

September 28, 2007

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: SUMMARY REPORT  
AND PERSPECTIVES ON BYPRODUCT MATERIAL  
SECURITY AND CONTROL (OIG-07-A-12)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR MATERIALS,  
WASTE, RESEARCH, STATE AND TRIBAL COMPLIANCE  
PROGRAMS MEMORANDUM DATED SEPTEMBER 24,  
2007

Attached is the Office of the Inspector General (OIG) analysis and status of Recommendation 1 as discussed in the agency's response dated September 24, 2007. Based on this response, recommendations 1 is resolved. Please provide an updated response regarding this memo by March 31, 2008.

If you have questions or concerns, please call me at 415-5915 or Tony Lipuma at 415-5910.

Attachment: As stated

cc: V. Ordaz, OEDO  
M. Malloy, OEDO  
P. Tressler, OEDO

**Audit Report  
OIG-07-A-12  
Summary Report and Perspectives on Byproduct Material Security and Control**

**Status of Recommendations**

Recommendation 1: Convene an independent panel of experts external to the agency to identify agency vulnerabilities concerning NRC's material licensing and tracking programs and validate the agency's ongoing byproduct material security efforts.

Response Dated

September 24, 2007:

Agree. As part of NRC's continuous improvement practices, the NRC staff has developed an action plan to respond to each of the recommendations received from the OIG, U.S. Government Accountability Office, and the U.S. Senate Permanent Subcommittee on Investigations to improve byproduct material security. The plan was provided to the Commission on August 25, 2007, in SECY-07-0147, "Response to U.S. Government Accountability Office Recommendations to Address Security Issues in the U.S. Nuclear Regulatory Commission Materials Program" (ML072360070). SECY-07-0147 includes a recommendation for an independent, external review to identify potential weaknesses or security gaps in our processes (see Recommendation N-1) and is proposed to be completed by January 31, 2008.

The staff's plan was approved by the Commission, with additional guidance, in the staff Requirements Memorandum to SECY-07-0147 dated September 19, 2007 (ML072620088).

OIG Analysis:

The actions proposed by the agency meet the intent of the recommendation. OIG will monitor the actions taken and will close the recommendation when the agency has completed the independent assessment and develops a plan to address the vulnerabilities identified.

Status:

**Resolved.**