



# OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

## Audit of the NRC's Oversight of the Adequacy of Decommissioning Trust Funds

OIG-21-A-14

August 19, 2021



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

**OFFICE OF THE  
INSPECTOR GENERAL**

August 19, 2021

MEMORANDUM TO: Margaret M. Doane  
Executive Director for Operations

FROM: Eric Rivera **/RA/**  
Acting Assistant Inspector General for Audit

SUBJECT: AUDIT OF THE NRC'S OVERSIGHT OF THE ADEQUACY  
OF DECOMMISSIONING TRUST FUNDS (OIG-21-A-14)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of the NRC's Oversight of the Adequacy of Decommissioning Trust Funds*.

The report presents the results of the subject audit. Following the August 5, 2021, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendation(s) within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG follow-up as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at (301) 415-7032 or Paul Rades, Team Leader, at (301) 415-6228.

Attachment: As stated



# Office of the Inspector General

U.S. Nuclear Regulatory Commission  
Defense Nuclear Facilities Safety Board

OIG-21-A-14

August 19, 2021

## Results in Brief

### Why We Did This Review

The U.S. Nuclear Regulatory Commission (NRC) requires power reactor licensees to establish decommissioning trust funds.

The purpose of these trust funds is to assure there will be sufficient funds to pay for decommissioning costs when reactors permanently cease operations.

Pursuant to this requirement, the NRC independently analyzes decommissioning funding status (DFS) reports to determine whether licensees have provided reasonable assurance that sufficient funding for radiological decommissioning of each reactor and site will remain available until license termination.

The audit objective was to determine if the NRC's oversight of the sufficiency of licensees' decommissioning trust funds is adequate.

### *Audit of the NRC's Oversight of the Adequacy of Decommissioning Trust Funds*

#### What We Found

The NRC could improve its oversight of licensees' sufficiency of decommissioning trust funds through more consistent adherence to agency guidance for reviewing licensee decommissioning funding status reports, and by monitoring and enforcing 10 CFR 50.75 restrictions on decommissioning trust fund investments. NRC staff do not consistently analyze annual DFS reports in accordance with LIC-205, and do not issue closeout letters after completing their DFS report analyses, as required by LIC-205. As a result, there is a heightened risk of procedural inefficiencies and decreased public confidence in the NRC's oversight of the adequacy of decommissioning trust funds.

Additionally, the NRC does not require licensees to file statements showing how their decommissioning funds are invested, nor does the agency proactively monitor licensees' trust fund investments to check for ongoing compliance with 10 CFR 50.75 investment restrictions. However, as the primary regulator for nuclear power licensees, the NRC has a basic obligation to ensure its regulations are enforced in accordance with the agency's mission.

#### What We Recommend

The report contains recommendations to clarify guidance for ensuring all annual reviews of decommissioning status reports are complete, to update LIC-205, to implement a central tracking mechanism to track the status of DFS report analyses, and to periodically assess trustee compliance with the master trust fund agreements in accordance with investment restrictions in 10 CFR 50.75.

## TABLE OF CONTENTS

<a href="#">ABBREVIATIONS AND ACRONYMS</a> .....	i
I. <a href="#">BACKGROUND</a> .....	1
II. <a href="#">OBJECTIVE</a> .....	4
III. <a href="#">FINDINGS</a> .....	5
A. <a href="#">Decommissioning Funding Status Reports         Are Reviewed Inconsistently</a> .....	5
B. <a href="#">The NRC Does Not Enforce Compliance with         Regulations for Decommissioning Trust         Fund Investment Restrictions</a> .....	11
IV. <a href="#">CONSOLIDATED LIST OF RECOMMENDATIONS</a> .....	16
V. <a href="#">AGENCY COMMENTS</a> .....	17
 <b>APPENDIXES</b>	
A. <a href="#">OBJECTIVE, SCOPE, AND METHODOLOGY</a> .....	18
 <a href="#">TO REPORT FRAUD, WASTE, OR ABUSE</a> .....	21
<a href="#">COMMENTS AND SUGGESTIONS</a> .....	21

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## **ABBREVIATIONS AND ACRONYMS**

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CFR	Code of Federal Regulations
DFA	Decommissioning Funding Assurance
DFS	Decommissioning Funding Status
GAO	U.S. Government Accountability Office
NRC	U.S. Nuclear Regulatory Commission
OIG	Office of the Inspector General



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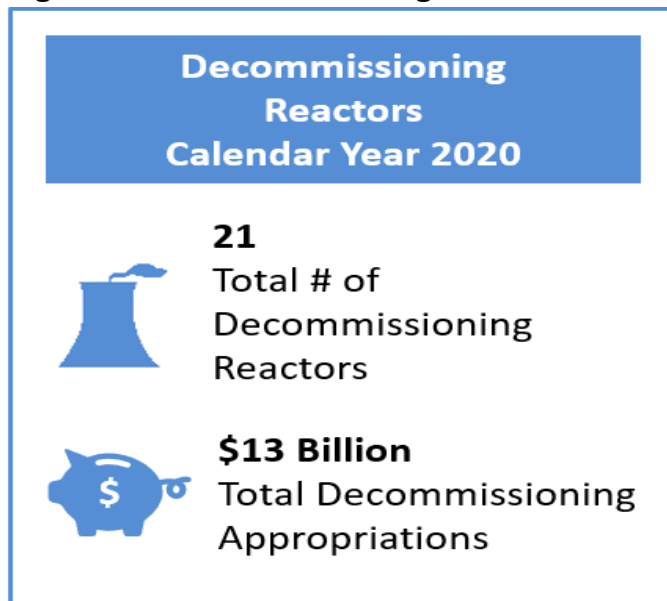
## I. BACKGROUND

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### **Decommissioning Trust Funds for Nuclear Power Reactors that have Permanently Ceased Operations**

The U.S. Nuclear Regulatory Commission (NRC) requires power reactor licensees to establish decommissioning trust funds. The purpose of these trust funds is to assure there will be sufficient funds to pay for decommissioning costs when reactors permanently cease operations. Licensees in the process of decommissioning their reactors must submit annual financial assurance status reports to the NRC. Pursuant to this requirement, the NRC independently analyzes decommissioning funding status (DFS) reports to determine whether licensees have provided reasonable assurance that sufficient funding for radiological decommissioning of each reactor and site will remain available until license termination. As of December 2020, the average decommissioning trust fund was valued at approximately \$619 million dollars. Figure 1 illustrates the number of decommissioning reactors and total decommissioning trust fund appropriations at the end of calendar year 2020.

**Figure 1: Decommissioning Reactors and Appropriations**



Source: Decommissioning funding status reports for 2020.

## Regulations

Title 10 Code of Federal Regulations (10 CFR), 50.75, *Reporting and recordkeeping for decommissioning planning*, requires licensees to have funding for decommissioning of power reactors either through prepayment or an external sinking fund.<sup>1</sup> Licensees are required to submit DFS reports, on a calendar year basis, to the NRC by March 31st. Additionally, each licensee must provide a decommissioning cost estimate 5 years prior to the projected end of operations. The cost estimate could include plans for adjusting levels of funds to meet decommissioning needs. Lastly, any withdrawals from the decommissioning funds, other than the ones specified in 10 CFR 50.75, require a 30-day approval from the NRC.

<sup>1</sup> An external sinking fund is a fund established and maintained by setting funds aside periodically in an account segregated from licensee assets and outside the administrative control of the licensee, and its subsidiaries or affiliates in which the total amount of funds would be sufficient to pay decommissioning costs at the time permanent termination of operations is expected.

10 CFR, 50.82, *Termination of license*, requires licensees to submit to the NRC annual financial assurance status reports for the previous calendar year. Each report must include the amount spent on decommissioning, an estimate of the costs to complete decommissioning, any modifications occurring to the licensee's current method of providing financial assurance, and any material changes to trust agreements.<sup>2</sup> Additionally, the balance of any remaining decommissioning funds, plus earnings on such funds calculated, must be at no greater than a 2 percent real rate of return.<sup>3</sup> Furthermore, the regulation requires a report to the NRC on the status of the licensee's funding for managing irradiated fuel.<sup>4</sup>

### **NRC Organizations Responsible for the Oversight of the Adequacy of Decommissioning Trust Funds**

The Office of Nuclear Material Safety and Safeguards is responsible for regulating activities that provide for safe and secure production of nuclear fuel used in commercial nuclear reactors; safe storage, transportation and disposal of high-level radioactive waste and spent nuclear fuel; and, transportation of radioactive materials regulated under the *Atomic Energy Act of 1954*, as amended. The Office of Nuclear Material Safety and Safeguards is the NRC's lead office for decommissioning activities, which includes the Reactor Decommissioning Branch and the Financial Assessment Branch.

The Reactor Decommissioning Branch is responsible for the reactor decommissioning oversight program and prepares annual reports on reactor decommissioning. The Financial Assessment Branch is

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<sup>2</sup> A trust agreement is the written document that specifies the terms and conditions of the trust. In this case, trust agreements are agreements between the licensee and a trustee, whereby the licensee transfers assets to the trustee, such as a bank, to hold on behalf of a beneficiary (the NRC), and in which the trustee has authority to manage and control trust assets in its role as fiduciary.

<sup>3</sup> Nominal rate less inflation and taxes.

<sup>4</sup> Spent nuclear fuel.

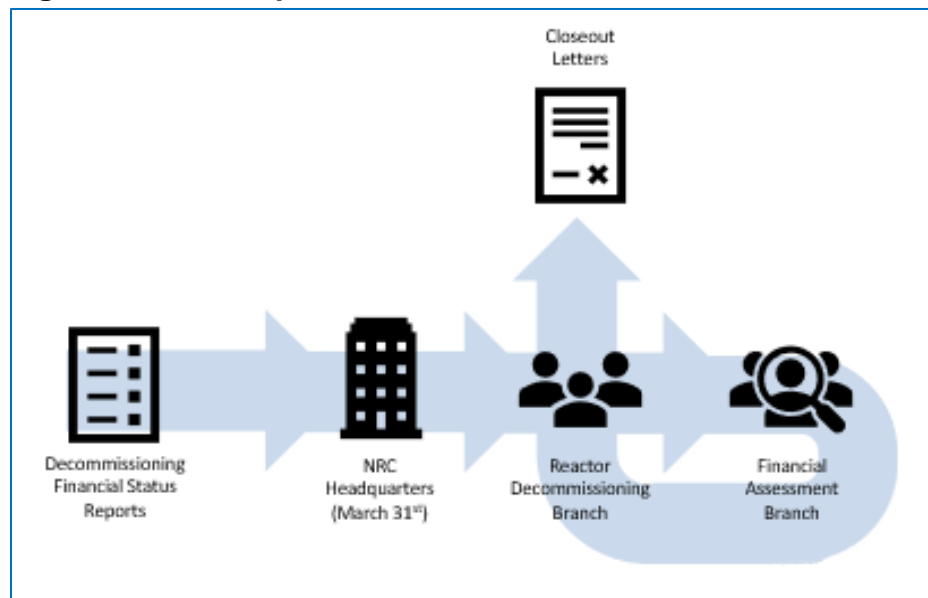


responsible for reviewing documents associated with decommissioning funding assurance and DFS reports.

### Decommissioning Funding Status Report Review Process

The NRC's internal guidance, LIC-205, *Procedures for NRC's Independent Analysis of Decommissioning Funding Assurance for Operating Nuclear Power Reactors and Power Reactors in Decommissioning*, includes provisions for the staff's independent analysis of licensees' DFS reports, and documentation of its findings. The NRC is responsible for conducting an annual independent analysis of licensees' DFS reports. Figure 2 illustrates the DFS report review process.

**Figure 2: DFS Report Review Flowchart**



Source: NRC

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## II. OBJECTIVE

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The audit objective was to determine if the NRC's oversight of the sufficiency of licensees' decommissioning trust funds is adequate. Appendix A contains information on the audit scope and methodology.

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## III. FINDINGS

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The NRC could improve its oversight of licensees' sufficiency of decommissioning trust funds through more consistent adherence to agency guidance for reviewing licensee decommissioning funding status reports, and by monitoring and enforcing 10 CFR 50.75 restrictions on decommissioning trust fund investments.

### **A. Decommissioning Funding Status Reports Are Reviewed Inconsistently**

The NRC should ensure staff are consistently following internal guidance in their reviews of licensees' DFS reports. However, NRC staff do not consistently analyze annual DFS reports in accordance with agency guidance. This occurs because the NRC's internal guidance is outdated and does not specify reviewer roles and responsibilities to ensure effective review of licensees' DFS reports. Without updated agency guidance and prescriptive roles, there is the potential risk of inefficiencies and decreased public confidence in the NRC's oversight of the adequacy of decommissioning trust funds.

## ***What Is Required***

### **Ensure Staff Follow Appropriate Guidance in the Review of Decommissioning Funding Status Reports**

#### **Federal Standards**

The U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*,<sup>5</sup> (GAO Green Book) states management is responsible for documenting responsibilities through policies. The GAO Green Book also states management should periodically review policies, procedures, and related control activities for continued relevance and to achieve objectives and respond to risks. This includes reviewing newly implemented changes in a timely manner to determine if the control activities are designed and implemented appropriately.

#### **NRC Guidance**

The NRC's internal guidance, LIC-205, *Procedures for NRC's Independent Analysis of Decommissioning Funding Assurance for Operating Nuclear Power Reactors and Power Reactors in Decommissioning*, requires staff to analyze DFS reports to confirm financial assurance for decommissioning. Specifically, the status reports aid in verifying licensees' compliance with decommissioning funding regulations.

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<sup>5</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

## ***What We Found***

### **NRC Staff Reviews of Annual Decommissioning Funding Status Reports Are Not Performed Consistently**

NRC staff do not consistently analyze annual DFS reports in accordance with LIC-205. The Office of the Inspector General (OIG) evaluated datasheets used by NRC staff in their analyses of licensees' DFS reports, and compared datasheet information to information in the DFS reports. Based on this work, the OIG found a broad range of errors in the staff's analyses. The OIG also found that staff do not issue closeout letters after completing their DFS report analyses, as required by LIC-205.

#### Data Errors in DFS Datasheet Analyses

The OIG reviewed 55 DFS datasheets and reports used by the NRC staff to analyze licensees' DFS reports dated between December 31, 2017 and December 31, 2019. The OIG found missing and incorrect information on 48 of 55 datasheets and reports. Table 1 shows the types of errors and the number of occurrences.

**Table 1: DFS Datasheet and Report Errors**

Types of Errors	Count
<b><i>Missing information on DFS datasheets:</i></b>	
Initial or secondary reviewer sign-off	36
Independent calculation of Decommissioning Funding Assurance (DFA)	25
Real rate of return	25
Cumulative amount spent on decommissioning	6
Projected spent fuel management cost	4
DFS report showed material changes to the trust agreement	2
Amount spent on decommissioning over previous year	1
Spent fuel trust fund amount	1
<b><i>Incorrect information on DFS datasheets:</i></b>	
Remaining balance of decommissioning trust fund and funds accumulated to cover spent fuel management costs are the same. No evidence to support NRC exemption approval to commingle the funds.	23
Datasheet's cost of spent fuel management amount did not tie to the DFS report as of 12/31/2018.	4
Datasheet's beginning balance for spent fuel management trust fund amount at 01/01/2019 did not tie to the DFS report as of 12/31/2018.	3
The current year's initial review date showed prior year's date of review on the datasheet.	3
Datasheet's beginning balance for decommissioning trust fund amount at 01/01/2019 did not tie to the DFS report as of 12/31/2018.	2
Datasheet's independent calculation of DFA amounts at 01/01/2019 did not tie to the DFS report.	1
Estimated costs of remaining decommissioning was listed twice with two different amounts on the datasheet.	1
The saved file name for a nuclear plant did not match the nuclear plant listed on the datasheet.	1
<b><i>Discrepant information on the DFS reports:</i></b>	
Real rate of return exceeded 2 percent on DFS report.	10
Licensee incurred decommissioning spending costs prior to reactor ceasing operation.	1
On the DFS report, the remaining balance of decommissioning trust fund on the DFA schedule did not tie to another schedule within the same report.	1
The estimated costs to complete decommissioning exceeded the remaining balance of the decommissioning trust fund. The funding assurance report schedule on the DFS report showed a negative decommissioning trust fund amount.	1

Source: OIG analysis of DFS datasheets and reports.

### Closeout Letters

NRC project managers do not issue closeout letters after annual reviews of DFS reports even though LIC-205 requires the preparation of these letters. Instead, project managers communicate the results of staff analyses via phone calls, which are not documented. Traditionally, closeout letters were issued by the lead financial analyst. However, there was reportedly a verbal agreement between the Reactor

Decommissioning Branch and the Financial Assessment Branch that tasked project managers with performing this function. This change in process and roles has not been updated in LIC-205.

### ***Why This Occurred***

#### **LIC-205 Guidance Is Outdated**

The NRC's primary guidance for analyzing DFS reports, LIC-205, was last updated in 2017 and does not reflect actual practices with respect to reviewer roles and responsibilities.<sup>6</sup> Additionally, LIC-205 lacks detail for the tracking and monitoring of the status of DFS report analyses.

#### Reviewer Roles and Responsibilities

There is no explicit guidance within the Financial Assessment Branch that outlines the initial and secondary DFS reviewers' roles and responsibilities. For instance, LIC-205 states:

"The secondary reviewer is responsible for independently validating the adequacy and completeness of the initial DFS report review, analysis, and conclusion(s) . . . Should the secondary review identify any discrepancies with the staff's initial review, they *should* discuss these findings with the initial reviewer, and/or lead financial analyst. The initial reviewer *should* take appropriate steps to resolve any discrepancies and document resolution of these actions." (emphasis added)

The language in the guidance arguably allows the users too much discretion and undermines the standards of effective internal controls.

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<sup>6</sup> The 2017 update occurred before an internal reorganization. The Office of Nuclear Materials Safety and Safeguards is in the process of revising LIC-205.



Additionally, the OIG questioned agency staff as to why the NRC's independent analyses were included on some of the 55 datasheets and not on others. The response received was: "staff *should* develop its own cashflow spreadsheets to verify information provided by the licensee. Such cashflow analyses may not be necessary at all times." However, when the OIG compared other datasheets with similar scenarios, cashflow analyses were not performed and documented. This response illustrates another example of how the application of LIC-205 was dependent on the user, allowing for varying application of the guidance.

#### Tracking Staff Analyses of DFS Reports

NRC staff track their analyses of DFS reports using a Microsoft Excel spreadsheet. When the OIG reviewed the tracking spreadsheet, auditors found information missing, including data in the spreadsheet for DFS reports recorded before fiscal year 2017. Furthermore, the spreadsheet could not measure progress made by NRC staff in their analyses of DFS reports.

### ***Why This Is Important***

#### **Potential Risk of Inefficiencies and Decreased Public Confidence in the NRC's Oversight of the Adequacy of Decommissioning Trust Funds**

Without updated agency guidance and prescriptive roles to ensure consistent review of annual DFS reports, there is a heightened risk of procedural inefficiencies and decreased public confidence in the NRC's oversight of the adequacy of decommissioning trust funds. There is also a heightened risk that licensees may not have sufficient funds to perform decommissioning work. For example, one licensee depleted its trust fund

balance in 2018 and subsequently became reliant on parent company funding to complete its decommissioning work.<sup>7</sup> With an increasing number of operating reactors undergoing or slated for decommissioning, the NRC must remain vigilant about financial risks that could compromise decommissioning work and undermine public confidence in the NRC's oversight.

### **Recommendations**

The OIG recommends that the Executive Director for Operations:

1. Improve process controls to ensure all annual reviews of decommissioning status reports are complete and have undergone the review process;
2. Update LIC-205 to clarify DFS report reviewer roles and responsibilities, procedures for closeout letters, and procedures for tracking DFS report analyses; and,
3. Implement a central tracking mechanism to track the status of the annual DFS report analyses.

### **B. The NRC Does Not Enforce Compliance with Regulations for Decommissioning Trust Fund Investment Restrictions**

The NRC should enforce compliance with 10 CFR 50.75 restrictions on decommissioning trust fund investments. The NRC staff does not monitor decommissioning trust fund investments to ensure compliance with these regulations. This occurs because the NRC reportedly relies on other

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<sup>7</sup> EnergySolutions, the parent company of ZionSolutions, LLC, provided additional decommissioning funding using company cash reserves. EnergySolutions also provided a Letter of Credit to back up the nuclear decommissioning trust fund. Specific funding figures are non-public information. The OIG did not examine why ZionSolutions, LLC, depleted its trust fund balance because the issue was outside the scope of this audit.

federal agencies and public utility commissions to regulate investments made by the trustee on behalf of the licensee; however, the OIG found no evidence of agreements between the NRC and other federal agencies and public utility commissions to enforce these regulations. Without adequate oversight of investment restrictions, the stewardship of the trust funds could be adversely affected, and licensees could potentially invest in restricted securities.

### ***What Is Required***

#### **Ensure Staff Follow Appropriate Guidance in the Review of Restrictions on Decommissioning Trust Fund Investments**

10 CFR 50.75, states that, for licensees that are not electric utilities, the trust documents for the decommissioning trust fund must provide that the trustee is prohibited from investing the funds in securities or other obligations of the licensee or any other owner or operator of any nuclear power reactor or their affiliates, subsidiaries, successors or assigns, or in a mutual fund in which at least 50 percent of the fund is invested in the securities of a licensee or parent company whose subsidiary is an owner or operator of a foreign or domestic nuclear power plant. The NRC implemented this rule in 2003 to increase assurance that an adequate amount of decommissioning funds will be available for their intended purpose.<sup>8</sup>

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<sup>8</sup> Decommissioning Trust Provisions, 67 FR 78332-02.

## ***What We Found***

### **The NRC Does Not Monitor Decommissioning Trust Fund Investment Restrictions**

The NRC does not require licensees to file statements showing how their decommissioning funds are invested, nor does the agency proactively monitor licensees' trust fund investments to check for ongoing compliance with 10 CFR 50.75 investment restrictions. Additionally, the OIG reviewed a prior U.S. Government Accountability Office audit report,<sup>9</sup> which recommended that the NRC review a sample of licensees' investments to determine if they comply with the standards set forth in 10 CFR 50.75. The OIG could not find any evidence that the agency reviewed a sample of trustees' investments made on behalf of the licensees.

## ***Why This Occurred***

### **The NRC Relies on Other Federal Agencies to Enforce Investment Restriction Regulations**

The NRC staff believe, without providing any evidence in support, that the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Federal Reserve Board examination process, and the public utility commissions provide a certain amount of assurance that trustees are complying with applicable investment restrictions. However, the NRC does not have any memoranda of understanding with the federal

<sup>9</sup> GAO-12-258, "NRC's Oversight of Nuclear Power Reactors' Decommissioning Funds Could be Further Strengthened," April 2012.

banking regulators<sup>10</sup> and public utility commissions to ensure the monitoring of decommissioning trust fund's investment restrictions. Moreover, the OIG could not verify that these entities enforce 10 CFR 50.75 investment restrictions on the NRC's behalf, and communicate results of any such enforcement activity to the NRC.

Additionally, NRC staff emphasized to the OIG that 10 CFR 50.75 only explicitly requires the agency to verify that master trust agreements contain language regarding the investment restrictions. However, common sense and fiscal prudence would dictate that trust funds be managed in accordance with these investment restrictions. Without validating the content of investment portfolios, the NRC lacks assurance that trustees are adhering to the clauses set forth in the master trust agreements.

### ***Why This Is Important***

#### **Trustees Could Potentially Invest in Restricted Securities**

The NRC's reliance on the federal banking regulators and public utility commissions to enforce its own regulations, particularly where there is no evidence such enforcement is taking place, could enable trustees to:

- invest in restricted securities;
- compromise the stewardship of the trust funds; and,
- increase the risk of fraud, waste, or misuse of the decommissioning trust funds.

This is particularly important given recent changes in the decommissioning environment, as new license transfer models promise to dramatically

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<sup>10</sup> The Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Federal Reserve Board.

shorten decommissioning timeframes. These shortened timeframes reduce the time available for investment earnings to accrue, which could result in decommissioning trust fund shortfalls if investment risk is not properly managed. In addition, the nation's nuclear power sector is experiencing an increase in decommissioning activity, with several reactors shutting down before their license termination dates for economic or other reasons. For example, Duane Arnold Energy Center shut down in August 2020 after a derecho caused irreparable damage to the plant. The plant had been scheduled to shut down in October 2020. In July 2021, Exelon announced plans to close its Dresden and Byron plants—and threatened to close two more plants in the future—after the state of Illinois failed to pass legislation providing financial support for the plants. Early or unforeseen plant shutdowns like these further increase the risk that decommissioning trust funds may not have adequate resources to cover decommissioning costs if the funds are not properly managed.

Furthermore, as the primary regulator for nuclear power licensees, the NRC has a basic obligation to ensure its regulations are enforced in accordance with the agency's mission.

### **Recommendations**

The OIG recommends that the Executive Director for Operations:

4. Periodically assess, through communication with cognizant regulators or by other means, trustee compliance with the master trust fund agreements in accordance with investment restrictions in 10 CFR 50.75.



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## **IV. CONSOLIDATED LIST OF RECOMMENDATIONS**

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The OIG recommends that the Executive Director for Operations:

1. Improve process controls to ensure all annual reviews of decommissioning status reports are complete and have undergone the review process;
2. Update LIC-205 to clarify DFS report reviewer roles and responsibilities, procedures for closeout letters, and procedures for tracking DFS report analyses;
3. Implement a central tracking mechanism to track the status of the annual DFS report analyses; and,
4. Periodically assess, through communication with cognizant regulators or by other means, trustee compliance with the master trust fund agreements in accordance with investment restrictions in 10 CFR 50.75.

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## **V. AGENCY COMMENTS**

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The OIG held an exit conference with the agency on August 5, 2021. After reviewing a discussion draft audit report, agency management provided comments that have been incorporated into this report, as appropriate. As a result, agency management stated their general agreement with the findings and recommendations and opted not to provide formal comments for inclusion in this report.

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## OBJECTIVE, SCOPE, AND METHODOLOGY

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### Objective

The audit objective was to determine if the NRC's oversight of the sufficiency of licensees' decommissioning trust funds is adequate.

### Scope

This audit focused on how the NRC analyzes DFS reports for power reactors in decommissioning. We reviewed the NRC's datasheets used to analyze annual DFS reports for the period December 2017 through December 2019. The OIG conducted this performance audit from September 2020 to June 2021 at the NRC headquarters in Rockville, Maryland. Internal controls related to the audit objective were reviewed and analyzed. Specifically, the OIG reviewed the components of control environment, control activities, and information and communication. Within those components, the OIG reviewed the principles of demonstrating commitment to competence in implementing control activities through policies and communicating internally and externally.

### Methodology

To accomplish the audit objective, the OIG analyzed relevant criteria for this audit including:

- U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014;

- 10 CFR 50.75, *Reporting and Recordkeeping for Decommissioning Planning*, December 2012;
- 10 CFR 50.82, *Termination of License*, December 2012; and,
- Office of Nuclear Reactor Regulation Office Instruction, LIC-205, *Procedures for NRC's Independent Analysis of Decommissioning Funding Assurance for Operating Nuclear Power Reactors and Power Reactors in Decommissioning*, April 2017.

The OIG reviewed agency documentation and DFS reports to determine whether staff consistently analyzed licensees' DFS reports for the reporting years ending 2017, 2018, and 2019. The OIG reviewed the agency's 55 datasheets and DFS reports. The OIG compared the datasheets and the DFS reports to the requirements stated in the 10 CFR 50.82(a)(8)(v) and (vii), 10 CFR 50.75(e)(1)(i), and LIC-205, Section 4.5. The OIG also obtained a non-representative sample of financial information from ZionSolutions, LLC, and analyzed the data for accounting anomalies. The OIG did not find any material anomalies in this data, but nevertheless reserves the right to request and test similar data from other licensees in the future. Additionally, the OIG verified that the NRC does not have any memoranda of understanding with federal banking regulators and public utility commissions to ensure the monitoring of decommissioning trust funds investment restrictions. The OIG interviewed NRC staff and management from the regions and headquarters to understand agency processes as well as cognizant staff roles and responsibilities.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a

reasonable basis for our findings and conclusions based on our audit objective.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Paul Rades, Team Leader; Terri Cooper, Team Leader; Avinash Jaigobind, Audit Manager; William Chung, Senior Auditor; Muhammad Arefin, Senior Auditor; and, Melissa Chui, Auditor.

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## TO REPORT FRAUD, WASTE, OR ABUSE

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Office of the Inspector General  
Hotline Program  
Mail Stop O5-E13  
11555 Rockville Pike  
Rockville, MD 20852

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## COMMENTS AND SUGGESTIONS

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If you wish to provide comments on this report, please email the OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).