

March 11, 2013

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Patricia K. Holahan, Director */RA/*
Division of Security Operations
Office of Nuclear Security and Incident Response

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S PROTECTION OF
SAFEGUARDS INFORMATION (OIG-12-A-12)

This memorandum is prepared in response to the Office of the Inspector General's (OIG's) request for a status update on the resolved recommendations that were stated in the OIG audit report "OIG-12-A-12" dated April 16, 2012. As part of reviewing the status of the six recommendations that are in a "resolved" status, the U.S. Nuclear Regulatory Commission (NRC) staff also confirmed that the agency responses provided on September 5, 2012, remain complete and accurate, with the exception of Recommendations 3 and 4 as noted below. With respect to your specific recommendations, I submit the following:

Recommendation 1 (Resolved)

Develop a structured reporting process that includes:

- One point of contact to receive reports of all Safeguards Information (SGI) release;
- A numbering system to track the number of releases reported in a consistent manner;
- A system to report information on releases from the central point of contact to the responsible program offices; and
- A system to trend releases and make any needed programmatic changes.

Response/Status Update

Agree. The target completion date is May 30, 2014, and the Office of Nuclear Security and Incident Response (NSIR) intends to meet this commitment. The point of contact (POC) for this initiative is Robert Norman.

CONTACT: Robert Norman, NSIR
(301) 415-2278

Recommendation 2 (Resolved)

Update the affected Management Directives (MDs) 3.4, 7.4, 12.1, 12.5, and 12.7 to provide consistent guidance on the new reporting structure outlined in Recommendation 1.

Response/Status Update

Agree. The target completion date for revision of MD 12.7 is May 30, 2014. The POC for this initiative is Robert Norman.

Recommendation 3 (Resolved)

Develop and implement interim guidance to communicate the structured reporting process to NRC staff.

Response

Agree. The Office of Administration (ADM) in coordination with the Computer Security Office (CSO) and NSIR, has initiated the implementation of the OIG's recommendations in an effort to improve the agency's SGI reporting process. The draft reporting process will address recommendation 1 from the OIG's audit. The reporting process will include a centralized reporting process, numbered tracking system, and a mechanism to track and trend security issues (including those involving SGI). CSO expects to be ready for implementation and testing of the interim reporting process in January 2013. Following the testing and implementation phase, ADM will issue a NRC Yellow Announcement, which implements and communicates the interim reporting process. Following the implementation, ADM will coordinate with the appropriate Program Offices to update applicable MDs, as appropriate. The POC for this initiative is Daniel Cardenas, ADM at (301) 415-6184.

Recommendation 4 (Resolved)

Update the annual online information security awareness training to reflect the reporting requirements for SGI releases.

Response/Status Update

Agree. The target completion date to update Course 972 was October 1, 2012. Because of the unexpected delay with finalizing the content of the NRC Yellow Announcement, and the "in-use" state of the annual information security awareness training course, NSIR is unable to recommend closure of this OIG recommendation at this time. Training course material that is posted on iLearn and in-use, cannot be modified until the training course is taken off line for scheduled revision. The information security awareness course will be taken off line in January 2013 for scheduled revision. The POC's for this initiative are Robert Norman of NSIR/Division of Security Operations/Information Security Branch and Daniel Cardenas of ADM.

Recommendation 5 (Resolved)

Update MD 12.7 to include detailed guidance on granting "outsiders" access to SGI.

Response/Status Update

Agree. The target completion date for revision of MD 12.7 is May 30, 2014. The POC for this initiative is Robert Norman.

Recommendation 8 (Resolved)

Develop and require annual refresher training for the SGI Designator role.

Response/Status Update

Agree. The target completion date for revision of MD 12.7 is May 30, 2014. The POC for this initiative is Robert Norman.

Response/Status Update

Agree. The target completion date for revision of MD 12.7 is May 30, 2014. The POC for this initiative is Robert Norman.

Recommendation 8 (Resolved)

Develop and require annual refresher training for the SGI Designator role.

Response/Status Update

Agree. The target completion date for revision of MD 12.7 is May 30, 2014. The POC for this initiative is Robert Norman.

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