



OFFICE OF THE
INSPECTOR GENERAL

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

March 9, 2020

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S OVERSIGHT OF SOURCE MATERIAL
EXPORTS TO FOREIGN COUNTRIES (OIG-17-A-08)

REFERENCE: DIRECTOR, OFFICE OF INTERNATIONAL PROGRAMS,
MEMORANDUM DATED JANUARY 31, 2020

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation 1 as discussed in the agency response dated January 31, 2020. Based on this response, recommendation 1 is now closed. Recommendations 2, 3, 4, and 5 were previously closed. All recommendations are now closed.

If you have any questions or concerns, please call me at (301) 415-5915, or Mike Blair, Team Leader, at (301) 415-8399.

Attachment: As stated

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Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S OVERSIGHT OF SOURCE MATERIAL EXPORTS TO FOREIGN COUNTRIES

OIG-17-A-08

Status of Recommendations

Recommendation 1:

Coordinate among the Office of International Programs (OIP), Office of Nuclear Materials Safety and Safeguards (NMSS), and regional offices, as appropriate, in developing and implementing an export inspection program to include pre-licensing site visits and periodic post-licensing inspections at Part 110 applicant and licensee locations. The pre-licensing visits may only apply to export applicants who do not already possess another NRC license.

Agency Response Dated
January 31, 2020:

On October 8, 2019, SRM-SECY-18-0050, "Analysis and Options for Export Inspection Program in Response to OIG-17-A-08," stated, the Commission has approved the staff's recommended Option 1a, to maintain the current approach of conducting "for-cause/performance-based" inspections. The Commission has also approved the staff's recommendation to conduct pre-licensing evaluations of those export licensing applicants who do not already possess another license from the U.S. Nuclear Regulatory Commission (NRC) or an Agreement State by implementing a formalized pre-licensing evaluation program.' Staff has implemented a formalized pre-licensing evaluation program consistent with SRM-SECY-18-0050. This program is documented in OIP's Office Procedures, LIC-01, "Processing Applications for Exports of Category 1 and Category 2 Radioactive Material," (Agencywide Documents Access and Management System , "Processing Applications for Exports of Nuclear Equipment and Material. Both procedures state, in part, "... the Licensing Officer (LO) is responsible for logging into the Web Based Licensing System to complete Milestone No. 2, "Acceptability Review" of a new license application. The results of the acceptability review, including the applicant's pre-licensing evaluation results are captured in the appropriate "Notes" section of the Milestone. The LO will document the results of this formalized pre-licensing evaluation program for ALL received export applications. OIP believes this formalized pre-licensing evaluation program satisfies recommendation 1 from audit OIG-17-A-08.

Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S OVERSIGHT OF SOURCE MATERIAL EXPORTS TO FOREIGN COUNTRIES

OIG-17-A-08

Status of Recommendations

Recommendation 1 (cont.):

Completion Date: January 9, 2020
Contact: Andrea Jones, OIP/ECNP
(404) 997-4443

OIG Analysis: OIG reviewed LIC-01 and LIC-02 and agrees that the actions stated above meet the intent of the recommendation. Therefore, this recommendation is now closed.

Status: Closed.