena 2025-1, in an attempt to clarify information related to the company's average gross receipts for each year between 2011 and 2024. In response, Stahly provided accounting records showing that, in each year, the company's average gross receipts over the last 3-5 completed fiscal years, as applicable, were less than the maximum threshold for small business status that year.

DISPOSITION

The OIG did not identify information that substantiated violations of applicable statutes or directives. Therefore, the OIG closed this investigation with no further OIG action taken.



MEMORANDUM

DATE: June 9, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.06.09 3:44:27 -04'00'

THROUGH:

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.06.09 10:41:47 -04'00'

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

(b)(7)(C) Digitally signed by (b)(7)(C)
Date: 2025.06.09 11:01:09 -04'00'

SUBJECT: FAILED DEVELOPMENT AND POOR OCIO LEADERSHIP OF THE ALLEGATIONS RESOLUTIONS INVESTIGATIONS ENFORCEMENT SYSTEM (OIG CASE NO. I2500079)

ALLEGATION

The Office of the Inspector General (OIG) received an anonymous complaint alleging waste in the development of the U.S. Nuclear Regulatory Commission (NRC) Allegations Resolutions Investigations Enforcement System (ARIES). Allegedly, the waste was due to a lack of participation from and negligent, indifferent oversight by directors in the Office of the Chief Information Officer (OCIO), Office of Investigations (OI), and Office of Enforcement (OE). Additionally, allegedly OCIO, OI, and OE directors unduly influenced the NRC to implement ARIES before the program could perform its intended functions. The complaint further alleged a subcontractor on the ARIES project, Centeva, LLC, failed to meet contract requirements, likely due to a lack of knowledge in handling a project of the magnitude of ARIES.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation were Title 5 of the Code of Federal Regulations Section 2635.101, "Basic Obligation of Public Service"; Federal Acquisition Regulation (FAR) Part 42, Subpart 42.11, "Production Surveillance and Reporting"; and,

Management Directive 11.1, *NRC Acquisition of Supplies and Services*, Part VI, “The Contract or Order Performance and Administration Phase,” Paragraph O, “Monitoring Contractor Performance.”

FINDING

The OIG did not substantiate any of the alleged violations.

BASIS FOR FINDING

The ARIES project intended to merge several legacy systems—separately used by various NRC offices for case management, issue tracking, or reporting purposes—onto a single platform. Going into the development of ARIES, the NRC was aware of some difficulties the merger would entail. In fact, the NRC had failed in an earlier attempt to develop an ARIES-like system, due to insufficient technical capabilities at the time.

The NRC maintained a team of (b)(7)(C) for the ARIES project. The team consisted of (b)(7)(C) (b)(7)(C) OCIO; (b)(7)(C) OI; and, (b)(7)(C) OE.

Under contract number 31310023C0009, the NRC contracted with Infinetex Inc. for the development and implementation of a minimally viable product (MVP) version of ARIES. Infinetex Inc. performed work under the contract from May 2023 until the MVP version went live on December 16, 2024. Centeva, LLC, was a subcontractor on the contract.

The (b)(7)(C) for the contract was (b)(7)(C) Office of Administration; the (b)(7)(C) was (b)(7)(C) (b)(7)(C) OCIO. The OIG separately interviewed (b)(7)(C) and (b)(7)(C) and each individual stated NRC end users and NRC managers met weekly regarding the ARIES project. In addition, (b)(7)(C) met monthly regarding the project. (b)(7)(C) further stated the meeting participants, including (b)(7)(C) were engaged during the meetings.

(b)(7)(C) stated occasional problems arose with the capabilities or competencies of contract employees working under the contract; nevertheless, the contract employees met the requirements of the contract. Each time problems arose, (b)(7)(C) worked with Infinetex Inc., as the primary contractor, and the relevant contract employees were replaced.

The contract was a “time and materials” contract. (b)(7)(C) stated, which meant she had to approve deliverables directly. (b)(7)(C) stated she found the contractors to be responsive to her and to the contract requirements, and she never felt bullied or coerced into accepting the contractors’ work or extending deadlines. (b)(7)(C) also stated she

believed leadership made informed decisions related to the ARIES program.

In separate OIG interviews of (b)(7)(C) the three (b)(7)(C) (b)(7)(C) stated they had received training in the agile model of information technology (IT) development and they followed the agile model throughout the ARIES project. The agile model is a standard methodology used in IT development to guide processes and decision-making, focused on iterative and continuous improvement. The (b)(7)(C) (b)(7)(C) reported being in agreement with using this development approach for ARIES.

Each (b)(7)(C) stated that, throughout the ARIES project, he involved several members of his staff to advise him on the project and to engage regularly with the OCIO on his expectations for ARIES and his office's anticipated interaction with the program.

The (b)(7)(C) stated they had made informed decisions and agreed both on the delays in the implementation of ARIES and on the December 2024 implementation of an MVP version of ARIES. Each (b)(7)(C) stated he was aware that ARIES would require continued development after implementation (under a new contract) and that some reports in ARIES were not working properly in December 2024. The (b)(7)(C) (b)(7)(C) stated they agreed, however, that ARIES had reached MVP status in December 2024, and they jointly decided to move forward with implementation.

(b)(7)(C) each stated he did not feel any inappropriate pressure to make any decisions related to ARIES.

DISPOSITION

The OIG did not substantiate any of the alleged violations. Therefore, this investigation was closed with no further OIG action taken.



MEMORANDUM

DATE: May 14, 2025

TO: Concur: Case Closed

(b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.05.14 07:53:13 -04'00'

THROUGH:

(b)(7)(C) Digitally signed by
(b)(7)(C)
Date: 2025.05.14
08:55:14 -04'00'

FROM:

(b)(7)(C) (b)(7)(C) Digitally signed by (b)(7)(C)
Senior Special Agent Date: 2025.05.14 08:02:51 -04'00'

SUBJECT: OIG REVIEW OF NRC OVERSIGHT OF REPORTED UNMANNED AERIAL VEHICLES AT NRC-LICENSED FACILITIES (OIG CASE NO. P2500011)

PROJECT

The Office of the Inspector General noted that U.S. Nuclear Regulatory Commission (NR) licensees submitted to the agency 34 suspicious activity reports regarding unmanned aerial vehicles (UAVs), or unmanned aerial systems, from August 10, 2024, through January 11, 2025. The OIG Investigations Division initiated this investigative project to define applicable policies and directives, document the NRC's responses to and oversight of UAV reporting, and report on NRC activities to address unauthorized UAV activity at licensees' facilities.

SUMMARY OF PROJECT FINDINGS

Policies and Directives

The following agencies may be involved in responding to unauthorized UAV activity at NRC licensees' facilities:

- Federal Bureau of Investigation—For interstate, criminal, terrorist, and intel threat UAV activity;

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- U.S. Department of Homeland Security (DHS) Investigations/DHS Critical Infrastructure and Security Agency (CISA);
- Federal Aviation Administration (FAA)—In consultation with the U.S. Department of Defense or other federal security/intelligence agencies (including the U.S. Department of Energy (DOE) and DHS, but not the NRC), the FAA may issue special security instructions (airspace restrictions) under Title 14 of the Code of Federal Regulations (C.F.R.) Section 99.7;
- Federal Energy Regulatory Commission/North American Electric Reliability Corporation—Responsible for electric grid security (both physical and cyber), which for nuclear power plants typically starts in the transformer yard/substation;
- State and local law enforcement—First responders to address reported threats and other incidents; and,
- NRC—See 10 C.R.F. [§ 73.1215, “Suspicious Activity Reports.”](#)

NRC Responses and Oversight

The NRC has taken or is in the process of completing the following actions to respond to or improve agency oversight of unauthorized UAV activity at licensees’ facilities:

- Created Nuclear Security and Incident Response (NSIR) dashboard <https://app.powerbigov.us/groups/me/reports/33980eb4-bb8f-4c1d-9222-1e8570b65ecc/1d29eb451b891a93b6c3>;
- Released NRC Public Notice, “Backgrounder: Drones and Nuclear Power Plant Security,” [ML20300A547.pdf](#) (January 2025);
- Issued SA 2024-20, “(U) Security Advisory for Power Reactors, Including those under Construction; Nonpower Reactors; Decommissioning Reactors, Including those that Are Permanently Defueled but Have Not Transitioned To Decommissioning; Fuel Fabrication, Enrichment, and Conversion/Deconversion Facilities; Independent Spent Fuel Storage Installations; and Licensees Possessing Special Nuclear Material Under 10 CFR Part 70” (December 2024). This document detailed recent events involving UAV overflights at licensee facilities, highlighted event reporting requirements, and provided reporting guidance. The advisory is classified as “Official Use Only – Security-Related Information”;
- Included UAVs in the agency’s annual threat assessments (classified) since 2010;
- Addressing UAVs under the Enhance Weapons Rule;
- Revising the Adversary Characteristics Screen Process. “Staff Recommendations for Revisions to the Adversary Characteristics Screening Process” (SECY-07-0114) stated that, to date, the NRC’s actions to address UAVs have been primarily internal; SA 2024-20 was an exception to that tendency. Next steps toward revising the process may include seeking stakeholder comments and holding public meetings;
- Working with DHS CISA to restrict airspace at licensee facilities under one document; and,

- Working with DOE Office of Cybersecurity, Energy Security, and Emergency Response (CESER) regarding restricted airspace.

DISPOSITION

Memoranda supporting each of the project findings contain additional detail but also either security-related or official-use-only information. Therefore, the OIG did not include that information within this document; the additional detail is available separately, on an as-needed basis. The OIG closed this project to file with no additional investigative activities needed.



MEMORANDUM

DATE: November 7, 2025

TO: Concur: Case Closed

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.11.07 17:14:43 -0500

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

(b)(7)(C)

Digitally signed by (b)(7)(C)
Date: 2025.11.12 10:03:27 -0500

SUBJECT: POTENTIAL CONFLICT OF INTEREST VIOLATION BY NRC REGION I EMPLOYEE (OIG CASE NO. P2500098)

ALLEGATION

The Office of the Inspector General (OIG) received an email from (b)(7)(C) (b)(7)(C) Region I (RI), U.S. Nuclear Regulatory Commission (NRC), regarding a potential violation of 18 U.S.C. § 208 and 5 C.F.R. § 2635.604(a)(1). (b)(7)(C) reported being informed that (b)(7)(C) (b)(7)(C) RI, NRC, may have participated personally and substantially in particular matters that had a direct and predictable effect on the financial interests of a prospective employer with whom he was actively seeking employment.

POTENTIAL VIOLATIONS

The potential violations relevant to this investigation are:

- 18 U.S.C. § 208, *Acts Affecting Personal Financial Interest*
- 5 C.F.R. § 2635.604(a)(1), *Recusal While Seeking Employment*
- MD 7.8, *Outside Employment*

FINDINGS

The OIG was unable to substantiate that (b)(7)(C) violated either 18 U.S.C. 208 or 5 C.F.R. 2635.604(a)(1).

BASIS OF FINDINGS

The OIG reviewed the relevant statutes and regulations but could not determine whether a violation had occurred. (b)(7)(C) in the Office of the General Counsel at the NRC, explained that the nature of the response (b)(7)(C) received from (b)(7)(C) following his résumé submission on (b)(7)(C) was critical in assessing whether a violation took place. (b)(7)(C) advised that if a reasonable person would interpret (b)(7)(C) response as indicating no interest, then no violation occurred. However, if the response appeared open-ended, (b)(7)(C) in accordance with MD 7.8, *Outside Employment*, should have and failed to notify his supervisor to recused himself from any matters involving (b)(7)(C).

(b)(7)(C) stated that (b)(7)(C) had neither notified nor sought advice from his office. Instead, (b)(7)(C) learned of the situation through (b)(7)(C) from whom (b)(7)(C) had requested recusal guidance. (b)(7)(C) declined to be interviewed by the OIG, which prevented a definitive determination.

INTERVIEW

On August 19, 2025, the OIG interviewed (b)(7)(C) Branch Chief, (b)(7)(C) (b)(7)(C) RI, via Microsoft Teams regarding the alleged conflict of interest. (b)(7)(C) confirmed (b)(7)(C) employment with the NRC ended on (b)(7)(C) to join (b)(7)(C).

She stated that (b)(7)(C) served as (b)(7)(C) and led the team overseeing (b)(7)(C). As (b)(7)(C) (b)(7)(C) role was not supervisory, but (b)(7)(C) (b)(7)(C) who was present (b)(7)(C) observed no irregularities, and stated (b)(7)(C) process is structured to prevent any single individual from influencing outcomes.

On (b)(7)(C) informed (b)(7)(C) that he had submitted his résumé to (b)(7)(C) earlier that day but believed he was not being considered for the position. On (b)(7)(C) contacted (b)(7)(C) to express interest. Later that same day, (b)(7)(C) notified leadership and requested recusal from any further interactions with (b)(7)(C).

DISPOSITION

Since (b)(7)(C) is no longer employed with the NRC and the USAO for the Eastern District of Pennsylvania declined prosecution, this investigation is closed with no further OIG action.



MEMORANDUM

DATE: December 10, 2025

MEMORANDUM TO: Concur: Case Closed

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.12.10 09:23:05'00

THROUGH:

(b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.12.10 09:46:17'05'00

FROM:

(b)(7)(C) [Redacted] Senior Special Agent (b)(7)(C) [Redacted] Digitally signed by (b)(7)(C) [Redacted]
Date: 2025.12.10 13:41:12'05'00

SUBJECT: POTENTIAL CONTRACT VIOLATIONS OR IRREGULARITIES REGARDING NON-COMPETITIVE PERSONAL SERVICES CONTRACT AT U.S. NUCLEAR REGULATORY COMMISSION OFFICE OF THE GENERAL COUNSEL (OIG CASE NO. P2500156)

ALLEGATIONS

The Office of the Inspector General (OIG) conducted this investigation based on an anonymous complaint alleging that (b)(7)(C) [Redacted] Office of the General Counsel (OGC), U.S. Nuclear Regulatory Commission (NRC), inappropriately influenced the award of a contract to (b)(7)(C) [Redacted] a law firm in Washington, D.C. Allegedly, the contract, contract number (b)(7)(C) [Redacted] was for a consultant to assist the NRC in strategic direction, legal analysis, regulatory framework development, drafting coordination, stakeholder engagement support, and litigation risk assessment. The complaint alleged, however, that the contract was a non-competitive, personal services contract awarded to an inexperienced private attorney with no government or rulemaking experience.

POTENTIAL VIOLATIONS

Potential violations relevant to these allegations were Title 18 of the United States Code Section 208, "Acts Affecting a Personal Financial Interest;" Title 48 of the Code of

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Federal Regulations (C.F.R.) Section 37.104 (Federal Acquisition Regulation (F.A.R.)), “Personal Services Contracts”; and, NRC Management Directive (MD) 11.1, *NRC Acquisition of Supplies and Services*.

FINDINGS

The OIG found that (b)(7)(C) did not improperly influence the award of contract (b)(7)(C). The contract was not a personal services contract, and the NRC awarded the contract in accordance with all applicable regulations and MD 11.1.

BASIS FOR FINDINGS

CONTRACT DOCUMENTS

The contract file for (b)(7)(C) shows the contract was associated with NRC requisition number (b)(7)(C). The requisition was dated (b)(7)(C) and (b)(7)(C) OGC, NRC, approved the requisition that same day. On (b)(7)(C) OGC, NRC, approved the requisition.

The requisition estimated a 4-month period of performance—August 20, 2025, through December 31, 2025—and cost of \$250,000.00. The requisition stated, “The Consultant will assist the NRC in the following areas: strategic direction, legal analysis, regulatory framework development, drafting coordination, stakeholder engagement support and litigation risk assessment.”

On (b)(7)(C) as the (b)(7)(C) for contract (b)(7)(C) Office of Administration, NRC, recommended awarding the contract to (b)(7)(C). In a “Summary of Negotiations” setting forth his recommendation, (b)(7)(C) stated the agency solicited the contract as a sole source contract due to “unusual and compelling urgency,” which is a non-compete justification under 48 C.F.R. section 6.302-2, “Unusual and compelling urgency.” (b)(7)(C) also stated the contract was not for the provision of personal services.

On (b)(7)(C) signed the contract on behalf of (b)(7)(C).

The contract’s “summary work description” states, in full, “The objective is to provide advisory services to the NRC Chief / Acting General Counsel for the NRC’s rulemaking process.” The contract states that the period of performance is August 21, 2025, to March 31, 2026, and that the “firm-fixed-price portion” of the contract is \$250,000.00. The contract lists one individual, (b)(7)(C) as the only “key personnel”

considered essential to the successful completion of the contracted work, which the contract states will be performed at NRC headquarters.

INTERVIEW TESTIMONY

The OIG interviewed (b)(7)(C) (b)(7)(C)
(b)(7)(C)
OGC, NRC, regarding the award of contract (b)(7)(C) stated (b)(7)(C) approached her regarding contracting for outside legal services, citing the need to ensure timely compliance with Executive Order (E.O.) 14300, "Ordering the Reform of the Nuclear Regulatory Commission" (May 23, 2025), (b)(5)
(b)(5) Reportedly, (b)(7)(C) stated (b)(5), (b)(7)(C)
(b)(5)

(b)(7)(C) stated she was engaged with the contracting officer during the contracting process for contract (b)(7)(C) (b)(5)
(b)(5), (b)(7)(C)

DISPOSITION

The OIG did not identify any information that would substantiate (b)(7)(C) or the NRC, violated applicable statutes or policy when the agency awarded contract (b)(7)(C) to (b)(7)(C). Therefore, the OIG closed this case to the files of this office.



MEMORANDUM

DATE: November 25, 2025
TO: U.S. Office of Special Counsel
hatchact@osc.gov
Washington, D.C.

FROM: (b)(7)(C) Digitally signed by (b)(7)(C)
(b)(7)(C)
Date: 2025.11.25 14:44:16 -05'00'

SUBJECT: REFERRAL OF COMPLAINT
(OIG COMPLAINT NO. C2600008, et al.)

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board, received multiple complaints alleging that emails sent from an NRC government email address or authorized external notification system, regarding the lapse in funding that began on October 1, 2025, constituted violations of the Hatch Act. The full complaints are attached.

The OIG notes that these complaints are similar to two complaints the OIG referred to your office on October 15, 2025 (OIG Complaint No. C2500173). As with the previously referred complaints, the OIG is referring these additional complaints to your office for review and processing.

The OIG respectfully requests that you acknowledge receipt of this Referral of Complaint. If you have any questions, please contact Senior Special Agent (b)(7)(C) (b)(7)(C) at (b)(7)(C) or me at (b)(7)(C)

ATTACHMENTS:

- 1) C2600008—Potential Hatch Act Violation by the Office of Executive Director for Operations
- 2) C2600010—Potential Hatch Act Violation Regarding NRC Automated Messages
- 3) C2600012—Potential Hatch Act Violation by OEDO Employee
- 4) C2600013—Potential Hatch Act Violation Regarding Messaging in Automated NRC Message dated November 12, 2025
- 5) C2600015—Referral of Hatch Act Violations to the IG from NRC OGC

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Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Agency: NRC

Case No.	Title	Opened	Closed	Finding	Case Type	Disposition	Team	Case Agent	Days to Close
12303348	(Project) Proactive Cyber Investigations	05/25/2023	06/04/2025	Partially Substantiated	Project	Close to File	TB - Team B	(b)(7)(C)	741
12303337	Referred PERSEC, March 14, 2025: NRC Manager Operating a Personal Business During Work Hours	05/08/2023	03/19/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		681
12400138	Referred OIP, due April 30, 2025: Security Incident involving OIP employee with unsecured laptop and PIV	06/13/2024	04/15/2025	Partially Substantiated	Full Investigation	Close to File	TA - Team A		306
12400285	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/04/2024	05/19/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		166
12400217	Alleged Non-compliance of NRC Regulations by HOLTEC	09/30/2024		Unsubstantiated	Full Investigation	Close to File	TB - Team B		
12303297	(PROJECT): Protective Threat Assessment Team and Insider Threat Program	05/02/2023	03/24/2025	Closed Administratively	Project	Close to File	TA - Team A		692
12400074	Referred EDO, July 21, 2025, Potential Misuse of Government Travel Card	02/26/2024	09/29/2025	Fully Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		581
12400226	(b)(7)(C) Employee Alleged to Harass OGC Staff and Violate (b)(7)(C) (b)(7)(C)	09/30/2024	07/16/2025	Partially Substantiated	Full Investigation	Close to File	TB - Team B		289
12400300	Referred EDO, Due June 6, 2025: Alleged Failure by the NRC to Provide Sufficient Information to the Public in Integrated Inspection Reports	12/10/2024	06/06/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		178
12400283	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission	12/04/2024	02/25/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		83

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Agency: NRC

<u>Case No.</u>	<u>Title</u>	<u>Opened</u>	<u>Closed</u>	<u>Finding</u>	<u>Case Type</u>	<u>Disposition</u>	<u>Team</u>	<u>Case Agent</u>	<u>Days to Close</u>
	Employee - (b)(7)								
12303357	Misuse of Small Entity Reduced License Fee Program - PharmaLogic	06/02/2023	01/30/2025	Fully Substantiated	Full Investigation	Close to File	TA - Team A	(b)(7)(C)	608
12400026	Potential NRC Management Retaliation for Raising a Safety Concern	11/14/2023	03/31/2025	Unsubstantiated	Full Investigation	Close to File	TA - Team A		503
12400104	Alleged Suppression of Violations at (b)(7)(C) (b)(7)(C) by Region I Branch Chief	04/25/2024	04/17/2025	Unsubstantiated	Full Investigation	Close to File	TA - Team A		357
12400153	Referred EDO, due May 5, 2025. Alleged Unauthorized Transactions on Government Travel Card by NRC Employee	07/16/2024	06/06/2025	Fully Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		325
12303380	Time and Attendance Abuse and Chilled Work Environment in RIII	02/01/2024	02/14/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TB - Team B		379
12400159	(b)(7)(C) at Region IV Allegedly Disclosed Personal Sensitive Human Resources Information to Staff Members without a Need to Know	07/16/2024	04/17/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		275
12400193	Alleged Safety Concern Regarding Valcor Engineering Corporation	09/03/2024	02/24/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		174
12400281	Alleged Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/04/2024	04/14/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		131
12400284	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/04/2024	02/19/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		77

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Agency: NRC

<u>Case No.</u>	<u>Title</u>	<u>Opened</u>	<u>Closed</u>	<u>Finding</u>	<u>Case Type</u>	<u>Disposition</u>	<u>Team</u>	<u>Case Agent</u>	<u>Days to Close</u>
12400259	NRC Employee Repaid Incorrect Locality Pay	11/25/2024	01/29/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B	(b)(7)(C)	65
12400280	Prohibited Securities Violation by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/12/2024	02/19/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		69
12303335	(Special Project): NRC Regulatory Oversight	05/01/2023	02/20/2025	Partially Substantiated	Project	Close to File	TSO - Technical Services Office		661
12400282	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee (b)(7)(C)	12/06/2024	02/20/2025	Fully Substantiated	Full Investigation	Referred to NRC Management	TB - Team B		76
12400260	NRC Employee Allegedly Violating Fixed Telework Agreement	12/12/2024	02/20/2025	Closed Administratively	Full Investigation	Close to File	TB - Team B		70
12400206	Potential Fraud with NRC Leidos Sharepoint Contract	09/05/2024	09/25/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TA - Team A		385
12400275	Referred ADM, September 26, 2025, Irregularities In Contract Oversight at NRC Region II	12/16/2024	09/29/2025	Partially Substantiated	Full Investigation	Referred to NRC Management	TB - Team B		287
12400261	NRC Employee Fraudulently Receiving Locality Pay	12/04/2024	10/14/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		314
12500071	Potential Misuse of Small Entity Reduced License Fee Program, Stahly Engineering & Associates, Inc	04/16/2025	06/27/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		72
12500079	FWA, Failed development and Poor OCIO Leadership of the Allegations Resolutions Investigations Enforcement System	04/28/2025	07/09/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		72
12400289	Prohibited Securities	12/04/2024	02/27/2025	Fully Substantiated	Full Investigation	Referred to NRC	TB - Team B	85	

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Agency: NRC

Case No.	Title	Opened	Closed	Finding	Case Type	Disposition	Team	Case Agent	Days to Close
	Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)					Management			
I2400290	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/04/2024	02/27/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B	(b)(7)(C)	85
I2400158	Hotline Portal - Potential Fraud and Security Issue with NRC Voice over Internet Protocol Telephone Service.	09/05/2024	01/14/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		131
I2400286	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/04/2024	03/31/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		117
I2400288	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	01/16/2025	02/26/2025	Fully Substantiated	Full Investigation	Close to File	TB - Team B		41
I2400287	Prohibited Securities Violations by U.S. Nuclear Regulatory Commission Employee - (b)(7)(C)	12/17/2024	05/01/2025	Fully Substantiated	Full Investigation	Close to File	TA - Team A		135
P2500011	OIG Review of NRC Oversight of Reported Unmanned Aerial Vehicles at NRC Licensed Facilities	02/28/2025	05/16/2025	Closed: Investigative Actions Complete	Project	Closed: Investigative Actions Complete	TA - Team A		77
I2500034	Notification of OCHCO Employee Altering Official Personnel Agreements	03/07/2025	09/10/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		187
I2500026	Dual Compensation Violation and Telework Abuse by OIP Employee	02/19/2025	07/16/2025	Unsubstantiated	Full Investigation	Close to File	TB - Team B		147
P2500008	Potential Conflict of Interest Violation by NRC Region I Employee	06/06/2025	11/24/2025	Closed: Investigative Actions Complete	Preliminary Investigation	Closed: Investigative Actions	TB - Team B		171

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Agency: NRC

<u>Case No.</u>	<u>Title</u>	<u>Opened</u>	<u>Closed</u>	<u>Finding</u>	<u>Case Type</u>	<u>Disposition</u>	<u>Team</u>	<u>Case Agent</u>	<u>Days to Close</u>
						Complete			
P2500156	Potential Contract Violations or Irregularities Regarding Non-Competitive Personal Services Contract at NRC OGC	09/18/2025	12/15/2025	Closed: No Action	Preliminary Investigation	Closed: No Action	TB - Team B	(b)(7)(C)	88
P2600008	Potential Hatch Act violation by the Office of Executive Director for Operations	11/24/2025	12/15/2025	Closed: Referred To Other Agency	Preliminary Investigation	Closed: Referred To Other Agency	TB - Team B		21

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Number of Cases Closed: 41

Cases Closed by Case Type and Quarter	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Grand Total
Full Investigation	1	17	9	7	34
Preliminary Investigation	3				3
Project		2	2		4
Grand Total	4	19	11	7	41

Cases Closed by Disposition and Finding		Closed Administrative	Fully Substantiated	Partially Substantiated	Unsubstantiated	Grand
Close to File		2	10	4	11	27
Closed: Investigative Actions Complete	2					2
Closed: No Action	1					1
Closed: Referred To Other Agency	1					1
Referred to NRC Management			4	6		10
Grand Total	4	2	14	10	11	41

Cases Closed by Team, Agent and FY Quarter	Case Owner	Finding								#	Avg Days
		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
		#	Avg Days	#	Avg Days	#	Avg Days	#	Avg Days		
Close to File	(b)(7)(C)							1		1	
				2		1				3	
		1		1						2	
				1		3				4	
								2		2	
				3		1		1		5	
				1						1	
				2						2	
				2		2				4	
				3						3	

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Total	
27	65.85 %
2	4.88 %
1	2.44 %
1	2.44 %
10	24.39 %
11	100.00 %

Cases Closed Between 1/1/2025 and 12/31/2025 for NRC

Close to File Total		1	15	7	4	27
Closed: Investigative Actions Complete	(b)(7)(C)	1				1
				1		1
Closed: Investigative Actions Complete Total		1		1		2
Closed: No Action	(b)(7)(C)	1				1
Closed: Referred To Other Agency		1				1
Referred to NRC Management			1	1	2	4
					1	1
			1			1
				1		1
			1			1
			1			1
Referred to NRC Management Total			4	3	3	10