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*"Rummaging in the government's attic"*

Description of document: Nuclear Regulatory Commission (NRC) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 15-April-2012

Released date: 04-May-2012

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

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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2012-0206

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

RESPONSE  
TYPE



FINAL



PARTIAL

REQUESTER

DATE

MAY 4 2012

**PART I. -- INFORMATION RELEASED**



No additional agency records subject to the request have been located.



Requested records are available through another public distribution program. See Comments section.



APPENDICES

Agency records subject to the request that are identified in the listed appendices are already available for public inspection and copying at the NRC Public Document Room.



APPENDICES

Agency records subject to the request that are identified in the listed appendices are being made available for public inspection and copying at the NRC Public Document Room.



Enclosed is information on how you may obtain access to and the charges for copying records located at the NRC Public Document Room, 11555 Rockville Pike, Rockville, MD 20852-2738.



APPENDICES

A

Agency records subject to the request are enclosed.



Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (see comments section) for a disclosure determination and direct response to you.



We are continuing to process your request.



See Comments.

**PART I.A -- FEES**

AMOUNT \*

\$



You will be billed by NRC for the amount listed.



None. Minimum fee threshold not met.



You will receive a refund for the amount listed.



Fees waived.

\* See comments  
for details

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



No agency records subject to the request have been located.



Certain information in the requested records is being withheld from disclosure pursuant to the exemptions described in and for the reasons stated in Part II.



This determination may be appealed within 30 days by writing to the FOIA/PA Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Clearly state on the envelope and in the letter that it is a "FOIA/PA Appeal."

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

SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER

Donna L. Sealing

**APPENDIX A**  
**RECORDS RELEASED IN THEIR ENTIRETY**

<b><u>NO.</u></b>	<b><u>DATE</u></b>	<b><u>DESCRIPTION (PAGE COUNT)</u></b>
1	6/15/2010	Response to April 8, 2010 letter from Grassley and Coburn (22 pgs.)
2	1/11/2011	Grassley Summaries for period ending 9/30/2010 (15 pgs)
3	6/24/2011	Grassley Summaries for period ending 3/31/2011 (6 pgs)
4	11/10/2011	Grassley Summaries for period ending 9/30/2011 (16 pgs)



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

June 15, 2010

OFFICE OF THE  
INSPECTOR GENERAL

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Dear Senators Grassley and Coburn:

This is in response to your April 8, 2010, request for information regarding (1) any instances when the Agency resisted and/or objected to oversight activities and/or restricted access to information; (2) reports on all closed investigations, evaluations, and audits conducted by my office that were not disclosed to the public from January 1, 2009, through April 30, 2010, and (3) a courtesy copy of our response to the Ranking Member of the House Committee on Oversight and Government Reform providing information on outstanding recommendations that have not been fully implemented.

I am pleased to report that we have not encountered any resistance by the Nuclear Regulatory Commission (NRC) while carrying out our oversight activities. The agency readily complies with our requests for information during the conduct of both our audits and investigations. We appreciate your sensitivity to these issues, because agency cooperation and ready access to information are critical components in effectively carrying out the Inspector General mandate.

Secondly, I am enclosing information on all closed investigations conducted by my office that were not disclosed to the public for the period of January 1, 2009, through April 30, 2010. If your staff has questions regarding our investigative work, please ask them to call the Senior Level Assistant for Investigative Operations, Rossana Raspa, on 301-415-5954. Our audit and evaluation work has been fully disclosed to the public with the exception of six reports containing sensitive security-related information. All six however, are referenced on our public website. To view these and other Inspector General documents, please click the following link: [www.nrc.gov/reading-rm/doc-collections/insp-gen/](http://www.nrc.gov/reading-rm/doc-collections/insp-gen/). If your staff has questions regarding the

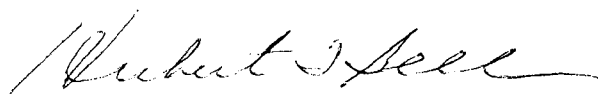
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audit or evaluation information, please ask them to call the Deputy Assistant Inspector General for Audits, Steven Zane, on 301-415-5912.

And lastly, per your request I am enclosing a courtesy copy of our April 7, 2010, response to Representative Darrell Issa regarding our open audit recommendations made to the NRC.

In closing, I would like to thank you for your continued support to protect the independence of Inspectors General - a key element in carrying out our mandate of preventing and detecting fraud, waste and abuse. If you or your staff would like to speak with me directly, I may be reached at 301-415-5930.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hubert T. Bell".

Hubert T. Bell  
Inspector General

Enclosures: As stated

## **INVESTIGATIVE REPORT SUMMARIES**

### **TERMINATED NRC LICENSE FOR DISTRIBUTION OF IRRADIATED GEMSTONES**

#### Allegation

The Office of the Inspector General (OIG), Nuclear Regulatory Commission (NRC), conducted an investigation into a 2007 allegation that there were irradiated gemstones, not regulated by NRC, widely available in the United States and that NRC did not know whether the gemstone radioactivity levels were within NRC regulatory limits. According to the allegation, these gemstones were available to the public even though the last NRC license for distributing irradiated gemstones had been terminated.

#### Findings

The distribution of irradiated gemstones was unregulated for about 5½ years, from December 2001 to mid-2007. During this time, irradiated gemstones were widely available in the U.S. marketplace without NRC regulatory oversight. This situation occurred because the last licensee terminated its license and this went unnoticed by NRC management. However, NRC has taken steps to regain control over this industry and has written procedures in place requiring staff to alert agency management if, in the future, a last distribution license is terminated.

At the time this investigation was concluded, the NRC staff was developing an Information Notice to better inform stakeholders of the regulatory requirement concerning irradiated gemstones.

### **JOINT SENSITIVE INVESTIGATION WITH THE FEDERAL BUREAU OF INVESTIGATIONS, BALTIMORE FIELD OFFICE**

#### Allegation

On January 15, 2008, the OIG initiated an investigation based on information received from the Federal Bureau of Investigations, Baltimore Field Office, involving an NRC employee, Office of Nuclear Regulatory Research.

#### Findings

This investigation did not identify any wrongdoing by the NRC employee.

## **FAILURE TO SAFEGUARD SENSITIVE NRC ALLEGATION INFORMATION**

### Allegation

The OIG conducted an investigation based on an allegation from an NRC Senior Resident Inspector (SRI), Nuclear Fuel Services (NFS), Erwin, TN, concerning improper handling of sensitive NRC allegation information. The SRI said that when he and another resident inspector returned to their shared office at NFS, on February 12, 2008, they found an envelope containing an unlabeled 3½-inch computer disk under their locked office door. The SRI said he placed the disk into his NRC-assigned computer to review the contents and found approximately 30 NRC allegation files.

During this investigation, OIG also examined the circumstances surrounding the discovery of another disk containing sensitive NRC allegation information by an NFS Vice President in an envelope in her office mail on March 18, 2008.

### Findings

OIG determined that the 3½-inch floppy disk left under the NFS resident inspectors' office door on February 12, 2008, contained sensitive allegation information and was created by a former NFS resident inspector (RI). OIG found that the disk was likely left by this RI in his desk and later found by the SRI who was reassigned the RI's desk sometime in 2005. In 2006, the RI left NFS to become a SRI, Oconee Nuclear Power Station. OIG was unable to determine who left the floppy disk under the NFS resident inspector's office door on February 12, 2008.

OIG determined that on or about March 18, 2008, an NFS Vice President received an envelope by interoffice mail that contained a 3½-inch disk that had been accessed by the SRI on March 17, 2008. The envelope which was received by the NFS Vice President contained a typed note that the disk was found in the desk of a former NFS engineer and should be returned to the NRC. The disk contained sensitive NRC allegation material compiled by the RI in 2004. OIG determined that the disk had been in the possession of and viewed by the SRI on March 17, 2008.

OIG also determined that on February 5, 2008, the SRI accessed on floppy disk media three allegation files that were not on either of the two 3½-inch floppy disks provided to OIG. The SRI did not report to Region II management that he had found or accessed these three files containing sensitive allegation information, which contrasts with his handling of the disks found on February 12, and March 18, 2008, respectively. The SRI claimed that he may have found and accessed other disks containing allegation files that were in his desk (which previously belonged to the RI), but that he destroyed these disks.

OIG further determined that the SRI admitted keeping his log-on identification and password written down on paper on his desk, despite knowing that this practice is contrary to established NRC policy on password protection.

As a result of this investigation, the SRI was verbally counseled by the Deputy Regional Administrator about the need to safeguard sensitive allegation material.

## **POSSIBLE BID RIGGING BY VENDOR WHILE BIDDING FOR NRC CONTRACT**

### Allegation

The OIG investigated an allegation of bid rigging in connection with an Office of Information Services (OIS) contract for Web Content Management services. According to the allegation, only two bidders responded to NRC's Request for Proposal (RFP) and these bidders' proposed costs were four and half times greater than NRC's cost estimate and were only \$1,000 apart. The allegation also conveyed that another vendor (who did not submit a bid) had received a telephone call from a company claiming to represent NRC. According to the allegation, the caller requested that the vendor bid on the contract to serve as a third bidder, but relayed that the vendor would not win the bid because there would be a lower bidder.

### Findings

OIG's investigation did not substantiate evidence of a bid rigging conspiracy in connection with the OIS Web Content Management RFP.

## **CONCERNS WITH NRC CHAIRMAN'S LETTER RE: HEMYC TO MEMBER OF CONGRESS**

### Allegation

The OIG initiated this investigation after receiving an allegation that an NRC letter, dated April 7, 2008, from then NRC Chairman Klein to Congress contained inaccurate and misleading information about NRC's oversight of fire barrier materials.

### Findings

OIG found that the April 7, 2008, letter contained inaccurate information and that weaknesses in the NRC process for validating information contributed to the inaccurate information contained in the April 7, 2008, letter. On July 15, 2008, Chairman Klein sent another letter to Congress to correct the information contained in the April 7<sup>th</sup> letter.

## **UNAUTHORIZED REMOVAL OF DOCUMENTS FROM COMMISSIONERS' OFFICES**

### Allegation

This investigation was initiated based on an allegation that a Commissioner secretarial "floater," was inappropriately copying and taking home sensitive agency documents that she worked on in the Commissioner offices. This allegation came to light when the secretary was counseled during her 2008 midyear evaluation regarding errors she

made on two documents. In response to the counseling, the secretary maintained that she did not make errors and that she kept a copy of everything she worked on.

### Findings

OIG found no evidence to substantiate that the secretary took home sensitive agency documents from Commissioner offices. However, she acknowledged taking home internal agency documents describing administrative procedures because she did not have an assigned office space for storing such materials.

## **UNAUTHORIZED RELEASE OF PRIVACY-OFFICIAL USE ONLY INFORMATION**

### Allegation

The OIG initiated this investigation based on a letter dated June 29, 2008, sent to Senator Lamar ALEXANDER and copied to Senator Bob CORKER, Congressman David DAVIS, and Region II Regional Administrator, allegedly authored by a non-NRC employee. In the letter, the author provided the identity of a subject and an alleged in an OIG investigation, in which an NRC employee was also an alleged.

During this investigation, OIG reviewed the letter sent to Senator ALEXANDER and examined the circumstances surrounding the non-NRC employee's knowledge and disclosure of the identity of a subject and alleged in an OIG investigation.

### Findings

OIG determined that an NRC employee disclosed sensitive NRC allegation information to his wife. He and his wife were upset that he was under investigation by OIG for improper handling of sensitive NRC allegation information. OIG learned that he told his wife the identities of alleged and the names of personnel involved in the OIG investigation.

OIG determined that the NRC employee's wife authored the June 29, 2008, letter to Congressional members based on sensitive NRC allegation information provided to her by her husband. Her letter provided a detailed account of an NRC OIG on-going investigation that revealed the identity of alleged as well as the subject of the OIG investigation. Although, in her letter, she cited NRC policy, "Protection of an Alleged's Identity" as a source for her knowledge that the identity of an alleged should be treated as need-to-know information, she disclosed this information in a public letter to Congressional members.

No action was taken against the NRC employee based on his retirement from the agency.

## **POSSESSION OF CHILD PORNOGRAPHY BY NRR EMPLOYEE-ASSISTANCE TO IMMIGRATION AND CUSTOMS ENFORCEMENT**

### Allegation

The OIG initiated this investigation after receiving information that on July 15, 2008, an Office of Nuclear Reactor Regulation (NRR), employee was stopped and searched at Detroit's Metropolitan Airport by Immigration and Customs Enforcement (ICE) agents after returning from the Philippines. A search of his personal laptop computer revealed several images of suspected child pornography.

### Findings

This investigation, which was coordinated amongst ICE, the National Center for Missing and Exploited Children (NCMEC), and the U.S. Attorney's Office in Michigan, determined that images contained on the NRC employee's personal laptop were child pornography. On August 26, 2009, he was indicted in the U.S. District Court, Eastern District of Michigan, and charged with one count of Transport/Shipment of Child Pornography (Title 18, U.S.C. 2252A (a)(1)). On October 12, 2009, Montgomery County Police found the subject dead outside his residence from a self-inflicted gunshot wound.

## **NRC ROLE REGARDING BACKUP POWER FOR THE ALERT NOTIFICATION SYSTEM AS MANDATED BY THE ENERGY POLICY ACT OF 2005**

### Allegation

The OIG initiated this investigation after learning of a letter dated July 17, 2008, sent to the Department of Homeland Security (DHS) OIG from four members of Congress regarding implementation of a new emergency notification system (ENS) at Indian Point Nuclear Power Plant. The letter expressed concern about the oversight exercised by the Federal Emergency Management Agency (FEMA) and the relationship between FEMA and the NRC during the implementation of modifications of backup power to the ENS, which was required by the Energy Policy Act of 2005 (EPA). Because the EPA assigned to NRC a specific role relative to the implementation of the ENS at Indian Point, NRC OIG initiated this investigation to determine whether NRC fulfilled its responsibilities relative to this matter.

### Findings

OIG determined that NRC followed the EPA's direction to NRC to require that backup power be available for Indian Point's ENS by (1) issuing Confirmatory Order EA-05-190, dated January 31, 2006, and (2) initiating the enforcement process when Indian Point did not comply with the Order.

OIG also determined that the NRC voluntarily undertook additional measures to facilitate communication between FEMA and Entergy, the owner operator of Indian Point. Although such measures were not part of NRC's legislatively mandated responsibility, NRC management decided that by facilitating open communication among all parties involved, the agency could help the effort reach a successful conclusion.

## **TIME AND ATTENDANCE ABUSE BY AN OFFICE OF NUCLEAR REGULATORY RESEARCH EMPLOYEE**

### Allegation

The OIG initiated this investigation based on an anonymous e-mail allegation made to a branch chief, New and Advanced Reactors Branch, RES, NRC. The anonymous e-mail stated that an employee whom he supervised, was committing fraud by not submitting accurate time and attendance records (summary approval reports). The allegation stated that the employee would arrive late to work on a consistent basis, take multiple Compressed Work Schedule (CWS) days off during the same 2-week pay period, and use accumulated credit hours that were not earned.

### Findings

OIG determined that the employee routinely worked a different schedule than her official NRC duty hours and that she flexed her work hours without supervisory approval. However, records show that she did not use multiple CWS days off in the same pay period or use unearned credit hours. OIG also determined that her supervisors certified her summary approval reports under the assumption that the hours she worked were consistent with her official duty hours.

The employee was counseled by the supervisor regarding the need to accurately report and document time and attendance.

## **POTENTIAL MISCONDUCT BY NRC ALTERNATIVE DISPUTE RESOLUTION PROGRAM CONTRACTOR**

### Allegation

The OIG initiated this investigation regarding an allegation made by a former security officer employed by Pinkerton Inc., a security contractor at the Sequoyah Nuclear Power Plant. The former security officer claimed that a mediator involved in the NRC Alternative Dispute Resolution (ADR) program threatened her during an ADR session held to mediate a discrimination complaint and security-related concerns that she had raised. She claimed that during an ADR session with the mediator selected to facilitate the matter, the mediator threatened her by stating to her that she was a basket case and that she would be lucky to find a job flipping hamburgers.

## Findings

OIG reviewed the circumstances surrounding her claim that she was threatened by the mediator during the mediation meeting. OIG did not develop any evidence to support her claim that she was threatened by the mediator.

## **NRC OFFICE OF INVESTIGATION'S HANDLING OF A FITNESS-FOR-DUTY VIOLATION AT NUCLEAR FUEL SERVICES**

### Allegation

This OIG investigation was initiated based on an allegation from an attorney retained by Nuclear Fuel Services (NFS), an NRC licensee. The attorney told OIG that he was retained by NFS to conduct an investigation into an alleged Fitness-for-Duty (FFD) violation by the NFS President in 2006 and that the NRC's Office of Investigation (OI) also conducted an investigation into the same matter. He claimed that during OI's investigation, he was wrongly subpoenaed by OI to give testimony and that his Motion to Quash the OI subpoena was not properly considered because the Commission was provided incorrect information. In addition, his written response to the Commission's decision to deny the Motion to Quash was not made publicly available in NRC's Agencywide Documents Access and Management System (ADAMS) when it should have been. Further, the attorney conveyed concerns about OI and Office of the General Counsel (OGC) staff conduct during OI's investigation. OIG did not address the attorney's concerns regarding OI and OGC staff conduct because these concerns addressed performance issues rather than misconduct.

### Findings

This investigation did not identify any NRC staff misconduct. OIG determined that OI's subpoena of the attorney's testimony was based on a valid investigative justification. OIG found the NRC Commission was provided with accurate decision-making information when it denied the attorney's Motion to Quash the OI subpoena. OIG noted, however, that the Commission Order referred to the NFS report as the attorney's report rather than an NFS product which is what the attorney took issue with. OIG also confirmed that the attorney's response to the Commission's Order denying the Motion to Quash was not entered into ADAMS, but found that the agency made a purposeful decision not to enter his response in ADAMS because it could effect OI's investigation, which was still ongoing.

## **TIME AND ATTENDANCE ABUSE BY AN OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS EMPLOYEE**

### Allegation

The OIG initiated an investigation into an allegation that a Nuclear Materials Safety and Safeguards, project manager responsible for a license review for the Mixed Oxide Fuel

Fabrication (MOX) facility in Aiken, South Carolina, played golf during duty hours while on official travel to the MOX facility.

### Findings

This investigation did not substantiate misconduct by the NRC project manager. OIG found that while on official travel to Aiken, South Carolina, the project manager played golf four times and purchased food once at a golf country club during normal NRC business hours over a 19-month period. Most of these instances occurred on a travel day, when his travel to Aiken took approximately 6 hours. OIG learned that his manager permitted him to flex his schedule and make up work time in the evening.

## **IMPERSONATION OF A FEDERAL LAW ENFORCEMENT OFFICER**

### Allegation

The OIG initiated an investigation into the circumstances under which an Office of Nuclear Security and Incident Response, GG-15 senior security specialist, obtained a permit to carry a concealed firearm in Maryland, including whether he misrepresented himself as a Federal Law Enforcement Officer and made false statements to obtain the concealed firearms permit. The investigation also examined the circumstances under which the subject obtained Fraternal Order of Police (FOP) license plates in Maryland.

### Findings

The OIG investigation determined that the employee made false statements to Maryland State Police (MSP) to obtain a concealed firearms permit. The false statements described his involvement in an investigation, authority to make warrantless arrests and use deadly force while employed at the Department of Energy, and receipt of threatening phone calls. He also told an MSP Corporal that he carried his firearm to work at NRC, even though he was aware this was not permitted, and that he knew how to get away with it. OIG determined that the employee was not eligible for Fraternal Order of Police license plates because he did not meet the requirements for having such plates. OIG also discovered a pattern of the employee representing himself as a Federal law enforcement officer to members of MSP, Montgomery County Police Department, and a business located in Montgomery County.

The employee was initially found guilty in District Court and received a 2 year suspended, 1 year probation. The decision was appealed and the case went to a jury trial in Circuit Court. The employee was found not-guilty in Circuit Court by jury. The employee signed a settlement agreement and agreed to leave the NRC.

## **IMPROPER PERSONNEL ACTION BY REGION IV MANAGER**

### Allegation

The OIG initiated this investigation after a former Region IV (RIV) Human Resources Team Leader, alleged that the Deputy Director, Division of Reactor Projects (DRP), RIV, attempted to override veteran's preference during the hiring process for a general engineer due to a personal relationship with a non-veteran applicant.

### Findings

This investigation did not identify any NRC staff wrongdoing. OIG confirmed that a job announcement was posted for a general engineer and the best-qualified list contained veteran and non-veteran applicants. However, the claim that the DRP tried to override Federal Government veteran's preference regulations was not substantiated. Moreover, the job announcement was closed without being filled because no qualified applicants were identified.

## **NRC EMPLOYEE PROVIDING FALSE AND MISLEADING INFORMATION DURING AN INVESTIGATION**

### Allegation

The OIG initiated this investigation at the request of the Office of Nuclear Security and Incident Response (NSIR). The NSIR Deputy Director was concerned about the integrity of an NSIR employee who was hired by NRC in 2008. In 2008 NSIR management was informed that while employed by his former employers the employee violated internal policies regarding the handling and use of Personally Identifiable Information (PII). NSIR also learned that during an internal conflict-of-interest investigation, the employee provided the social security number of a contractor to a private investigative firm. It was also learned that the employee impeded an internal investigation conducted by the Internal Audit Services (IAS) on the same internal conflict-of-interest case, lied to the IAS investigators, and had contemplated destroying investigative reports relevant to the conflict-of-interest investigation. NSIR officials were concerned about his departure from his previous company and whether he left under adverse conditions.

Based on the above information, OIG's investigation focused on whether the employee provided false information on his Questionnaire for National Security Positions, Standard Form (SF) 86. OIG specifically focused on answers to Part 2, Section 22, Your Employment Record, of the SF 86, which asks questions about reasons for departing one's prior employer(s).

## Findings

OIG found that the employee provided a false statement when the employee answered "No" to Section 22 on his Questionnaire for National Security Positions, SF 86, dated May 18, 2008. Specifically, OIG found that he incorrectly answered "N" to condition number 5 of Section 22, "Left a job for other reasons under unfavorable circumstances," in connection with his departure from his prior employer.

OIG also determined that at the time the employee answered "No" to this question, he thought a Settlement Agreement he had entered into with his prior employer allowed him to leave under favorable conditions.

Based on the OIG investigation, NSIR management concluded that the employee did not deliberately or willfully provide a false answer on his SF-86 and has no concerns regarding the integrity of the employee. The employee was verbally counseled regarding the high standard the agency places on the integrity of its employees.

## **FORMER NRC EMPLOYEE SUBMITS FALSE STATEMENT ON DECLARATION OF FEDERAL EMPLOYMENT FORM**

### Allegation

The OIG initiated this investigation based on an allegation from an Office of Human Resources (HR) employee that a former NRC employee made a false statement on the Optional Form 306, "Declaration for Federal Employment" (OF-306) which he submitted to the NRC as part of his employment package. The allegor said that the former NRC employee should have informed HR staff and indicated on his OF-306 that he was receiving a Federal Government retirement annuity so that his salary could be properly adjusted to account for his annuity. The allegor stated that HR staff determined that because of the former employee's false statement and subsequent misclassification, the former employee was overpaid approximately \$5,000.

### Findings

OIG confirmed that the former employee falsely stated on his OF-306 that he was not retired. In addition, he indicated on his Standard Form 2801 (SF-2801) "Application for Immediate Retirement," that he had previously applied for Federal retirement, but he did not list his assigned Civil Service Annuity number. The U.S. Attorney's Office declined prosecution in this matter.

## **IMPROPER APPRAISAL PRACTICE IN THE OFFICE OF THE EXECUTIVE DIRECTOR FOR OPERATIONS**

### Allegation

The OIG conducted an investigation into an allegation concerning personnel practices in the Office of the Executive Director for Operations (OEDO). Specifically, it was alleged that the Assistant for Operations, OEDO, downgraded an FY 2008 performance element rating for a GS-15 Branch Chief, Corporate Management and Infrastructure Branch, OEDO, employee whom she supervised, from an outstanding to an excellent without notifying the employee.

### Findings

Although the investigation did not identify staff misconduct, problems were found with the manner in which the OEDO conducts the annual appraisal process. The OEDO employee appraisal process was conducted inconsistently and in a manner that was not in accordance with NRC guidance. The OEDO manager: (1) did not complete her annual appraisal meeting with the employee, (2) provided the employee with incomplete appraisal forms to sign, and (3) failed to notify the employee in person upon determining that the signed form contained an error and directed that the form be changed to reflect a lower rating. Furthermore, neither the manager nor the reviewing official followed the correct process for signing appraisals. The reviewing official signed the employee's incomplete appraisal form based on trust that the rating he approved would be added to the appraisal form.

Following the investigation, the OEDO informed OIG that it recognizes the importance of the signature process and that the office has established processes to ensure this does not happen in the future.

## **MISUSE OF NRC CITIBANK TRAVEL CREDIT CARD BY A REGION I EMPLOYEE**

### Allegation

The OIG conducted this investigation based on NRC Region I's review of an employee's NRC Citibank travel credit card records. The review reflected numerous cash advances and fees during the period March 4, 2007, to November 27, 2008, which appeared unassociated with official travel.

### Findings

OIG determined that from May 14, 2007, to November 27, 2008, the employee misused the NRC Citibank travel credit card by obtaining 24 cash advances totaling \$3,053.50 not associated with official travel. There were also \$44.26 in cash advance fees charged to the travel card, making a total of \$3,097.76 in improper cash advances and

fees. In February 2002, OIG issued an investigative report which documented a prior misuse of the employee's NRC travel credit card.

Based on the 2008 OIG investigation, NRC Region I management imposed a 21-day suspension against the employee to be served intermittently in three installments.

## **ALLEGED PREFERENTIAL TREATMENT AND INAPPROPRIATE BEHAVIOR BY SENIOR FSME MANAGER**

### Allegation

The OIG conducted an investigation based on an allegation that a Deputy Director, Office of Federal and State Materials and Environmental Management Programs (FSME), demonstrated inappropriate and unprofessional behavior toward female co-workers and subordinates. The alleged provided the following specific examples: alleged preferential treatment in pay, promotion, and relocation to one female employee; inappropriate remarks to another; and support for another to permit her to work from her home in Oklahoma while a male employee was not provided the same opportunity. The allegation stated that as result of his actions, which the alleged characterized as sexist, he created a hostile work environment. In addition to providing the names of the individuals associated with the examples provided, the alleged provided several names of other individuals whom the alleged said could corroborate the allegation.

### Findings

This investigation did not substantiate that the manager demonstrated inappropriate and unprofessional behavior toward female co-workers and subordinates. However, several FSME managers acknowledged that there was low morale among the former Office of State and Tribal Programs staff members.

## **IMPROPER ALLEGATION REFERRAL TO LICENSEE**

### Allegation

OIG initiated this case after a review of the Allegation Management System (AMS) indicated that NRC referred an anonymous allegation against a senior manager at Florida Power & Light (FPL), an NRC licensee, to FPL Group for investigation. This referral appeared inconsistent with agency guidance stating that allegations should not be referred to licensees when they are made against "the licensee's management or those parties who would normally receive and address the allegation." OIG's investigation examined the handling of this allegation and whether the referral was in accordance with the agency's policy on referral of allegations.

## Findings

OIG found that NRC's referral to FPL Group of the allegation against an FPL senior manager was not in accordance with Management Directive 8.8 (MD 8.8) allegation referral guidance; however, NRC took specific measures to ensure that FPL's review of the matter was fair and thorough. These measures include: (a) Personal referral of the allegation by the NRC Executive Director for Operations (EDO) to the licensee; (b) the referral was made to a senior FPL official at a higher organizational level than the allegation subject; (c) independent verification of the licensee's investigation results.

OIG found that while agency staff has differing interpretations of MD 8.8 guidance on referrals of allegations against licensee managers, the staff agrees that more clarity is needed in MD 8.8, and is in the process of revising MD 8.8.

## **VULNERABILITY OF ENRICHMENT BARRIERS TO THEFT**

### Allegation

OIG initiated this investigation based on a January 26, 2009, Department of Justice (DOJ) press release stating that DOJ arrested a Department of Energy Oak Ridge National Laboratory (ORNL) enrichment facility contract employee for the theft of enrichment barrier technology in early 2007. As a result, the OIG was concerned regarding the vulnerability to theft of enrichment barriers and other classified technology at the Portsmouth and Paducah enrichment facilities, which are regulated by the NRC.

### Findings

OIG determined that Portsmouth and Paducah facilities are not subjected to the same vulnerability that existed at ORNL.

## **POSSIBLE RETALIATION FOR WHISTLEBLOWING REGARDING SAFETY ISSUES**

### Allegation

OIG initiated this investigation based on a letter that an NRC employee sent to U.S. Senator Barbara Mikulski's office, which the office subsequently sent to OIG. The letter documented three specific safety concerns with recommendations for resolving those concerns. In the letter, the alleged claimed that over a 5-year period, he had raised 20 safety issues and examples of management waste and had provided these to the NRC. The letter also claimed that over a 5-year period, his NRC performance appraisals were steadily lowered as an act of retaliation towards him. As a result, he asked the Senator's office for assistance with whistleblower protection.

During this investigation, OIG reviewed the following three areas: (1) NRC's response to the safety concerns raised by the alleged, (2) whether he received lower performance

appraisals as a result of having raised safety issues, and (3) whether he was prevented from working on or developing any safety issue or pressured not to do so.

### Findings

OIG determined that an NRC Special Task Group (STG) was formed in accordance with guidance in NRC Management Directive (MD) 10.160, "Open Door Policy," to examine the 20 issues raised by the alleged. The STG report reflected that there were no significant or imminent safety concerns regarding the 20 issues raised.

OIG did not substantiate that NRC managers lowered the alleged's annual performance appraisals in retaliation for his raising of safety concerns. OIG learned from the alleged's supervisors that his annual performance appraisals were lowered due to deficiencies in his overall work performance.

OIG determined that the alleged was not discouraged or prevented from identifying or reporting safety concerns.

### **PRIOR MEETING NOTICE REGARDING V.C. SUMMER ENVIRONMENTAL IMPACT STATEMENT PROVIDED TO UTILITY BUT NOT TO THE PUBLIC**

#### Allegation

OIG initiated this investigation based on an allegation from a member of the public regarding South Carolina Electric and Gas (SCE&G), an NRC licensee seeking to build two new reactors at the V.C. Summer Nuclear Station. The alleged stated that SCE&G was provided early notification of a January 2009 Environmental Impact Statement (EIS) scoping meeting pertaining to the two new reactors, but that this information was not provided to the public.

#### Findings

OIG found that SCE&G learned of the January 2009 meeting dates ahead of the public, but that this was consistent with NRC Management Directive guidance to staff to schedule and confirm public meeting dates with licensees before notifying the public about the meeting. Furthermore, the public received notice of the meeting 22 calendar days prior to the meeting, which meets NRC's requirement that public notice be given at least 10 calendar days ahead of such meetings.

### **PROCUREMENT IMPROPRIETY BY NRC MANAGER**

This OIG investigation was based on an allegation that NRC failed to comply with Federal printing requirements in connection with the revision of NRC's Comprehensive Diversity Management Plan (CDMP) brochure.

## Findings

OIG determined that the NRC staff did not follow Commission policy as stated in Management Directive 3.13, in updating the CDMF brochure and therefore, violated 44 USC. The request to print the CDMF brochures should have been coordinated with Printing Management Services Branch (PMSB) for completion in house or referred to the Government Printing Office (GPO). If GPO could not accomplish the print job, the brochure could have been produced elsewhere, under contract, if the Joint Committee on Printing approved such a procurement.

OIG determined that NRC's Small Business and Civil Rights and Division of Contract (DC) staff were not knowledgeable of the Federal regulations or NRC policies that govern the printing and production of documents. Furthermore, DC lacked a process for determining if a request for printing services was adequately coordinated with PMSB before moving ahead with a contract.

A bulletin was issued to DC staff reminding them of the need to receive written confirmation from the Chief, Reproduction and Mail Services Branch, before proceeding with the commercial purchase of printing services. The agency also intended to post guidance on requirements on its project management Web site and add the Title 44/MD 3.13 requirements to its contract checklist and Request for Procurement Action used in processing all purchasing requests.

## **UNPROFESSIONAL CONDUCT BY A REGION II OFFICE OF INVESTIGATIONS EMPLOYEE**

### Allegation

OIG initiated an investigation based on an allegation that a Senior Special Agent, Region II, Office of Investigations (OI), NRC, verbally threatened a contractor employee responsible for issuing building access badges for the Atlanta Federal Center (AFC). This incident allegedly occurred during the NRC employee's attempt to obtain a building sticker that would have allowed him access into the AFC.

### Findings

OIG determined that on March 4, 2009, the NRC employee acted in an unprofessional manner while attempting to obtain a replacement AFC sticker from the AFC Badge Office to be placed on his Russell Building identification badge.

Specifically, he raised his voice at the Badge Office clerk and made a reference to a firearm when the clerk would not give him the sticker because he lacked the necessary NRC authorization letter and his name was misspelled in the Badge Office computer system. While the comments made the Badge Office clerk feel nervous, the Badge Office clerk did not feel threatened.

As a result of this investigation, the NRC employee was counseled.

## **OFFICE OF THE CHIEF FINANCIAL OFFICER WORKPLACE NEPOTISM**

### Allegation

OIG initiated this investigation based on an anonymous allegation that Deputy Director, Division of Financial Management, Office of the Chief Financial Officer (OCFO) demonstrated favoritism in the hiring of her husband for a position as a Senior Program Analyst, OCFO.

### Findings

This investigation did not identify any NRC staff misconduct. OIG determined that the subject was not involved in, and, did not influence, the selection process that led to the hiring of her husband as an OCFO Senior Program Analyst.

## **STANDARDS OF CONDUCT – SECURITY OFFICER SLEEPING WHILE ON DUTY AT NRC HEADQUARTERS BUILDING**

### Allegation

OIG initiated this investigation based on an anonymous allegation that a security officer at the Two White Flint North (TWFN) NRC headquarters barricade entrance was asleep on post at 4:40 a.m. on April 9, 2009. Although the caller identified the post as located at TWFN, the caller's description of activities at the post suggested the caller was actually concerned with guard activity at the One White Flint North entry point on Marinelli Road.

### Findings

This investigation did not identify any misconduct. OIG determined that the alleged's description of a sleeping guard at the TWFN post was inaccurate because, in accordance with agency guard post procedures, no one was on duty at that post at the time the behavior was reported to have occurred. OIG further determined that the guard on duty at the Marinelli checkpoint, the only available vehicle entry point at the time, was actively engaging with vehicles during this time period.

## **NONPAYMENT FOR WORK PERFORMED ON AN NRC CONTRACT**

### Allegation

OIG initiated this investigation based on an allegation made by an NRC subcontractor. The subcontractor claimed he was not paid for work he performed in December 2008 and January 2009. He also claimed that even though the prime contractor did not pay him for this work, the prime contractor billed the NRC for the work he performed at NRC

during those 2 months. It was further alleged that the prime contractor withheld from him fiscal information that prevented him from being able to complete monthly project manager reports that were required by the contract.

#### Findings

This investigation did not identify any misconduct by the subcontractor. OIG did not find that the prime contractor correctly invoiced the NRC for work performed. OIG also determined that the prime contractor paid the alleged for work performed in December, but did not pay him for any work done in January because the subcontractor did not work on the contract in January. Also, although the alleged was a project manager on the contract, there were other project managers who could and did complete the monthly project manager reports required under the contract.

### **MISUSE OF GOVERNMENT COMPUTER BY AN OFFICE OF THE CHIEF FINANCIAL OFFICER EMPLOYEE**

#### Allegation

OIG initiated this investigation based on information reported to OIG from the NRC Computer Security Office that an NRC computer issued to an NRC employee contained malicious software. OIG examined the computer hard drive and discovered adult pornographic pictures on the hard drive and that the NRC computer in question was used to visit Web sites containing sexually explicit material.

#### Findings

The OIG investigation found that the employee misused the NRC computer assigned to him to access Web sites to view sexually explicit material. His hard drive had 181 images of a sexually explicit nature. The employee admitted to OIG that he visited pornographic Web sites during work hours. He confirmed that the images found by OIG were the same images he viewed on the pornographic Web sites he visited.

The OCFO Budget Director issued a final decision for the employee to be suspended for 7 days for using a Government computer inappropriately.

### **MISUSE OF NRC CITIBANK TRAVEL CREDIT CARD BY A SENIOR RESIDENT INSPECTOR AT REGION III**

#### Allegation

OIG initiated this investigation based on a review of Citibank travel credit card statements that indicated a Senior Resident Inspector, Point Beach Nuclear Power Plant, Region III, NRC, had an account that was in pre-suspension status because it was overdue for payment. An initial review of his travel credit card statements revealed several cash advances that were not associated with official travel.

## Findings

OIG determined the employee used his Government Citibank travel credit card for purposes not associated with official travel on at least 32 occasions between 2007 and 2009. His unauthorized purchases and cash advances (including cash advance fees) totaled \$2,079.32. In addition, while he was temporarily assigned to headquarters from April to August 2009, the employee used the card to pay for several meals for himself and his spouse even though paying for his spouse with the card was not permitted.

As a result of this investigation, the employee was suspended for 7 calendar days for misuse of the Government Citibank travel credit card.

### **MISUSE OF NRC CITIBANK TRAVEL CREDIT CARD BY AN OFFICE OF NEW REACTORS EMPLOYEE**

#### Allegation

OIG initiated this investigation based on OIG's review of delinquent NRC Citibank travel credit card records. The review reflected numerous cash advances and fees during the period of January 4 to May 29, 2009, which appeared unassociated with official travel.

#### Findings

OIG determined that from January 4 to May 29, 2009, an NRC employee misused her NRC Citibank travel credit card by obtaining seven cash advances totaling \$1,797.25 not associated with official travel. There were also \$40.46 in cash advance fees charged to her travel card, making a total of \$1,837.71 in improper cash advances and fees. OIG also determined that on May 20, 2009, she submitted a payment to Citibank for \$144. However, Citibank returned the check due to insufficient funds.

The employee was in a probationary status at NRC and was terminated for misuse of the Government credit card.

### **SAFEGUARDS INFORMATION POSTED ON A YAHOO NEWSGROUP BLOG SITE**

#### Allegation

OIG initiated this investigation based on notification from the Computer Security Office (CSO) that Safeguards Information (SGI) had been posted for a second time by a former Wackenhut security officer on a Yahoo Internet Newsgroup blog site. The first posting of SGI by this individual occurred in May 2009, and was investigated by the NRC Office of Investigations (OI).

## Findings

OIG determined that the security officer posted SGI material on a Yahoo Internet Newsgroup blog. The security officer removed the SGI material from the Newsgroup upon request by the NRC. This investigation was turned over to the NRC Office of Investigations which was continuing to review the initial incident.

## **MISUSE OF NRC CITIBANK TRAVEL CARD BY AN OFFICE OF FEDERAL AND STATE MATERIALS AND ENVIRONMENTAL MANAGEMENT PROGRAMS EMPLOYEE**

### Allegation

OIG initiated this investigation based on a review of an employee's NRC Citibank travel credit card records. The review reflected numerous purchases, cash advances, and fees which appeared to be unassociated with official travel.

### Findings

OIG determined that from March 7 to May 21, 2009, an NRC employee misused her NRC Citibank travel credit card by obtaining 10 cash advances totaling \$1,082.25 not associated with official travel. There were also \$24.44 in cash advance fees charged to her travel card, making a total of \$1,106.69 in improper charges. In addition, the investigation revealed she had eight purchases not associated with official travel totaling \$601.86. Her total unauthorized cash advances, fees, and charges totaled \$1,708.55.

OIG also determined that on May 15, 2009, the employee made an electronic payment via telephone to Citibank in the amount of \$1,233.66. However, Citibank returned the electronic payment due to insufficient funds and imposed a \$15 fee for insufficient funds. On July 9, 2009, she made another electronic payment via telephone to Citibank in the amount of \$1,558.48. Citibank again returned the electronic payment due to insufficient funds, and imposed a \$15 fee for insufficient funds.

As a result of the findings of this investigation, the employee was issued a 14-day suspension.

## **NRC FAILS TO APPROPRIATELY APPLY 10 CFR 50.54(q)**

### Allegation

This OIG investigation was initiated after two Division of Operating Reactor Licensing employees (DORL), Nuclear Reactor Regulation (NRR), NRC, reported concerns that NRR management directed the staff to comply with a draft NRC Regulatory Issue Summary, RIS 2005-02, titled, Clarifying the Process for Making Emergency Plan Changes, which is inconsistent with Title 10 Code of Federal Regulation (10 CFR) 50.54(q). 10 CFR 50.54(q), an NRC regulation states that a change to a licensee's emergency plan that results in a decrease in effectiveness requires an NRC letter of

approval. Draft RIS 2005-02 states that a change in a licensee's emergency plan that results in a decrease in effectiveness requires the licensee to submit a license amendment to the NRC.

### Findings

OIG found that the NRC Office of the General Counsel (OGC) reviewed the staffs' concern regarding the inconsistency between the regulation and RIS. OGC informed NRR that a change to a licensee's emergency plan that results in a decrease in its effectiveness expands a licensee's authority and, therefore, requires NRC approval via a license amendment. OIG found that draft RIS 2005-02 does not clearly define what constitutes an amendment. OIG found that NRC has proposed to amend the rule to clarify the requirement for a license amendment when a change to a licensee's emergency plan results in a decrease in effectiveness.





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

January 11, 2011

OFFICE OF THE  
INSPECTOR GENERAL

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Dear Senators Grassley and Coburn:

This is in response to your request for information regarding (1) any instances when the Agency resisted and/or objected to oversight activities and/or restricted access to information, and (2) reports on all closed investigations, evaluations, and audits conducted by my office that were not disclosed to the public from May 1, 2010 through September 30, 2010.

During this reporting period, my office is pleased to report that we have not encountered any resistance by the NRC while carrying out our oversight activities. The agency readily complies with our requests for information during the conduct of both our audits and investigations.

Secondly, we are enclosing information on all closed investigations conducted by my office that were not disclosed to the public for this reporting period. If your staff has questions regarding our investigative work, please ask them to call Special Agent, Rossana Raspa on 301-415-5954. As to our audit and evaluation work, it has been fully disclosed to the public with the exception of three reports containing sensitive security-related information. All three, however, are referenced on our public website in a redacted format. To view these and other Inspector General documents, please click the following link: [www.nrc.gov/reading-rm/doc-collections/insp-gen/](http://www.nrc.gov/reading-rm/doc-collections/insp-gen/). If your staff has questions regarding the audit or evaluation information, please ask them to call Steven Zane on 301-415-5912.

A/2

Once again, we'd like to thank you for your continued support to protect the independence of Inspectors General – a key element in carrying out our mandate of preventing and detecting fraud, waste and abuse. If you or your staff would like to speak with me directly, please don't hesitate to contact me on 301-415-5930.

Sincerely,

A handwritten signature in black ink, appearing to read "Hubert T. Bell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hubert T. Bell  
Inspector Genral

Enclosure: As stated

## **INVESTIGATIVE REPORT SUMMARIES**

### **NRC'S USE OF RIERA AIRCRAFT IMPACT MODEL FOR NEW REACTORS**

#### Allegation

OIG initiated this investigation based on a proactive office initiative to identify instances where it appeared that NRC might not have followed agency processes regarding significant regulatory matters. At the time this investigation was initiated, NRC was considering whether the Riera methodology<sup>1</sup> was an appropriate tool for new reactor applicants to use to assess the potential effects of the impact of a large commercial aircraft on new nuclear power plants. OIG reviewed whether NRC followed established procedures and processes regarding the appropriateness of using the Riera methodology for aircraft impact analysis.

Additionally, during the investigation, OIG identified information that suggested NRC may have inappropriately released information to licensees by providing them with data that could be reverse engineered using calculations from the Riera methodology to reveal classified information. Therefore, OIG reviewed whether the NRC appropriately handled Riera-related information in accordance with the NRC information security process.

#### Findings

OIG found that NRC followed its processes in determining that the Riera methodology is an acceptable method to evaluate aircraft impacts on new nuclear power plant structures, and that NRC did not release classified information related to the Riera methodology. NRC is currently preparing guidance (i.e., regulatory guide) for new reactor applicants informing them they may use the Riera methodology or any other viable methodology in the preparation of their application documents, but this guidance has not yet been issued.

### **POSSIBLE MISUSE OF FUNDS AND MISCHARGING IN USAID-FUNDED NRC CONTRACT**

#### Allegation

OIG initiated this investigation based on an OIG audit of NRC's U.S. Agency for International Development (USAID) funded activities. The audit reviewed NRC activities related to NRC's management of a contract to fund nuclear safety efforts in former Soviet Union countries. These activities are paid for largely through USAID-funds provided to NRC. Auditors assigned to the audit suspected possible cost mischarging by the contractor.

#### Findings

A Defense Contract Audit Agency (DCAA) review of OIG-subpoenaed documents from the contractor's 2007 work with NRC found \$7,000 in unsupported charges out of \$855,475 billed to NRC; however, the NRC project manager for the contract provided justification for the unsupported charges. No fraud was identified by DCAA or OIG.

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<sup>1</sup> The Riera methodology, also referred to as a force time-history analysis method, evaluates the response or collapse of the target structure using the characteristics of both the impacting aircraft and target structure.

## **NRC OVERSIGHT OF REACTOR COOLANT PUMP SEALS AT OCONEE NUCLEAR STATION**

### Allegation

OIG initiated this investigation based on an allegation by an NRC senior resident inspector (SRI) that an NRC manager prevented him from processing an inadequate seal modification concern regarding the replacement of the reactor coolant pump (RCP) seals at the Oconee Nuclear Station through the reactor oversight process (ROP). According to the SRI, the ROP should have included a significance determination process (SDP) to estimate the risk significance of the seal concern.

### Findings

OIG learned that NRC's regulatory framework for reactor oversight is a risk-informed approach to ensure plant safety. Within this framework, the ROP provides a means of collecting information (e.g., findings) about licensee performance, assessing the information for its safety significance, taking appropriate NRC action, and ensuring that licensees take appropriate corrective action. An inspector uses the SDP tools to estimate the risk significance of an inspection finding. The final outcome of the risk significance evaluation determines its color – green, white, yellow, or red – green indicating the least significant and red indicating the most significant. The final outcome is used to determine what further NRC action may be appropriate.

OIG found that the SRI's concern, inadequate Oconee RCP seal modification, had been processed through the ROP and the SDP, and was determined to be of very low safety significance (green).

## **INVESTIGATION OF A STAFF MEMBER IN THE OFFICE OF THE CHIEF FINANCIAL OFFICER**

### Allegation

OIG initiated this investigation based on an allegation by a senior staff member in the Office of the Chief Financial Officer (OCFO) that an OCFO branch manager willfully avoided paying vendors for services and reimbursing NRC travelers by ignoring active payment reports. During the course of the investigation, another allegation was made that the manager's staff purposefully changed invoice dates to meet Prompt Payment Act (PPA) requirements. Based on these allegations, OIG examined the manager's handling of the branch's responsibilities and whether the branch staff purposely changed invoice dates to meet PPA requirements.

### Findings

This investigation found that the OCFO manager did not purposely avoid official duties, but that the manager's branch had trouble accomplishing its workload. The manager informed OCFO managers of the branch's difficulties and requested assistance from the managers on numerous occasions.

The investigation also analyzed a sample of FY 2005 Federal Financial System (FFS)<sup>2</sup> data and found a very low rate (.039 percent) of discrepancy between dates on hard copy invoices versus dates entered into FFS. Discrepancies were attributed to staff entering invoice dates into FFS that differed from the actual invoice date for two categories of invoices (training and Citibank purchase card bills) and data entry errors. The manager's OCFO supervisor acknowledged that the manager's repeated requests for staffing assistance were denied, and said the erroneous invoice dates identified by OIG would not have had an impact on the accuracy of NRC's prompt payment reports.

## **INITIATIVE TO IDENTIFY COMPUTER MISUSE**

### Allegation

OIG initiated a proactive initiative in October 2009 to identify instances of computer misuse within the NRC. The project builds upon the previous successes of identifying employees' and contractors' misuse of NRC computer resources.

### Findings

From October 2009 to September 2010, OIG special agents assigned to the Cyber Crime Unit (CCU) initiated and/or assisted approximately 17 allegations and 11 investigations dealing with computer misuse. In addition, CCU special agents participated in various meetings held by various Federal cyber task forces. This proactive effort will be reopened during fiscal year 2011.

## **ALLEGED MISAPPROPRIATION OF TRANSIT SUBSIDY BENEFITS**

### Allegation

OIG initiated this investigation based on two allegations reported about NRC's Transit Subsidy Benefits Program (TSBP). First, a program participant reported that when she attempted to obtain her monthly voucher, she was told it had already been provided to her when this was not the case. A second alleged claimed that certain NRC employees were receiving the full transit subsidy amount for using the Maryland commuter train despite working from home 1 or 2 day per week. OIG investigated these two allegations and undertook a proactive review to determine whether recently retired NRC employees who participated in the TSBP were still receiving subsidies to which they were no longer entitled.

### Findings

OIG did not substantiate misuse of the TSBP by current or former NRC staff. OIG also verified that employees do not receive extra pay to subsidize their transit. OIG learned that Maryland commuter train riders receive vouchers, which they exchange for a monthly train pass that includes unlimited rides.

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<sup>2</sup> FFS is one of NRC's core financial systems.

## **OUTSIDE EMPLOYMENT CONFLICT**

### Allegation

OIG initiated this investigation based on an allegation that an NRC Office of Investigations (OI) employee conducted a personal sports agent business during official duty hours. It was also alleged that on one occasion, the employee asked a subcontractor hired by OI to record an interview if the subcontractor was going to record the time the interview began because the employee's supervisor had previously counseled him about being late for scheduled interviews.

OIG investigated whether the employee used Government-issued equipment during official duty hours to maintain and support a personal private business and if the employee asked a subcontractor to change the interview time on an official transcript.

### Findings

OIG determined that from September 2007 through May 2009, the employee used his Government issued computer, NRC e-mail account, and office scanner and facsimile during official duty hours to conduct a personal business. The employee also performed tasks related to the personal business during transcribed interviews of witnesses and during breaks in the interview process utilizing a personal cell phone. Following one transcribed interview, the employee asked the court reporter if the reporter recorded the time on the transcript, but he did not ask the court reporter to withhold or change the time on the transcript.

OIG found that the employee also worked as an adjunct college professor and used his Government-issued computer and NRC e-mail account during official duty hours to correspond with college staff and verify that students had submitted their assignments.

OIG found that the employee was aware of NRC's policy prohibiting employees from using agency information technology to maintain or support a personal private business and that after being counseled by his manager on this policy, the employee continued to conduct work for the personal business during official duty hours.

## **FEAR OF RETALIATION BY NRC REGIONAL MANAGER**

### Allegation

An anonymous allegor reported that an NRC regional manager was unfairly removed from his position and transferred to a lower management position because an employee accused the manager of racial harassment. The allegor said that because he witnessed the manager's removal from his position, he was concerned that his interactions with those whom the manager supervised could lead to claims of harassment and retaliation against him, too.

### Findings

OIG determined that the region reviewed the racial harassment complaint and found it to be unsubstantiated. OIG also learned that the manager filed a formal discrimination complaint with NRC's Office of Small Business and Civil Rights alleging that regional management had retaliated against him by removing him from his management position and reassigning him as a technical assistant. OIG found that NRC subsequently reached a settlement agreement with the employee in which he would be reinstated as a regional manager. OIG also determined that

none of the employee's counterparts were concerned about retaliation from regional management for providing honest feedback to their staff or their staff reporting a complaint against them to regional senior management.

## **UNAUTHORIZED WIRELESS SIGNAL**

### Allegation

OIG initiated this investigation based on a notification from the NRC Computer Security Office that during a wireless vulnerability assessment of a headquarters building, an unauthorized wireless signal was detected in the NRC Office of the General Counsel.

### Findings

OIG found that the wireless signal was originating not from inside NRC, but from a wireless network router located in a private residence in a high-rise apartment complex across the street from the headquarters building. The router was used by an individual in the high-rise building to access the Internet.

## **MISUSE OF GOVERNMENT CITIBANK TRAVEL CREDIT CARD**

### Allegation

OIG initiated this investigation based on a review of Citibank Government travel credit card statements by the Office of the Chief Financial Officer that indicated an employee had an account that had been charged twice for non-sufficient funds. An initial review of the employee's Government travel credit card statements by OIG revealed several cash advances and other purchases that were not associated with official travel.

### Findings

OIG determined that the employee used her Government travel credit card for purposes not associated with official travel on 29 occasions between July and October 2009. Unauthorized purchases and cash advances (including cash advance fees) totaled \$3,434.11. OIG also determined that two payments the employee made to her Government travel credit card account were returned by Citibank for non-sufficient funds. Citibank imposed \$30 in penalty fees, bringing the total to \$3,464.11.

## **MISUSE OF GOVERNMENT COMPUTER**

### Allegation

OIG initiated this investigation based on information reported from the NRC Computer Security Office that on a single day during 2009, 17 NRC computer users were targeted with a spear phishing attack via an e-mail to their NRC e-mail address. The e-mail contained a link to a Web site that initiated a file download that triggered a Symantec anti-virus alert. Six users clicked on the link and downloaded the malicious software. While conducting an analysis of one employee's computer hard drive, the OIG CCU discovered adult pornographic pictures on the hard drive.

## Findings

The OIG investigation found that the employee misused the NRC computer assigned to him by viewing sexually explicit material that he copied to the computer from personally owned media. The employee's hard drive had 142 pictures of a sexually explicit nature. The employee admitted to OIG that he placed the images on his Government computer hard drive using a personal compact disc or thumb drive.

## **GOVERNMENT OVERTIME FRAUD REVIEW**

### Allegation

OIG conducted a proactive initiative to identify possible abuse of overtime hours by NRC employees.

### Finding

OIG reviewed the total number of premium hours (i.e., credit hours, compensatory time, and overtime) earned by NRC employees during selected pay periods between 2007 and 2009. OIG identified the top 2009 premium hour earners and determined that their premium hour claims were authorized by their supervisors, who all said the additional hours were necessary.

## **UNAUTHORIZED ACCESS TO NRC NETWORK DRIVES BY OFFICE OF THE COMMISSION EMPLOYEES**

### Allegation

This OIG investigation was initiated based on information provided by the NRC Office of Information Services (OIS) that the NRC Chairman discovered that he had access to network shared drives of other NRC Commissioners. OIS subsequently discovered that the Chairman's staff also had this type of access. OIS also indicated that the NRC Chairman and his staff had "root" access to the server, which allowed for system administrator level access to all Commissioners' network shared drives as well as some other NRC offices. OIG conducted an investigation to determine (1) whether the files of the other NRC Commissioners were compromised through inappropriate access, and (2) what circumstances led to the Chairman and his staff gaining root access to the server.

### Findings

OIG imaged 16 desktop computers from the Chairman's and his staff's offices and created a copy of the Chairman's and his staff's network shared drives from a December 2009 backup tape to search for evidence of access to other Commissioners' files. OIG also conducted a search of (1) 290 work order tickets submitted by the Chairman and his staff between October 2009 and January 2010, and (2) server logs to determine when the Chairman and his staff were granted root access to the server in question. OIG did not identify any information that suggested that the NRC Chairman or his staff inappropriately accessed documents of the other Commissioner offices. OIG was unable to determine the specific chain of events that led to the NRC Chairman's and his staff's root access to an NRC server. However, this investigation identified lapses in the OIS network contractor's procedures for handling Commissioners' requests, shortcomings in OIS's oversight of the contractor, and contractor practices that likely contributed to the Chairman's and his staff's access to shared drives of other offices.

## **ALLEGED MISUSE OF GOVERNMENT RESOURCES TO CONDUCT PERSONAL RELATIONSHIP BY REGIONAL MANAGER**

### Allegation

OIG initiated this investigation based on an e-mail that alleged inappropriate actions by an NRC regional manager. According to the allegor, the manager was having an affair with the allegor's wife, whom the manager knew to be married, which, the allegor claimed, called into question his suitability for a security clearance. The allegor also said that the manager may have used Government resources, such as telephones and travel funds, to carry out the relationship and specifically that he may have used official travel to meet the allegor's wife in a hotel in Virginia on one occasion. The allegor also said that the manager may have offered to use his influence to secure NRC employment for the allegor's wife.

### Findings

OIG found that the manager's relationship with allegor's wife did not impact his suitability for a security clearance. OIG found no evidence that the manager misused Government resources in his interactions with the allegor's wife. OIG found that while he did inform the allegor's wife of an upcoming job vacancy in NRC, she did not apply for the position and is not an NRC employee.

## **MISUSE OF GOVERNMENT CITIBANK TRAVEL CREDIT CARD**

### Allegation

OIG initiated this investigation based on a review of Citibank Government travel credit card statements by the NRC Office of the Chief Financial Officer that indicated an NRC employee had a Government travel card account that was actively being used although the employee was not on official travel. An initial OIG review of the employee's Citibank Government travel card statements revealed several gas purchases, cash advances, and other miscellaneous purchases that were not associated with official travel.

### Findings

OIG determined that the employee used the Citibank Government travel credit card for purposes not associated with official travel on 76 occasions between September 2004 and March 2010. The employee's unauthorized purchases and cash advances (including cash advance fees) totaled \$3,051.10.

## **IMPLEMENTATION OF FOIA REGULATIONS**

### Allegation

OIG received an allegation from a member of the public alleging that the NRC Office of Information Services violated NRC regulations while processing his Freedom of Information Act (FOIA) request. The allegor sent in a FOIA request for NRC records and was informed that the cost of processing his FOIA would be approximately \$225.44. He requested a fee reduction; however, NRC denied the fee waiver because he had not met the criteria outlined in Title 10 Code of Federal Regulations (10 CFR) 9.41, *Requests for Waiver or Reduction of Fees*. He

alleged that the NRC never informed him that he had 30 days to appeal the NRC's decision denying the fee waiver as required by Title 10 CFR 9.27, *Form and Content of Responses*.

#### Findings

OIG found that the allegor did not meet the criteria in Title 10 CFR 9.41 for a fee waiver and, consequently, his request for a fee waiver was denied. OIG found that due to an oversight, the FOIA staff did not inform him that he had 30 days to appeal the NRC's decision denying the fee waiver. The allegor did, however, appeal the NRC's decision within the 30-day time frame and his appeal was processed by the NRC. OIG found that NRC had 20 days to respond to his appeal; however, the FOIA staff did not meet the 20-day response requirement.

### **MISUSE OF GOVERNMENT CITIBANK TRAVEL CREDIT CARD**

#### Allegation

The OIG initiated this investigation based on a review of Citibank Government travel credit card statements that indicated an employee made purchases not associated with official travel.

#### Findings

OIG determined that the employee used his Citibank Government travel credit card for purchases not associated with official travel on 14 occasions from January 20, 2010, to May 18, 2010. The employee's unauthorized purchases totaled \$1,294.

### **NRC EMPLOYEE ALLEGEDLY PROMOTED PERSONAL PRIVATE COMPANY DURING AMERICAN NUCLEAR SOCIETY CONFERENCE**

#### Allegation

OIG investigated an allegation that an NRC regional employee was inappropriately promoting his private consulting business when he made a presentation during the American Nuclear Society's (ANS) annual 2010 conference. According to the allegor, during the employee's presentation, he referred to himself as a consultant for his company and did not sufficiently distance NRC from the presentation.

#### Findings

OIG found that the employee had received permission from the regional office to conduct a presentation at the 2010 ANS conference with no affiliation to NRC. OIG found that the employee did not use his NRC affiliation during the presentation. OIG found that the employee included in the presentation materials the e-mail address of his company. OIG found that the employee's use of his company's e-mail on the presentation does not violate Federal regulations concerning outside employment.

## **ALLEGED INAPPROPRIATE INTERFERENCE BY THE NRC CHAIRMAN**

### Allegation

The OIG initiated this investigation based on an allegation that the current NRC Chairman attempted to improperly delay publishing the results of a required Safety Evaluation Report (SER) for a proposed high-level waste repository in Yucca Mountain, Nevada.

### Findings

OIG did not develop any information to substantiate that the NRC Chairman had improperly attempted to delay the publication of the Yucca Mountain SER results.

## **POTENTIAL SECURITY VIOLATION**

### Allegation

OIG conducted an investigation based on an allegation that an NRC employee, while attending a computer security class, stated he had removed classified laptops from NRC headquarters. It was also alleged that the employee made comments about the lack of physical security at nuclear power plants and "even ways one would possibly take down these power stations."

### Findings

OIG did not develop any evidence to substantiate that the employee removed classified laptops from headquarters or inappropriately discussed physical security at nuclear power plants during the network security course. Furthermore, although the employee is authorized and required to travel with laptop computers containing Safeguards Information, he does not have access to classified laptops.

## **TRAVEL VOUCHER FRAUD INVOLVING CHANGE OF DUTY STATION**

### Allegation

OIG conducted an investigation concerning an alleged fraudulent travel voucher associated with an employee's Change of Station (COS) to NRC headquarters.

### Findings

OIG determined that the employee inaccurately reported his meal expenses on a daily basis on four travel vouchers submitted to NRC for time he spent in COS status over an approximate 4-month period. Based on the "tainted day rule," this employee's inaccurate daily reporting of food expenses on the four vouchers rendered all expenses claimed on all four of this employee's vouchers inaccurate. This employee's claims for food, lodging, and incidentals on all four vouchers totaled \$13,169.90, and NRC reimbursed him \$10,568.91.

OIG determined that while in COS status, inconsistent with Federal Government travel regulations:

- On a daily basis, this employee included in his claimed meal expenses the cost of alcohol purchased during the week and coffee and snacks purchased separately from meals.
- Several times per week, this employee claimed breakfast and dinner expenses for himself and his wife even though they had eaten the hotel's complimentary breakfast and/or dinner on those days.
- The employee claimed meal expenses for his wife's meals on 61 days when his wife was not physically in the temporary quarter's vicinity. This employee also claimed lodging expenses, totaling \$2,491.43, for his wife for 55 of those days.

This employee signed each of the travel vouchers submitted for payment, and thereby certified that the information in the vouchers was true and accurate.

## **ALLEGED TIME AND ATTENDANCE ABUSE**

### Allegation

OIG conducted an investigation into an anonymous allegation regarding time and attendance abuse by an NRC employee. The allexer claimed that the employee did not work a full day because he frequently spent 1½ hours in the gym in the morning, took more than an hour for lunch, and slept in his office during the workday.

### Findings

OIG did not substantiate time and attendance abuse by the NRC employee.

## **ALLEGATION OF IMPROPER PROMOTION PROCESS BY REGIONAL MANAGER**

### Allegation

OIG initiated an investigation based on an allegation that a regional manager improperly used his influence to select and promote an NRC resident inspector into a GG-14 position even though better qualified candidates were on the best qualified list (BQL). According to the allegation, the manager and the resident inspector were involved in a personal relationship and, therefore, the manager should not have had direct involvement in the hiring process.

### Findings

OIG determined that the resident inspector made the BQL for the position and was offered the GG -14 position, but declined it after her request to work from home for a 2-year period was denied by management. OIG did not substantiate that the manager improperly attempted to influence the process or that he and the resident inspector had other than a professional relationship.

## **MONITORING OF POSSIBLE CRIMINAL VIOLATIONS BY AN NRC EMPLOYEE**

### Allegation

OIG initiated an investigation based on information provided by a State police department that an NRC employee was communicating via the Internet in graphic sexual language and imagery with someone whom the NRC employee believed was a 14-year old boy. The police department developed this information through a police effort to identify and prosecute child exploitation offenders. The police department requested that OIG wait to initiate an investigation of the NRC employee until it concluded its investigation. Upon receiving notification that the police department could not charge the NRC employee with any crime under State law, OIG initiated an investigation to identify whether the NRC employee misused his NRC computer or was involved in child pornography.

### Findings

OIG determined that the NRC employee acted inappropriately by sending instant messages and sexually explicit pictures of himself and graphically discussing sexual acts via the Internet with someone whom he believed was a 14-year old boy. OIG did not substantiate that the NRC employee misused his NRC computer or was involved in child pornography.

## **ALLEGED NRC EMPLOYEE MISCONDUCT**

### Allegation

OIG initiated an investigation into an allegation that two NRC OIG criminal investigators, one of whom was a Senior Special Agent, conspired to submit a false statement and misused their official positions. OIG conducted an initial review of the potential misconduct and obtained an independent external review of the matter.

### Findings

OIG determined that the employees did not conspire to submit a false statement to the OIG or misuse their official positions. However, the investigation determined that the Senior Special Agent failed to properly exercise an assigned delegated collateral duty which contributed to the second agent engaging in unauthorized actions because this employee was in an extended unpaid administrative leave status.

## **COMPROMISE OF GOVERNMENT TRAVEL CREDIT CARD**

### Allegation

OIG initiated an investigation into the compromise of a former Commissioner's Citibank Government travel credit card during the Commissioner's travel to the United Arab Emirates (UAE). The Commissioner's staff also reported that two other staff members' cards were compromised.

### Findings

OIG found that the Commissioner's Citibank Government travel credit card was compromised and used to make \$4,741.37 in unauthorized purchases in Canada. OIG coordinated with Canadian law enforcement officials, but was unable to identify the perpetrator. OIG determined that the Commissioner and his staff members' credit card numbers may have been stolen when an NRC employee made UAE hotel reservations for them.

## **ALLEGED BRIBERY INVOLVING NRC OFFICIAL IN CONNECTION WITH BROWNS FERRY NUCLEAR POWER PLANT**

### Allegation

The OIG conducted an investigation into an anonymous allegation that the current NRC Chairman failed to investigate claims that safety concerns were disregarded by staff at Browns Ferry Nuclear Power Plant and in doing so had received bribes paid to him by a financial executive.

### Findings

OIG did not substantiate the claim that the NRC Chairman had received bribes or had any financial interest associated with the financial executive not to pursue safety concerns at Browns Ferry.

## **ALLEGED VIOLATION OF ETHICS REQUIREMENTS BY FORMER NRC GENERAL COUNSEL**

### Allegation

OIG conducted an investigation into an allegation that the former NRC General Counsel had accepted employment with a private law firm within 1 year of retiring from NRC and in so doing may have violated Federal post-employment regulations. The allegor also questioned whether NRC had a screening method to help ensure the former General Counsel's adherence to post-employment restrictions against working on specific NRC-related matters.

### Findings

OIG's investigation did not substantiate that the former NRC General Counsel violated any Federal post-employment regulations by accepting employment with the private law firm or that the former General Counsel had worked on any prohibited matters that would have been indicative of conflict of interest. The investigation also determined that the Office of the General Counsel utilized an informal process to screen incoming litigation actions, coupled with a systematic process for tracking legal actions submitted to NRC, which would have revealed if the former General Counsel submitted legal actions to NRC in violation of Federal post-employment restrictions.

## POTENTIAL CONFLICT OF INTEREST INVOLVING FORMER NRC SENIOR OFFICIAL

### Allegation

OIG conducted this investigation after learning from a news report that a former NRC Commissioner had accepted appointments to the boards of directors for the corporate owners of four nuclear power plants. Because the former Commissioner joined the boards of directors within 1 year of resigning from Federal Government employment with the NRC, OIG investigated whether this violated Federal post-employment regulations or conflict-of-interest statutes.

### Findings

OIG did not substantiate that the former NRC Commissioner violated Federal post-employment regulations or conflict-of-interest statutes by taking positions on boards of directors for nuclear power plant corporate owners. Furthermore, OIG found that the former Commissioner did not pursue post-employment opportunities during his tenure as a Federal employee. OIG also found no indication that the former Commissioner utilized his current or past position with private industry or the NRC to cause unlawful influence or favoritism that would benefit himself or his employer.





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

OFFICE OF THE  
INSPECTOR GENERAL

June 24, 2011

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Dear Senators Grassley and Coburn:

This is in response to your request for information regarding (1) any instances when the Agency resisted and/or objected to oversight activities and/or restricted access to information, and (2) reports on all closed investigations, evaluations, and audits conducted by my office that were not disclosed to the public from October 1, 2010 through March 31, 2011.

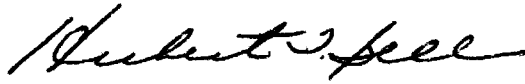
During this reporting period, my office is pleased to report that we have not encountered any resistance by the NRC while carrying out our oversight activities. The agency readily complies with our requests for information during the conduct of both our audits and investigations.

Secondly, we are enclosing information on all closed investigations conducted by my office that were not disclosed to the public for this reporting period. If your staff has questions regarding our investigative work, please ask them to call Rossana Raspa on 301-415-5954. Our audit and evaluation work has been fully disclosed to the public. To view these and other Inspector General documents, please click the following link: [www.nrc.gov/reading-rm/doc-collections/insp-gen/](http://www.nrc.gov/reading-rm/doc-collections/insp-gen/). If your staff has questions regarding the audit or evaluation information, please ask them to call Steven Zane on 301-415-5912.

A/3

Thank you for your continued support to protect the independence of Inspectors General – a key element in carrying out our mandate of preventing and detecting fraud, waste and abuse. If you or your staff would like to speak with me directly, please don't hesitate to contact me on 301-415-5930.

Sincerely,

A handwritten signature in black ink, appearing to read "Hubert T. Bell". The signature is fluid and cursive, with the first name "Hubert" being more prominent and the last name "Bell" written in a simpler, more legible style.

Hubert T. Bell  
Inspector General

Enclosure: As stated

## **INVESTIGATIVE REPORT SUMMARIES**

### **ALLEGATION OF IMPROPER BILLING AND MISMANAGEMENT ON NRC CONTRACT**

#### **Allegation**

OIG initiated this investigation based on an allegation by an employee of an NRC subcontractor that (a) the NRC project manager for two of three related database contracts was requesting out-of-scope records management work from one of the contractors, (b) the NRC project manager directed contractor staff to enter inaccurate information into the NRC database, (c) two senior agency officials were given Smart cards allowing database access without completing the required paperwork and training, and (d) the NRC project manager had a personal relationship with a subcontractor executive.

#### **Findings**

OIG did not substantiate contract mismanagement with regard to the database contracts, or that the NRC project manager directed that incorrect records be entered into the database. OIG found that neither of the NRC senior officials were given a Smart card to use the system, and that the NRC project manager and the subcontractor executive were professional acquaintances.

### **ACCURACY OF FINANCIAL REPORTING ON SECURITY CLEARANCE FORM**

#### **Allegation**

OIG initiated this investigation into whether an NRC employee provided accurate information concerning his financial status on the SF 86, "Questionnaire for National Security Positions," he submitted to the agency in support of his security clearance reinvestigation.

#### **Findings**

OIG found that the employee accurately reflected on his SF 86 that he had not paid his Federal income tax for the past 5 years due to financial difficulties and was receiving counseling. OIG also found that the employee had submitted all outstanding tax returns to the Internal Revenue Service and had paid his property taxes that were in arrears.

### **HARRASSMENT OF NRC EMPLOYEE BY CONTRACTOR**

#### **Allegation:**

OIG initiated this investigation into an allegation that a male NRC contractor employee sent flowers and a sexually suggestive note to a female NRC employee.

### Findings:

OIG confirmed that the NRC contractor employee sent the flowers and a sexually suggestive note to a female NRC employee. After notifying the contractor employee's company of the incident, the contractor employee was relocated to another location away from the NRC employee. The NRC employee concurred with the decision of the contracting company and was satisfied with the decision to move the contractor.

## **MISUSE OF GOVERNMENT COMPUTER AND POSSIBLE CHILD ABUSE**

### Allegation

OIG initiated this investigation based on an anonymous allegation that an NRC employee was abusing his wife, misusing NRC information technology (IT) resources, and engaged in other types of misconduct that called into question his ability to maintain a security clearance.

### Findings

OIG did not develop any evidence to support the allegation that the NRC employee was misusing NRC IT resources. OIG coordinated this investigation with the appropriate State and local entities which were already aware of the information reported to OIG.

## **POSSIBLE FRAUD BY NRC CONTRACTOR**

### Allegation

OIG initiated this investigation based on an allegation that an NRC contractor may have committed contract fraud in connection with its contract with the NRC. A subcontractor working for the NRC contractor questioned the legitimacy of some of the work performed by the NRC contractor.

### Findings

OIG did not identify any evidence to substantiate contract fraud in connection with the NRC contract. In addition, a Defense Contract Audit Agency (DCAA) financial audit of the NRC contract did not identify any instances of fraud.

## **ABUSE OF FOREIGN TRAVEL BY FORMER COMMISSIONER**

### Allegation

OIG initiated this investigation based on an anonymous allegation that (1) during official foreign travel, a former NRC Commissioner claimed and subsequently received reimbursement for complimentary meals for which reimbursement was not permitted and (2) NRC staff performed travel agent type services for the Commissioner and his wife, a non-NRC employee, when she accompanied him on his foreign travel.

## Findings

In accordance with Federal Travel Regulations, when NRC pays a registration fee for an event, complimentary meals must be deducted from per diem. OIG found that the former Commissioner attended official events while on official foreign travel and at some of these events, complimentary meals were provided. However, OIG was unable to determine, on the days he received a complimentary meal and claimed full per diem whether NRC paid for his attendance at the event. OIG also found that two staff members prepared separate itineraries and coordinated flight arrangements for the Commissioner's wife when she accompanied him on his foreign travel.

## **ABUSE OF METRO TRANSIT SUBSIDY BENEFITS PROGRAM**

### Allegation

OIG initiated this investigation into an anonymous allegation that an NRC employee used the NRC Transit Subsidy Benefits Program funds to pay for parking a personal vehicle at the Metro parking garage near the NRC. The NRC Transit Subsidy Benefits Program does not include parking vehicle costs for commuters.

### Findings

OIG determined the NRC employee used the NRC Transit Subsidy Benefits Program funds to pay for parking on 57 occasions between March 15 and June 1, 2010. This unauthorized use of the NRC Transit Subsidy Benefits Program funds totaled \$484.50.

## **COMPUTER FORENSIC SUPPORT FOR NRC OFFICE OF INVESTIGATIONS**

### Allegation

OIG initiated this investigation based on a request for assistance from the NRC Office of Investigations (OI). An NRC contractor working near a Department of Energy site at Oak Ridge, TN, created a classified document at his residence and at a non-secure facility in an office complex. The contractor was originally working on an unclassified project but when he turned in his project to his company, the company realized that the contractor had created a classified document.

### Findings

NRC OI requested the assistance from the OIG Cyber Crime Unit (CCU) to image and retrieve documents that might have been used to create the classified document. The CCU imaged the computer media in question and provided relevant documents to NRC OI to assist in its investigation.

## **INVESTIGATIVE SUPPORT PROVIDED TO ANOTHER LAW ENFORCEMENT AGENCY**

### **Allegation**

This OIG investigation was based on information provided to OIG that an individual of interest had attended an NRC sponsored conference in 2010, and on several occasions, had visited the NRC Public Document Room. The NRC Public Document Room allows members of the public to access documents which have been publicly released by NRC.

### **Findings**

The investigation did not identify any violation of law. OIG coordinated this investigation with the Federal Bureau of Investigation.

## **ALLEGED CONFLICT OF INTEREST BY FORMER NRC COMMISSIONER**

### **Allegation**

OIG initiated an investigation that a former NRC Commissioner had violated post-NRC employment conflict-of-interest law 18 United States Code 208(a) which prohibits Federal employees from participating personally and substantially in any Government matter that the employee knows could have a direct and predictable effect on the financial interest of the employee; the employee's spouse or minor child; an organization which the employee serves as officer, director, employee, general partner, or trustee; or anyone with whom the employee is negotiating or has an arrangement for employment. This matter was referred to the United States Attorney's Office for potential criminal prosecution as well as civil consideration.

### **Findings**

The investigation determined that the former Commissioner did not take effective measures to prevent a potential conflict of interest during the last 2 months of his term. The former Commissioner did not establish a process to ensure a thorough screening of and recusal from matters before the Commission. Although the former Commissioner was ultimately responsible for exercising his recusal, he also relied on his staff to screen matters that involved potential employers with whom he was negotiating employment. However, the Commissioner did not provide his staff with necessary details of his job search or establish a process for evaluating matters before the Commission to ensure he disqualified himself from involvement with potential conflict of interest issues. The United States Attorney's Office declined criminal prosecution and civil action.





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

OFFICE OF THE  
INSPECTOR GENERAL

November 10, 2011

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Dear Senators Grassley and Coburn:

This is in response to your request for information regarding (1) any instances when the Agency resisted and/or objected to oversight activities and/or restricted access to information, and (2) reports on all closed investigations, evaluations, and audits conducted by my office that were not disclosed to the public from April 1, 2011 through September 30, 2011.

During this reporting period, my office is pleased to report that we have not encountered any resistance by the NRC while carrying out our oversight activities. The agency readily complied with our requests for information during the conduct of both our audits and investigations.

As requested, we are enclosing information on all closed investigations conducted by my office that were not disclosed to the public for this reporting period. If your staff has questions regarding our investigative work, please ask them to call Special Agent, Rossana Raspa on 301-415-5954. Our audit and evaluation work has been fully disclosed to the public. To view these and other Inspector General documents, please click the following link: [www.nrc.gov/reading-rm/doc-collections/insp-gen/](http://www.nrc.gov/reading-rm/doc-collections/insp-gen/). If your staff has questions regarding the audit or evaluation information, please refer them to Steven Zane on 301-415-5912.

A/4

Thank you for your continued support to protect the independence of Inspectors General – a key element in carrying out our mandate of preventing and detecting fraud, waste and abuse. If you or your staff would like to speak with me directly, please contact me on 301-415-5930.

Sincerely,

A handwritten signature in cursive script, reading "Hubert T. Bell". The signature is written in dark ink and is positioned above the printed name and title.

Hubert T. Bell  
Inspector General

Enclosure: As stated

## **SUMMARIES**

### **Nuclear Education Online Falsification of Authorized User Certification**

#### **Allegation**

OIG initiated this investigation based on an allegation referred to OIG by NRC's Office of Federal and State Materials and Environmental Management Programs (FSME). The allegation, which pertained to NRC's oversight of online and classroom training for physicians seeking to become authorized users (AU) of nuclear materials was 1 of 14 concerns reviewed by the FSME Allegation Review Board (ARB) in response to an allegor. The FSME ARB substantiated 1 of the 14 concerns, partially substantiated another, and referred 1 to OIG. The ARB did not substantiate the other 11 concerns. The concern referred to the OIG alleged that NRC failed to review online training programs of three training companies; NRC failed to provide adequate training to Agreement States on the inspection of online training programs; and NRC failed to review Certification Board of Nuclear Cardiology's (CBNC) activities in recommending eligible doctors to become AUs.

#### **Findings**

OIG found that NRC is not required to provide oversight of specific training courses for physicians seeking to become AUs. OIG also found that NRC Agreement States undergo an Integrated Materials Performance Evaluation Program inspection every 4 years and that NRC provides free training to the Agreement States on inspection of their materials licensees. OIG also found that CBNC has been "recognized" since 2002 by NRC to certify qualified applicants to become NRC AUs, that the certification process requires the CBNC to obtain a written attestation from a preceptor AU, and that applicants pass an examination administered by CBNC, in accordance with 10 CFR Part 35, "Medical Use of Byproduct Material." OIG found that NRC does not provide direct oversight of the CBNC, but as part of the specialty board certification recognition process, ensures that the board meets the technical qualifications outlined in 10 CFR Part 35.

## **Region III Manager Backdating Documents to Meet an Internal Metric**

### Allegation

OIG initiated an investigation based on an allegation that an NRC Region III branch chief instructed staff to backdate materials licensing actions and entries in the NRC's Licensing Tracking System to meet an internal Region III metric. The metric was to process and close out materials license actions within 90 days and license renewals within 180 days.

### Findings

OIG found that the Region III branch chief did not direct staff to backdate materials license actions to meet an internal metric. OIG found that Region III has a practice of dating materials license actions as complete when the review work is finished even if the actions may not be administratively processed until a later date. OIG also found that Region III's senior management agreed with this practice.

## **Misuse of Government Travel Credit Card**

### Allegation

OIG initiated this investigation based on a proactive review of Citibank Government travel credit card statements from September 2009 to April 2011, which indicated an employee made purchases that were not associated with official travel.

### Findings

OIG determined that the employee used his Citibank Government travel credit card for purposes not associated with official travel on 77 occasions from September 24, 2010, to April 25, 2011. Unauthorized purchases totaled approximately \$5,000. The employee admitted using the credit card for personal use not associated with official travel.

## **Money Wasted in Procurement of NRC Audio and Visual Equipment**

### Allegation

OIG initiated this investigation based on an anonymous complaint alleging wasteful spending by the NRC Multimedia Communications Services Branch (MCSB) during the procurement of audiovisual equipment for both the NRC auditorium and Commissioner Hearing Room. According to the allegation, equipment was purchased but never used, and in some cases, the wrong equipment was purchased. It was also alleged that a previous branch employee who retired from NRC worked for a private company that had performed many of the branch's contract projects, which appeared to be a conflict of interest.

### Findings

OIG determined that there was no evidence suggesting that equipment purchased by MCSB was unnecessary or incorrect; however, it was purchased based on a 5-year-old needs assessment. OIG found no evidence that the retired employee worked for the private company that performed contract projects for the MCSB. OIG also found that even if the retired branch employee had worked for the company in question, it would not be a conflict of interest if the individual had been employed by the company after his retirement.

## **Mortgage Fraud by NRR Branch Chief**

### Allegation

OIG initiated this investigation based on an anonymous allegation that an employee had committed mortgage fraud. According to the allegor, the employee sold his home to a company as a short sale, which required approval from his mortgage lender. The sale to the company resulted in a substantial loss to the lender. The sole owner of the company was the employee's mother. The employee then allegedly purchased the home back from the company at a lower cost than the original mortgage amount. The employee allegedly never moved out of the house he sold, and was planning to sell the house for a profit.

## Findings

OIG found that the employee sold his residence to a company, which is owned by his mother, but that lender rescinded the sale of the residence to the company once OIG made the lender aware of the allegation. There was no loss to the lender or to the U.S. Government. OIG briefed the NRC Personnel Security Branch on this matter and referred the case to the Federal Bureau of Investigation, and the Federal Deposit Insurance Corporation OIG for further review.

## **NRC Staff Provided False and Misleading Statements in Official NRC Correspondence**

### Allegation

OIG initiated this investigation based on an anonymous allegation that two NRC employees provided false statements and misleading information in a petition sent to the Federal Labor Relations Authority (FLRA) proposing to exclude Office of Investigations (OI) criminal investigators from the collective bargaining unit and to a grievance official regarding whether or not OI criminal investigators could claim a reduction day when traveling more than 4 hours on a workday.

### Findings

OIG determined that the statements made by the two employees to both the FLRA and the grievance official were true. OIG confirmed through records reviews that OI criminal investigators were allowed to claim a reduction day when traveling for more than 4 hours on a workday.

## **Possible SmarTrip Card Fraud**

### Allegation

OIG initiated this investigation based on an anonymous allegation that an employee used her NRC Transit Subsidy Benefits Program (TSBP) funds to pay for parking at a Metro parking garage across the street from NRC headquarters. An initial OIG review of the employee's Transit Subsidy SmarTrip transaction history revealed there were several occasions where the employee used the funds to pay for parking without reimbursing the money received from the TSBP. The TSBP should not be used for parking.

## Findings

OIG determined that the employee used her TSBP funds to pay for parking on 378 occasions between May 5, 2009, and February 4, 2011. During this timeframe, the total amount of unauthorized use of TSBP funds was \$2,175.75.

## **Misuse of Government Computer**

### Allegation

OIG initiated this investigation based on an anonymous allegation that an OIG analyst was playing games on the Internet on his NRC-issued computer. This could pose a security risk if he had installed games or visited Internet sites that consisted of malicious software (malware).

### Findings

OIG determined that the analyst did not install games on his NRC-issued computer, and there were no signs of security violations or malware having been installed on the operating system. There was evidence that between May 2010 and January 2011, the employee visited numerous arcade-style online game Web sites during official duty hours.

## **Release of Nonpublic Information by Defense Nuclear Facilities Safety Board Member**

### Allegation

OIG initiated an investigation based on a referral involving the Defense Nuclear Facilities Safety Board. The board alleged that a presidentially appointed board member leaked a November 2010 draft Board letter concerning the National Nuclear Security Administration's (NNSA) Transformational Governance and Oversight Initiative (Governance Initiative) to a DOE representative assigned to interface with the board, and/or the DOE Deputy Secretary. The board suspected that the board member may have leaked other draft letters to DOE.

## Findings

OIG found that the board member did not release the board's draft letter concerning NNSA's Governance Initiative to DOE, but provided his own rewrite of the draft letter to the DOE representative via e-mail. The board member admitted that on several occasions he discussed draft board correspondence with DOE. He stated that he emailed a copy of his rewrite of the board's draft letter concerning NNSA's Governance Initiative to the board's DOE representative. He also stated that he read to DOE's Chief of Nuclear Safety portions of the board's draft letter concerning deposition velocity.

OIG found that while board members and staff believed that the board member's actions undermined the board's effectiveness and independence, and violated its practice of not releasing or discussing information in draft letters to DOE until they were finalized, the board lacked written guidance or formal policies that prohibited the communications. In addition, OIG found that draft board letters under review by board members do not have any restricted markings.

## **NRC Employees Impersonating State Employees for Marriot Benefits**

### Allegation

OIG initiated an investigation based on an anonymous allegation regarding NRC employees impersonating State employees to get a lower hotel rate at a brand hotel while on official travel.

### Findings

OIG found that the NRC employees stayed at the hotel while on official travel; however, the employees did not engage in fraudulent activities and that sufficient protections for the hotel owners/operators are in place to prevent the type of fraud alleged in the complaint.

## **NRC Managers Involved in Quid Pro Quo Agreement To Hire Wife in Exchange for Position**

### Allegation

OIG initiated an investigation based on an anonymous allegation that an NRC senior executive made a quid pro quo arrangement with an NRC senior manager to hire the senior executive's wife in exchange for a position for the senior manager. The alleged also claimed that the senior executive's wife had no prior experience as a supervisor, that the senior manager who received the quid pro quo position had no prior experience as a manager in the IT field, and that both selections were made over more qualified individuals.

### Findings

OIG found that in 2008, the senior manager selected the senior executive's wife for a branch chief position at NRC. Also in 2008, the NRC Executive Review Board (ERB) had a succession planning meeting which resulted in many SES reassignments and selections throughout the agency, one of which was the senior manager's reassignment. OIG found that the senior manager's reassignment was determined by the ERB members and was a lateral transfer with no financial benefit. OIG found no evidence to suggest that there was pressure on the ERB members to reassign the manager or that there was a quid pro quo arrangement between the senior manager and the senior executive.

## **Concerns Regarding Region IV Review of Inadvertent Shutdown at a Nuclear Power Plant Reactor**

### Allegation

OIG initiated this investigation based on an NRC employee submitting concerns to Region IV regarding an event that took place in October 2003, at a nuclear power plant. During a shutdown, the control room operators did not effectively control reactor reactivity during low-power operations. Region IV assessed the employee's concerns and sent him a response letter in February 2010. According to the NRC employee, an enclosure to the February 2010 letter contained an inaccurate statement that *the licensee personnel* had completed a shutdown margin verification just prior to tripping

the main turbine, as required by the shutdown procedure. The NRC employee claimed that the operating crew did not complete the shutdown margin verification just prior to tripping the main turbine, and, therefore, shutdown margin was not ensured.

### Findings

OIG found that the Region IV staff provided inaccurate information in the February 2010 letter as well as a second letter in September 2010, which stated that shutdown margin verification was performed *prior* to tripping the main turbine. A shutdown margin verification was not performed *prior* to tripping the main turbine, nor was it required to be performed per the plant's shutdown procedure in effect at the time. OIG found that a shutdown margin verification was performed *after* tripping the turbine in accordance with the plant's shutdown procedure. OIG also learned that during the event, shutdown margin was not ensured through use of a completed shutdown margin verification; rather, shutdown margin was ensured by the control rods being above the technical specification power dependent control rod insertion limits. OIG concluded that the inaccurate statement did not affect NRC's conclusion that the reactor was never in an unsafe condition.

## **Individual Impersonating an NRC Inspector to Obtain Material Licensee's PII**

### Allegation

OIG initiated this investigation based on an allegation from an NRC inspector that an unidentified individual may possibly be impersonating an NRC inspector. The NRC inspector told OIG that during his inspection of a materials licensee, the licensee told him that this was the second time in 4 weeks that an NRC inspector was reviewing his dosimetry records and had taken a copy of the records. The dosimetry records contain personal identifiable information. Because NRC had not inspected the facility prior to the incident, the inspector reported to OIG that someone may be impersonating an NRC inspector.

### Findings

OIG found inconsistencies in the statements made by the NRC inspector and the licensee regarding an unidentified individual allegedly impersonating an NRC inspector.

OIG learned that the unidentified individual had access to the licensee's dosimetry records; however, the individual may have been an inspector from another Government agency.

## **Flawed License Renewal Process by Division of License Renewal**

### Allegation

OIG initiated an investigation in response to an allegation of fraud in connection with work performed for NRC under Department of Energy (DOE) laboratory agreements with a national laboratory. According to the allegation, two tasks being performed by the laboratory listed the same deliverable, there were errors in the vouchers and missing vouchers for one of the tasks, and there were numerous problems with deliverables and deliverable dates.

### Findings

OIG did not identify any instances of fraud in connection with the laboratory's performance of the tasks. Although progress on the tasks fell behind schedule, NRC project managers for the tasks were informed about progress and delays on the tasks. The project managers were satisfied with the quality of the work performed and task deliverables. Furthermore, the current project manager and technical advisor for the tasks were satisfied with the laboratory's performance of the work. OIG found that NRC requests for additional laboratory work during this time period contributed to some delays in the completion of the work.

## **NRC Staff Oversight of Medical Event Reporting Requirements**

### Allegation

OIG initiated this investigation to review the NRC's staff rulemaking efforts to revise Title 10 Code of Federal Regulations (CFR), Part 35, Medical Use of Byproduct Material Program in light of the medical events that occurred at a Philadelphia Veterans Affairs Medical Center (PVAMC) from February 2002 through June 2008. During a brachytherapy procedure in 2003, an authorized user changed the written directive while the medical procedure was still ongoing and, as a result, the NRC determined that the incident was not a reportable event. The NRC staff's efforts to revise 10 CFR Part 35 began in 2004.

## Findings

OIG determined that the NRC staff followed rulemaking procedures and in 2005 submitted to the NRC Commission recommended changes to 10 CFR Part 35. However, the NRC staff had to reevaluate its proposed changes to the rule in light of the 2008 PVAMC medical events. Because the staff's proposed revision to rule changes were disapproved by the Commission, this rulemaking process is ongoing and is not expected to be completed for several years.

## **Potential Financial Fraud by NRC Employee**

### Allegation

OIG initiated this investigation based on information received from a private investigation firm that an NRC employee and her spouse (a former NRC employee) falsified loan documents for the purchase of real estate.

### Findings

OIG determined that the NRC employee's spouse forged a Power of Attorney (POA) for the NRC employee and used the POA to purchase a beach front condominium in Myrtle Beach, South Carolina. OIG determined that the NRC employee was unaware of the purchase of the condominium until she received information relating to the foreclosure of the property. The spouse admitted while under oath during a deposition that he signed the closing documents for the purchase of the beachfront condominium with the POA without the NRC employee's knowledge.

## **Review of IBMFileNet System Competition**

### Allegation

OIG initiated this investigation based on an anonymous allegation that NRC cancelled the Next Generation Agencywide Document Access and Management System (ADAMS), NRC's internal records database, and instead bought an IBMFileNet system to maintain and upgrade ADAMS without competition.

## Findings

OIG found NRC awarded a sole source contract to International Business Machines (IBM) to maintain and upgrade ADAMS after determining that other companies could not meet the contract requirements because IBM has proprietary ownership rights of the ADAMS document management software. Prior to awarding the contract to IBM, NRC published a Notice of Intent in FedBizOpps.gov to notify vendors that NRC planned to use IBM and allow any vendor who believed it was better qualified to present NRC with a technical capability statement to prove its qualifications. NRC also prepared a Justification for Other than Full and Open Competition (JOFOC) to support the award. OIG also found that two other, ongoing ADAMS-related contracts were competitively bid and awarded to companies other than IBMFileNet.

### **Improper Transfer of Funds by Region IV Employee**

#### Allegation

OIG initiated an investigation based on an allegation that an NRC Region IV manager instructed her employees to illegally transfer office funds to hide the funds, and bragged about putting the funds into a General Services Administration (GSA) account.

#### Findings

OIG determined that the NRC manager did not improperly transfer funds by obligating money from the Region IV budget to a GSA purchase order account to purchase office supplies. Specifically, the manager obligated additional funds to an existing interagency agreement between GSA and NRC to purchase supplies for RIV's office relocation.

### **Inadvertent Release of Fermi Force-on-Force Inspection Report**

#### Allegation

OIG initiated an investigation into the inadvertent release of Safeguards Information (SGI). Specifically, OIG was notified by the Office of Nuclear Security and Incident Response (NSIR) of the inadvertent release of a Fermi force-on-force (FOF) inspection report to three employees at Duke Energy Corporation (Duke) by NSIR's Division of Security Operations (DSO).

## Findings

OIG determined that after the SGI release, DSO staff reviewed the circumstances surrounding the release, assessed the impact, determined the cause, and implemented a checklist (i.e., an inspection report routing form) to prevent similar inadvertent releases in the future. OIG also determined that one individual on the concurrence chain of the FOF report noted the distribution list contained the names of unintended recipients at Duke, which led to the inadvertent release, and informed the team lead and an administrative assistant of the error, but no one took action to correct the problem.

## **Project on Medical Use of Radioactive Materials**

### Allegation:

OIG initiated this investigation to review NRC's oversight of NRC's material licensees and Agreement States regarding activities involved in the medical uses of radioactive materials in accordance with Title 10, Code of Federal Regulations (CFR) Part 35, "Medical Use of Byproduct Material." OIG reviewed NRC's oversight of reported medical events related to the medical use of radioactive materials.

### Findings:

OIG examined medical events involving the use of radioactive materials that are reported to the NRC by NRC material licensees and Agreement States and entered into the Nuclear Materials Events Database, which is NRC's database of reported nuclear materials incidents. The NRC utilizes this database to evaluate event reports to identify trends and significant events. A review of 1,905 reported events revealed 360 events classified as medical events reported from 2008-2010; however, OIG did not identify any pattern or trend of lack of oversight pertaining to these medical events by NRC staff.

## **RII Manager Circumventing Veterans' Preference Rules In Hiring**

### Allegation:

OIG initiated this investigation based on an allegation regarding the reluctance of an NRC Region II manager to hire veterans between 2008 and 2010.

### Findings:

OIG determined that the Region II manager did not exclude veterans from the hiring process. OIG also found that veterans were selected by the Region II manager for two of the four vacancies in which the manager served as the selection official for the advertised positions. OIG did not substantiate any improper conduct by the Region II manager.

### **Violation of Copyright Law By NRC Employee and Inappropriate Denial of FOIA Request Related to the Copyrighted Material**

#### Allegation:

The OIG initiated this investigation based on an allegation received from a Colorado State University (CSU) professor that an employee assigned to the NRC Technical Training Center (TTC) was in possession of, and using without authorization, copyrighted course material belonging to the CSU without university permission. It was also alleged that NRC failed to address a Freedom of Information Act (FOIA) request regarding copyrighted material by CSU and that the NRC TTC employee threatened to ruin the allegor's reputation for filing the FOIA.

#### Findings:

OIG determined that neither the NRC nor the TTC employee possessed any materials belonging to CSU. OIG also determined that the FOIA request was processed in accordance with NRC procedures and that no threats were made by the NRC TTC employee towards any faculty member of CSU.

### **Concerns Regarding Financial Information Provided By NRC Staff to Argonne National Lab**

#### Allegation:

OIG initiated this investigation after receiving information from an NRC employee who alleged that an NRC manager provided financial information regarding the amount of remaining funds in an NRC budget to Argonne National Laboratory (ANL), which gave

ANL an unfair advantage in the bidding process for contracted work. The NRC employee also alleged that there are excessive hiring practices within the alleged's division.

Findings:

OIG determined that the NRC manager shared with ANL information on remaining funds in a laboratory agreement that NRC had with ANL and that sharing of budget information after award is not prohibited by NRC guidance. OIG also determined that hiring practices for the alleged's division were in accordance with the NRC Strategic Human Capital Plan for 2010-2014.

**Potential Improper Release of NRC Assessment and Recommendations  
Pertaining to the Fukushima Daiichi Units**

Allegation:

OIG initiated this investigation based on a media article in *The New York Times* dated April 5, 2011. This article contained information from a For Official Use Only (FOUO) internal assessment document related to the damaged Japanese Fukushima Daiichi Units. The OIG investigation addressed whether any NRC employee provided the document to *The New York Times* without authorization.

Findings:

OIG identified 45 instances where the FOUO NRC internal assessment document pertaining to the Japanese Fukushima Daiichi Units was sent via e-mail to numerous government agencies and private sector stakeholders. OIG did not confirm that any NRC employee sent the document to *The New York Times*.