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Description of document: Closing memo, final report, report of investigation for each Nuclear Regulatory Commission (NRC) closed investigation mentioned in November 10, 2011 letter to Senators Grassley and Coburn

Requested date: May 2012

Released date: July 2012

Posted date: 15-October-2012

Source of document: U.S. Nuclear Regulatory Commission  
FOIA/Privacy Officer  
Mailstop: T-5 F09  
Washington, DC 20555-0001  
Fax: 301-415-5130  
Email: [FOIA.resource@nrc.gov](mailto:FOIA.resource@nrc.gov)

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FOIA/PA-2012-0228

1

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

RESPONSE  
TYPE

☐

FINAL

☒

PARTIAL

REQUESTER

DATE

**JUL 5 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 \*

\$ **0.00**

\* See comments  
for details

☐

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.

**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

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

2012-0228

JUL 5 2012

**PART II.A -- APPLICABLE EXEMPTIONS**

## APPENDICES

A

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

- ☐ Exemption 1: The withheld information is properly classified pursuant to Executive Order 12958.
- ☐ Exemption 2: The withheld information relates solely to the internal personnel rules and practices of NRC.
- ☐ Exemption 3: The withheld information is specifically exempted from public disclosure by statute indicated.
- ☐ Sections 141-145 of the Atomic Energy Act, which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165).
- ☐ Section 147 of the Atomic Energy Act, which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167).
- ☐ 41 U.S.C., Section 253b, subsection (m)(1), prohibits the disclosure of contractor proposals in the possession and control of an executive agency to any person under section 552 of Title 5, U.S.C. (the FOIA), except when incorporated into the contract between the agency and the submitter of the proposal.
- ☐ Exemption 4: The withheld information is a trade secret or commercial or financial information that is being withheld for the reason(s) indicated.
- ☐ The information is considered to be confidential business (proprietary) information.
- ☐ The information is considered to be proprietary because it concerns a licensee's or applicant's physical protection or material control and accounting program for special nuclear material pursuant to 10 CFR 2.390(d)(1).
- ☐ The information was submitted by a foreign source and received in confidence pursuant to 10 CFR 2.390(d)(2).
- ☐ Disclosure will harm an identifiable private or governmental interest.
- ☐ Exemption 5: The withheld information consists of interagency or intraagency records that are not available through discovery during litigation. Applicable privileges:
- ☐ Deliberative process: Disclosure of predecisional information would tend to inhibit the open and frank exchange of ideas essential to the deliberative process. Where records are withheld in their entirety, the facts are inextricably intertwined with the predecisional information. There also are no reasonably segregable factual portions because the release of the facts would permit an indirect inquiry into the predecisional process of the agency.
- ☐ Attorney work-product privilege. (Documents prepared by an attorney in contemplation of litigation)
- ☐ Attorney-client privilege. (Confidential communications between an attorney and his/her client)
- ☐ Exemption 6: The withheld information is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy.
- ☒ Exemption 7: The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated.
- ☐ (A) Disclosure could reasonably be expected to interfere with an enforcement proceeding (e.g., it would reveal the scope, direction, and focus of enforcement efforts, and thus could possibly allow recipients to take action to shield potential wrong doing or a violation of NRC requirements from investigators).
- ☒ (C) Disclosure could constitute an unwarranted invasion of personal privacy.
- ☐ (D) The information consists of names of individuals and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources.
- ☐ (E) Disclosure would reveal techniques and procedures for law enforcement investigations or prosecutions, or guidelines that could reasonably be expected to risk circumvention of the law.
- ☐ (F) Disclosure could reasonably be expected to endanger the life or physical safety of an individual.
- ☐ OTHER (Specify)

**PART II.B -- DENYING OFFICIALS**

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

DENYING OFFICIAL	TITLE/OFFICE	RECORDS DENIED	APPELATE OFFICIAL		
			EDO	SECY	IG
Joseph A. McMillan	Asst Inspector General for Investigations, OIG	See Appendix A	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**APPENDIX A  
RECORDS BEING WITHHELD IN PART**

<b><u>NO.</u></b>	<b><u>DATE</u></b>	<b><u>DESCRIPTION/ (PAGE COUNT)/EXEMPTION</u></b>
1.	06/01/11	Report of Investigation for 11-21 (12 pgs) Exemption 7C
2.	04/12/11	Close to File Memo for 10-07 (3 pgs) Exemption 7C
3.	05/25/11	Close to File Memo for 10-22 (3 pgs) Exemption 7C
4.	05/13/11	Close to File Memo for 11-33 (3 pgs) Exemption 7C
5.	04/01/11	Close to File Memo for 11-09 (2 pgs) Exemption 7C
6.	05/18/11	Close to File Memo for 09-25 (2 pgs) Exemption 7C
7.	05/18/11	Close to File Memo for 11-37 (2 pgs) Exemption 7C



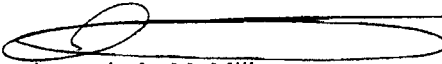


**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

June 1, 2011

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

FROM:   
Joseph A. McMillan  
Assistant Inspector General  
for Investigations

SUBJECT: MISUSE OF THE GOVERNMENT TRAVEL CREDIT CARD BY  
AN OFFICE OF FEDERAL AND STATE MATERIALS AND  
ENVIRONMENT MANAGEMENT PROGRAMS EMPLOYEE  
(CASE NO. 11-21)

Attached is an Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission, Report of Investigation pertaining to misuse of a Government Citibank travel card by an Office of Federal and State Materials and Environment Management Programs (FSME), employee.

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

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

Attachment: Report of Investigation w/exhibits

cc: Valerie B. Kerben, ADM/DFS/PSB w/o

CONTACT: Rossana Raspa, OIG  
415-5925

Information in this record was deleted in  
accordance with the Freedom of Information Act.  
Exemptions: 1C  
2012-02-28

# OFFICE OF THE INSPECTOR GENERAL

## Report of Investigation



### Misuse of the Government Travel Credit Card by an Office of Federal and State Materials and Environment Management Programs Employee

Case No. 11-21

(b)(7)(C)

Agent

(b)(7)(C)

Team

  
Joseph A. McMillan, Assistant Inspector General  
for Investigations

5/24/11  
Date

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

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

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

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OR DISTRIBUTED OUTSIDE THE RECEIVING AGENCY WITHOUT THE PERMISSION OF THE OFFICE OF THE INSPECTOR GENERAL.

~~OFFICIAL USE ONLY - OIG INVESTIGATION INFORMATION~~

**Misuse of the Government Travel Credit  
Card by an Office of Federal and State Materials  
and Environment Management Programs Employee**

**Case No. 11-21**

**June 1, 2011**

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~~OFFICIAL USE ONLY - OIG INVESTIGATION INFORMATION~~



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## STATUTES AND REGULATIONS

### 18 U.S.C. 641, Public Money, Property or Records

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

### NRC Management Directive 14.1, Part 5, 5.1.2: Use of Government Contractor-Issued Travel Charge Card

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

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

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

SUBJECT

(b)(7)(C)

Division of Waste Management and Environmental Protection  
Office of Federal and State Materials and Environmental  
Management Programs  
U.S. Nuclear Regulatory Commission

### ALLEGATION

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this investigation based on a proactive review of Citibank Government travel card statements from September 2009 to April 2011, that indicated (b)(7)(C) had purchases that were not associated with official travel totaling \$4,974.10.

## FINDINGS

OIG determined that (b)(7)(C) used his government travel credit card for purposes not associated with official travel on 77 occasions from September 24, 2009, to April 24, 2011. (b)(7)(C) unauthorized purchases totaled \$4,974.10. (b)(7)(C) admitted to OIG that he used his Government travel credit card for personal use not associated with official travel.

**BASIS FOR FINDINGS****Review of (b)(7)(C) Travel Card Statements and Travel History**

OIG compared (b)(7)(C) official Government travel history with his use of the Government travel card from September 24, 2009 through April 24, 2011, and identified 77 unauthorized transactions totaling \$4,974.10. (b)(7)(C) Office of the Chief Financial Officer (OCFO), NRC, informed OIG that (b)(7)(C) had no official travel since August 8, 2010.

<b>TRANSACTIONS NOT ASSOCIATED WITH OFFICIAL TRAVEL</b>		
<b>Date of Purchase</b>	<b>Purchase</b>	<b>Amount</b>
September 24, 2009	P.F. Chang	\$30.68
September 25, 2009	Courtyard by Marriott	\$104.23
September 25, 2009	Wilco	\$39.08
October 16, 2009	Boyds BP Convenience	\$56.04
October 17, 2009	Courtyard by Marriott	\$104.23
October 17, 2009	Shell Oil	\$45.00
November 5, 2009	Exxon Mobile	\$56.62
November 6, 2009	Gianni & Gaitanos	\$26.60
November 7, 2009	Gianni & Gaitanos	\$11.98
November 8, 2009	Courtyard by Marriott	\$208.46
November 8, 2009	Exxon Mobile	\$50.48
November 24, 2009	Kangaroo Exp	\$44.79
November 24, 2009	Exxon Mobil	\$42.06
November 25, 2009	Denny's	\$78.46
November 27, 2009	Fairfield Inn	\$95.46
November 27, 2009	Fairfield Inn	\$299.80
November 27, 2009	Sunoco Service Station	\$31.56
November 27, 2009	Hillview Truck Stop	\$27.41
November 27, 2009	Han-Dee Hugos	\$32.88
December 17, 2009	Exxon Mobile	\$53.45
December 18, 2009	Courtyard by Marriott	\$89.86
December 18, 2009	Shell Oil	\$50.31
December 18, 2009	Papa John's	\$25.81
January 7, 2010	Denny's	\$19.20
January 7, 2010	Walgreen's	\$12.93
January 8, 2010	Fairfield Inn Hopewell	\$79.10
February 12, 2010	Courtyard by Marriott	\$104.65
May 25, 2010	Marathon Oil	\$55.42
May 27, 2010	Billy's Superstore	\$47.73
May 28, 2010	Exxon Mobil	\$46.29
May 29, 2010	Kangaroo	\$26.45
May 30, 2010	Renaissance Hotel Northhill	\$104.65

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June 1, 2010	Big Bun's Gourmet Grill	\$11.51
June 25, 2010	7-Eleven	\$48.01
June 25, 2010	Chick-Fil-A	\$10.01
June 25, 2010	Wake Co. Board of Alcohol	\$22.63
June 26, 2010	Courtyard by Marriott	\$104.30
June 26, 2010	Sheetz	\$46.52
July 1, 2010	Shell Oil	\$44.27
July 2, 2010	Exxon Mobil	\$35.79
July 7, 2010	Shell Oil	\$38.46
July 8, 2010	Marriott Oceanwatch Villa	\$180.69
July 8, 2010	Eastern Buffet by Far	\$69.84
July 9, 2009	Fairfield Inn Aiken	\$83.11
July 9, 2009	Fairfield Inn Aiken	\$87.24
July 9, 2009	Exxon Mobil	\$24.54
July 9, 2009	Kangaroo Express	\$37.39
July 9, 2009	IHOP	\$88.61
July 10, 2010	Shell Oil	\$34.17
August 15, 2010	Walmart	\$206.26
September 3, 2010	Texaco	\$30.05
September 30, 2010	7-Eleven	\$50.12
September 30, 2010	Wendy's	\$9.66
September 30, 2010	Wake Co. Board of Alcohol	\$33.37
September 30, 2010	Golfsmith Golf	\$24.24
October 1, 2010	Courtyard by Marriott	\$14.39
October 1, 2010	Courtyard by Marriott	\$104.30
October 1, 2010	Shell Oil	\$52.48
October 3, 2010	Marriott	\$161.10
October 5, 2010	Kangaroo Express	\$55.78
October 6, 2010	Exxon Mobil	\$61.73
October 21, 2010	Sonic	\$7.90
October 22, 2010	Wake Co. Board of Alcohol	\$17.23
October 23, 2010	Marriott	\$89.86
October 23, 2010	Sheetz	\$51.74
November 11, 2010	Sheetz	\$58.30
November 11, 2010	HI5	\$30.47
November 11, 2010	Chick-Fil-A	\$6.19
November 11, 2010	Wake Co. Board of Alcohol	\$36.31
November 12, 2010	Globe	\$33.19
November 13, 2010	The Pit	\$42.57
November 14, 2010	Courtyard by Marriott	\$204.54
November 14, 2010	Exxon Mobil	\$52.57
December 3, 2010	7-Eleven	\$60.04
December 3, 2010	Applebee's	\$18.86
April 24, 2011	Marriott Niagara Buffalo	\$111.48
April 24, 2011	Marriott Niagara Buffalo	\$280.61
<b>Total Unauthorized Charges</b>		<b>\$4,974.10</b>

(For further details, see Exhibits 1 and 2)

Interview of

(b)(7)(C)

(b)(7)(C)

told OIG that he had used his Citibank government travel credit card for expenses unrelated to official travel because it was "convenient". (b)(7)(C) said that he didn't feel as though he was fraudulently using his Citibank government travel card because he was holding hotel rooms and paying the travel card within a day or two.

(b)(7)(C)

stated that he had charged approximately \$5000.00 for the last two years on his Citibank government travel credit card for hotel expenses, food, gas, liquor, and expenditures related to his personal trips to Raleigh, NC and Aiken, SC. (b)(7)(C) explained that he was traveling to North Carolina and South Carolina on a monthly basis to explore ways to get back into the community and to visit family and friends. In addition, (b)(7)(C) said that he paid for meals for his family, as well as reserving rooms for himself and his family with the Citibank government travel card.

(b)(7)(C)

was provided a copy of the Management Directive 14.1, 5.1.2, for review and he acknowledged that he should not have been using his Citibank government credit card for personal expenditures. However, (b)(7)(C) indicated that he always paid his bill.

(For further details, see Exhibit 3)

**Department of Justice Coordination**

(b)(7)(C)

U.S. Attorney's Office, Southern District of Maryland, declined prosecution of this matter in lieu of administrative action.



EXHIBITS

1. Memorandum to File, Review of Citibank Government Charge Card Statements and NRC Travel Vouchers, dated January 18, 2011.
2. Memorandum to File, Review of Citibank Government Charge Card Statements and NRC Travel Vouchers, dated April 27, 2011.
3. Transcript of Interview, (b)(7)(C) dated April 29, 2011.





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

OFFICE OF THE  
INSPECTOR GENERAL

April 12, 2011

MEMORANDUM TO:

Concur: Case Closed 9/13/11  
Joseph A. McMillan  
Assistant Inspector General  
for Investigations

THRU:

(b)(7)(C)

Team Leader, Team A

FROM:

(b)(7)(C)

Special Agent, Team A

SUBJECT:

WASTEFUL SPENDING BY THE DIVISION OF  
ADMINISTRATION SERVICES, MULTIMEDIA  
COMMUNICATIONS SERVICES BRANCH, NRC  
(OIG CASE NO. 10-07)

**Allegation**

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this investigation into an allegation of wasteful spending by the Multimedia Communications Services Branch (MCSB), Division of Administrative Services (DAS), Office of Administration (ADM), NRC, in the procurement of audiovisual (AV) equipment for the Commissioners Hearing Room and the headquarters auditorium. According to the allegation, equipment was purchased but never used and, in some cases, the wrong equipment was purchased.

Additionally, during the course of the investigation, it was alleged that (b)(7)(C) the former (b)(7)(C) for an MCSB contract to purchase AV equipment for use in the headquarters auditorium and Commissioners Hearing Room retired from the NRC and went to work for 3 Links Technologies (3 Links), the company that had performed many of MCSB's contract projects.

Information in this record was deleted in  
accordance with the Freedom of Information Act.  
Exemptions 7C  
FOIA/PA 2012-0228

## Findings

OIG did not identify any evidence suggesting that the A/V equipment MCSB purchased in 2007 was unnecessary or incorrect; however, OIG found that MCSB purchased A/V equipment for the Commissioners Hearing Room and headquarters auditorium in 2007 based on a needs assessment conducted in 2002, which resulted in equipment failures. Specifically, these equipment failures were identified in 2009, which led to another assessment of the A/V equipment, but that improvements identified in this assessment have not been purchased due to a lack of funding.

OIG found no evidence that (b)(7)(C) worked for 3 Links after his NRC retirement and that there are no federal post employment restrictions that would have precluded (b)(7)(C) employment with 3 Links Technologies after retirement from the NRC.

## Basis of Findings

OIG learned that in August 2007 and early 2008, NRC purchased \$351,023.30 in equipment for the Commissioners Hearing Room and headquarters auditorium based on a needs assessment conducted by NRC in 2002. The purchase was made from Techniarts Engineering under GSA delivery order DR-10-07-602. All of the equipment purchased under the contract was used by NRC or held in storage as backup equipment, and all of the equipment except for one item was used for a short time and replaced with better equipment. (b)(7)(C) were listed as (b)(7)(C) for the purchases.

OIG also learned that multiple failures with the equipment prompted NRC in May 2009, to enter into a \$173,963.82 contract, ADM-09-418, with Government System, Inc. (GSI), for an audiovisual technical assessment of the Commissioners Hearing Room and headquarters auditorium. The purpose of the GSI contract was to identify measures to improve the overall quality, reliability and ease of use of these A/V systems in these areas. The (b)(7)(C) told OIG that while GSI's evaluation was useful and informative, there have been no equipment purchases or changes implemented due to budget issues.

(b)(7)(C) told OIG that when she took over as (b)(7)(C) after (b)(7)(C) retired in 2007, the equipment had already been purchased and she was instructed to have it installed. A contract was issued to 3 Links to install the equipment in 2008. (b)(7)(C) said the 2009 contract with GSI to perform an assessment was necessary due to multiple equipment failures in the auditorium and Commissioners Hearing Room. She also expressed concern that after (b)(7)(C) retired from the NRC, he allegedly went to work for 3 Links.

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(b)(7)(C) told OIG he retired from NRC in August 2007 after (b)(7)(C) with the agency. He recalled that at the time he retired, 3 Links was awarded the contract to upgrade equipment in the headquarters auditorium and Commissioners Hearing Room. He said he never worked for 3 Links or any other company after his retirement from NRC.

OIG contacted 3 Links Technologies and confirmed that (b)(7)(C) had never been employed by their company. Additionally, (b)(7)(C) Office of General Counsel, NRC, explained to OIG that there was no conflict with (b)(7)(C) working for 3 Links as long as he was not involved with any contracts between 3 Links and the NRC of which he also worked on while employed by the NRC.

OIG inspected and confirmed that the equipment purchased in 2007 was either utilized or in storage as backup equipment. All but one piece of equipment was used, but some has been replaced with better technology and other items are now stored as backup equipment or for use in remote locations. One Mackie A/V mixer was function checked after delivery but was never installed; instead it was immediately stored for use as back up equipment.

OIG briefed (b)(7)(C) OIS, and (b)(7)(C) on OIG's concern that NRC could repeat its experience of purchasing audiovisual equipment based on an assessment that is no longer current and there is no projected timeline to update equipment based on the 2009 assessment.

Because OIG did not identify any evidence to indicate that the A/V equipment purchases were unnecessary or incorrect, (b)(7)(C) was not precluded from working for 3 Links after retirement, and the (b)(7)(C) and (b)(7)(C) were briefed regarding NRC purchase of equipment based on an outdated assessment, it is recommended that this investigation be closed to the files of this office.



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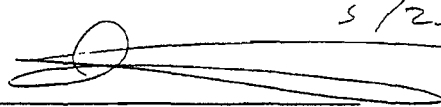


UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

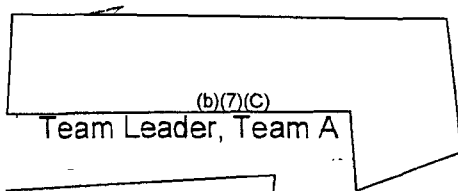
OFFICE OF THE  
INSPECTOR GENERAL

May 25, 2011

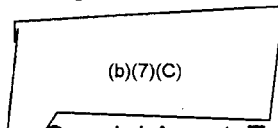
MEMORANDUM TO:

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

THRU:

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

FROM:

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

Information in this record was deleted in  
accordance with the Freedom of Information Act.  
Exemptions 7C  
FOIA/PA 2010-0228

SUBJECT; POSSIBLE MORTGAGE FRAUD BY BRANCH CHIEF  
IN THE OFFICE OF NUCLEAR REACTOR REGULATION  
(OIG CASE NO. 10-22)

**Allegation**

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this investigation based on an anonymous allegation that (b)(7)(C) (b)(7)(C) Plant Licensing Branch, Division of Operator Reactor Licensing, Office of Nuclear Reactor Regulation (NRR), NRC, had committed mortgage fraud.

According to the allegation, in March 2010, (b)(7)(C) sold his home to a company called (b)(7)(C) for \$285,000. This sale was conducted as a short sale, which required approval from his mortgage lender, Wells Fargo Bank. Because (b)(7)(C) original mortgage was for \$544,000, the sale to (b)(7)(C) resulted in a loss to the lender of approximately \$259,000. According to the allegor, the sole owner of (b)(7)(C) is (b)(7)(C) (b)(7)(C) then allegedly purchased the home back from (b)(7)(C) for a price of \$301,000. (b)(7)(C) allegedly never moved out of the house he sold, and was planning to sell the house for a profit.

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## Findings

OIG found that (b)(7)(C) sold his residence to (b)(7)(C) which is owned by (b)(7)(C) but that Wells Fargo Bank rescinded the sale of the residence to (b)(7)(C) once it became aware of the allegation. There was no loss to the lender or to the U.S. Government.

OIG briefed the NRC Personnel Security Branch (PSB) on this matter and referred the case to the Federal Bureau of Investigation (FBI), Pittsburg Fraud Division, and the Federal Deposit Insurance Corporation (FDIC) OIG for further review.

## Basis of Findings

A real estate short sale occurs when a property is sold and the lender agrees to accept a discounted payoff, meaning the lender will release the lien that is secured to the property upon receipt of less money than is actually owed. In a short sale, the lender agrees to discount the loan balance because of an economic or financial hardship on the part of the borrower.

OIG reviewed West Virginia Secretary of State's Business Organization Information System records, and Jefferson County, West Virginia, public real estate records, which confirmed that on March 26, 2010, (b)(7)(C) sold his legally-owned residence in West Virginia to (b)(7)(C) owner of a (b)(7)(C) for \$285,000. The declared value of the home as of November 2005 was \$575,245. OIG's review of (b)(7)(C) personnel security records confirmed that he is the (b)(7)(C).

In April 2010, OIG informed Wells Fargo Bank about the allegation concerning (b)(7)(C). On June 8, 2010, Wells Fargo Bank informed OIG that as a result of the allegation, it had rescinded its approval for the short sale of (b)(7)(C) home to (b)(7)(C). Wells Fargo refunded all money exchanged between (b)(7)(C) and (b)(7)(C) during this transaction and reinstated the original mortgage agreement. A deed was filed in Jefferson County, West Virginia, on (b)(7)(C), rescinding all sales and transactions of the property between (b)(7)(C) and (b)(7)(C).

OIG interviewed (b)(7)(C) who stated that with advice from his attorney, (b)(7)(C) he conducted a short sale of his residence to (b)(7)(C) which was established by his (b)(7)(C) for the sole purpose of purchasing his residence. In April 2010, Wells Fargo Bank contacted (b)(7)(C) and asked if she was residing in the residence. Wells Fargo Bank then contacted (b)(7)(C) and asked if she was a relative of (b)(7)(C) and owner of (b)(7)(C). (b)(7)(C) stated that he



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requested that (b)(7)(C) rescind the short sale because Wells Fargo Bank's Fraud Department had contacted his (b)(7)(C)

Representatives from Interhinx, a company that provides risk mitigation and tools to combat mortgage fraud, reported to OIG that (b)(7)(C) is affiliated with numerous LLCs created to obtain and dispose of short sales.

OIG referred the results of this investigation and information regarding (b)(7)(C) to the FBI Pittsburgh Fraud Division and FDIC OIG. OIG also briefed the PSB on the investigation and learned that in February 2010, (b)(7)(C) had reported to the branch that he was having financial difficulty due to the adjustable rate mortgage on his home and that he had hired an attorney to handle the short sale of his home, which was being sold to a LLC.

Because there was no loss to the NRC, and the matter was referred to the FBI and FDIC OIG, who has jurisdiction in the matter, it is recommended that this investigation be closed to the files of this office.



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WASHINGTON, D.C. 20555-0001

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accordance with the Freedom of Information Act.  
Exemptions b7C  
FOIA/PA 5012-0228

May 13, 2011

MEMORANDUM FOR FILE: OIG CASE NO. 11-33

MEMORANDUM TO:

Concur: Case Closed 5/13/11  
Rossana Raspa, Senior Level Assistant for  
Investigative Operations

THRU:

(b)(7)(C)  
Team Leader

FROM:

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

SUBJECT: INDIVIDUAL IMPERSONATING AN NRC  
INSPECTOR TO OBTAIN MATERIAL LICENSEE  
PII (OIG CASE NO. 11-33)

***Allegation:***

This Office of the Inspector General (OIG), U. S. Nuclear Regulatory Commission (NRC), received an allegation from (b)(7)(C) Region III, NRC that an unidentified individual may possibly be impersonating an NRC inspector. (b)(7)(C) told OIG that during his inspection of a materials licensee, Coatings Application and Waterproofing Company, St. Louis, MO, the (b)(7)(C) (b)(7)(C) told him that this was the second time in four 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, (b)(7)(C) reported to OIG that someone may be impersonating an NRC inspector.

***Finding:***

OIG found inconsistencies in the statements made by (b)(7)(C) and (b)(7)(C) regarding an unidentified individual allegedly impersonating an NRC inspector. OIG learned that the unidentified individual had access to the dosimetry records at Codings Application and Waterproofing Company; however, the individual may have been an inspector from

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another government agency.

**Basis:**

(b)(7)(C) told OIG that during an inspection of Coatings Application and Waterproofing Company, St. Louis, MO, the (b)(7)(C) told him that this was the second time in four weeks that an inspector from the NRC was reviewing his dosimetry records. (b)(7)(C) provided the records but also informed (b)(7)(C) that the previous unknown inspector took a copy of the previous two years worth of records. The dosimetry records contained personal identifiable information which included the name and social security number of all individuals issued a dosimeter by the company. (b)(7)(C) asked if (b)(7)(C) had a business card from the previous inspector or if there was any record of the previous inspector signing the visitor log upon entering the premises. Upon checking his records, (b)(7)(C) was not able to provide any record of the previous unidentified inspector. When (b)(7)(C) came back to the office, he discovered that (b)(7)(C) called the office to complain to (b)(7)(C) (b)(7)(C) Region III, regarding the multiple visits by NRC. (b)(7)(C) was concerned that someone may be impersonating an NRC inspector and obtaining PII from unsuspecting licensee.

(b)(7)(C) Coatings Application and Waterproofing Company, St. Louis, MO, told OIG during an NRC inspection at his facility he told (b)(7)(C) that a few weeks ago another inspector was reviewing the same dosimetry records that he (b)(7)(C) was reviewing but denied telling (b)(7)(C) it was an NRC inspector. (b)(7)(C) claimed that he has reciprocity with over 35 states and is frequently inspected by state inspectors as well as federal agencies. (b)(7)(C) was not able to provide the inspector's name nor could he provide a physical description of the individual. He told OIG that he was not making a complaint or alleging wrong doing by anyone.

(b)(7)(C) Region III, NRC, told OIG that (b)(7)(C) contacted her to report that (b)(7)(C) had claimed that the NRC had just inspected him a few weeks ago and had reviewed dosimetry records. (b)(7)(C) informed (b)(7)(C) that the inspection a few weeks ago was not done by the NRC. Subsequently, (b)(7)(C) contacted (b)(7)(C). (b)(7)(C) told her that a few weeks ago an inspector came to his facility to review the last two years or last two sets worth of dosimetry records and had taken the dosimetry records offsite. (b)(7)(C) never told her that the inspector was an NRC inspector. (b)(7)(C) could not provide the name of the inspector nor could he provide a record of him signing into the facility. (b)(7)(C) did not know if the inspector had returned the dosimetry records to the facility. (b)(7)(C) reported the incident to Scott LANGAN, Field Office Director, Office of Investigations, Region III, who suggested that OIG be contacted.

OIG contacted (b)(7)(C) who advised that the NRC inspection of Coatings Application and Waterproofing Company did not identify any licensee wrongdoing. OI found that all records, to include the dosimetry records, were accounted for; therefore, OI involvement is not warranted.

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OIG reviewed the NRC Safety Inspection Report and Compliance Inspection, dated March 15, 2011, for Coatings Application and Waterproofing Company and learned that the licensee is a small privately owned roofing company, which possesses three portable moisture gages that contained americium-241. NRC Region III found no violations during its inspection of the licensee.

Based on (b)(7)(C) claiming that he never said that an individual was impersonating an NRC inspector and that NRC Region III inspected the licensee and found all records accounted for, it is recommended this allegation be closed to file.

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UNITED STATES  
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WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

April 1, 2011

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

(b)(7)(C)

THRU:

Team Leader, Team B

(b)(7)(C)

FROM:

Special Agent, Team B

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accordance with the Freedom of Information Act.  
Exemptions *7C*  
FOIA/PA *2012-0228*

SUBJECT: INADVERTENT RELEASE OF FERMI FORCE-ON-FORCE  
INSPECTION REPORT (OIG CASE NO. 11-09)

### Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), conducted an investigation into the inadvertent release of Safeguards Information (SGI). This investigation was initiated after the Office of Nuclear Security and Incident Response (NSIR) notified OIG 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 made and implemented seven interim corrective actions 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 error that 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. OIG briefed the (b)(7)(C) on the results of this investigation.

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### Basis for Findings

On October 18, 2010, three separate packages containing the results of the Fermi FOF inspection report were mistakenly mailed via FedEx to three Duke employees. Fermi is a Detroit Edison Company owned nuclear generating station. The Fermi FOF inspection report was sent in error because attached to the Fermi cover letter of the inspection report was a Duke distribution list that was used for a previous FOF inspection report at a Duke owned nuclear generating station.

On October 28, 2010, (b)(7)(C) sent a memo to the Office of the Executive Director for Operations, the Office of the Inspector General, and the Office of Administration documenting this incident. The memo reflected that DSO staff had reviewed the circumstances surrounding the release, assessed the impact, determined the cause, and implemented seven interim corrective actions to prevent similar inadvertent releases in the future.

OIG learned that an editor assigned to DSO reviewed the Fermi FOF inspection report and noticed that a Duke distribution list was attached to the Fermi cover letter. According to the editor, she notified (b)(7)(C) for the Fermi FOF inspection and one of the DSO administrative assistants of the error. She stated that on the final review of the Fermi cover letter, she did not review the distribution list because she thought it had been corrected. Neither (b)(7)(C) nor the administrative assistant recalled being notified by the editor of the distribution list error.

OIG briefed (b)(7)(C) on the results of OIG's investigation. (b)(7)(C) told OIG that interim corrective actions were implemented by DSO to prevent future inadvertent releases of FOF inspection reports. He said the measures would not be implemented by other NSIR components because they were applicable only for DSO, which is the only NSIR division that mails SGI to recipients outside of NRC.

(b)(7)(C) told OIG that the interim corrective actions will be incorporated into the office written procedures.

Because DSO has implemented corrective measures to prevent similar inadvertent releases in the future and because OIG briefed the NSIR director on the results of this investigation, it is recommended that this case be closed to the files of this office.







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UNITED STATES  
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WASHINGTON, D.C. 20555-0001

May 18, 2011

MEMORANDUM TO:

Concur: Case Closed 5/18/11  
Joseph A. McMillan  
Assistant Inspector General  
for Investigations

THRU:

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

FROM:

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

SUBJECT:

PROJECT ON MEDICAL USE OF RADIOACTIVE  
MATERIALS (OIG CASE NO. 09-25)

**Project**

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this project 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.

**Outcome**

Events involving the use of radioactive materials including those classified as medical events are to be reported to the NRC for review using the Nuclear Materials Events Database (NMED). 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 pertaining to these medical events.

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FOIA/PA 2012-0228

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## **Basis**

Medical use (diagnostic and therapeutic) of radioactive material is regulated by the NRC or Agreement States. Regulations governing the medical use of radioactive materials are contained in 10 CFR Part 35. The purpose of these regulations is to minimize radiation exposure of both patients and medical workers while not interfering with treatment established by the physician.

The NRC's NMED contains records of events involving radioactive material reported to the NRC by NRC licensees and Agreement States. The NRC utilizes the database to evaluate event reports to identify trends and significant events. The reported information aids the NRC in understanding why events occurred and in identifying any actions necessary to improve the effectiveness of the overall radioactive material regulatory program. OIG reviewed NMED available data for fiscal years 2008-2010 and determined that 360 medical events were reported. The reported medical events occurred in the United States as well as in U.S territories, involving many kinds of medical facilities and different types of medical procedures including radioactive materials. OIG review of NMED data identified no troubling patterns or trends in regards to medical facilities or medical procedures.

During the course of this project, OIG initiated several investigations involving the medical use of radioactive materials such as: Iodine 131, patient release criteria, conflicting statements issued by NRC dealing with Iodine 131 patient release following treatment, and the Pennsylvania Veterans Affairs Medical Center (PVAMC) brachytherapy events.

Based on the above investigations involving the medical use of radioactive materials and that no reporting trends were found, it is recommended that this project be closed to the files of this office.





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OFFICE OF THE  
INSPECTOR GENERAL

May 18, 2011

MEMORANDUM TO:

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

THRU:

(b)(7)(C)

Team Leader Team B

FROM:

(b)(7)(C)

Special Agent, Team B

SUBJECT:

POTENTIAL IMPROPER RELEASE OF NRC  
ASSESSMENT AND RECOMMENDATIONS PERTAINING  
TO THE FUKUSHIMA DAIICHI UNITS (OIG CASE NO.  
11-37)

### Allegation

The Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), initiated this investigation based on a *New York Times* (NYT) article dated April 5, 2011. This article contained information from a For Official Use Only (FOUO) Reactor Safety Team (RST) assessment document related to the damaged Japanese Fukushima Daiichi Units. OIG's investigation reviewed if an NRC employee provided the document to the NYT without authorization.

### Findings

OIG identified 45 instances where the FOUO NRC internal assessment document was sent via e-mail to numerous government agencies and private sector stakeholders. No NRC employee was identified as sending the document to the NYT.

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## Basis

The RST assessment was a jointly prepared document with contributions by private industry, and government agencies that provided recommendations and technical assistance to NRC staff in Japan. OIG Cyber Crimes Unit conducted a search of all NRC e-mails sent containing the words "RST Assessment" from March 10 through April 6, 2011. The search resulted in 45 identified instances where e-mails associated with the document were sent to numerous government agencies, the White House and private sector companies involved with the efforts at the Fukushima Daiichi Units. No e-mails were identified as sent to the NYT.

One e-mail, however, was identified as sent to a personal e-mail account from an NRC employee. The e-mail account belongs to (b)(7)(C)

(b)(7)(C) stated that she received an e-mail regarding the RST assessment document on her government issued blackberry from the NRC Operations Center, on Sunday, March 27, 2011, at approximately 10:00 p.m. (b)(7)(C) stated that she is not able to open and view certain documents on the device and routinely forwards e-mails to her personal account.

OIG spoke with (b)(7)(C) Operations Center, NRC, who confirmed that the RST assessment document was intended for wide distribution between government agencies and industry for comments, input and support.

Based on the fact that the RST assessment document was widely distributed, and that OIG did not confirm that any NRC staff sent the document to the NYT, it is recommended that this investigation be closed to the files of this office.