

NRC INSPECTION MANUAL

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INSPECTION MANUAL CHAPTER 1201

CONDUCT OF EMPLOYEES

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1201-01 PURPOSE

To provide a standard of conduct that must be followed by Nuclear Regulatory Commission (NRC) employees who are involved in the inspection program.

1201-02 OBJECTIVE

To advise agency employees of NRC management policies regarding conduct of employees.

1201-03 APPLICABILITY

This instruction applies to NRC employees who are involved in inspections. Involvement in inspections includes all aspects of inspection and all activities in direct support or supervision of inspection, including the activities of administrative and clerical personnel directly interacting with a licensee.

1201-04 RESPONSIBILITIES AND AUTHORITIES

04.01 Regional Administrators and Office Directors

- a. Implement the policies contained in this manual chapter.
- b. Grant waivers from the policies contained in this manual chapter when justified by the facts of a particular case or situation, but only to the extent that such waivers are consistent with government-wide standards of conduct regulations ([5 CFR 2635](#) and Management Directive 7.9).
- c. Document any waivers from policies made pursuant to 04.01.b, above.

04.02 Employees Involved in the Inspection Process

- a. Be familiar with the policies contained in this manual chapter and comply with the policies.
- b. Consult with their supervisor, the Regional Counsel, or an Office of the General Counsel (OGC) Deputy Ethics Counsel regarding any questions or problems related to situations or activities involving conduct of employees or conflict of interest as described in this manual chapter.

1201-05 BACKGROUND AND GENERAL POLICY

Government-wide standards of conduct regulations issued by the Office of Government Ethics (OGE) set forth standards governing receipt of gifts and favors, outside employment, conflicting financial interests, the use of government property, future employment, the misuse of information, indebtedness, and other matters. Every NRC employee is responsible for knowing and understanding the Federal and NRC ethics rules. These rules which include the government-wide Standards of Conduct regulations ([5 CFR 2635](#)), the criminal statutes ([18 USC 201-209, 216](#)), the [Hatch Act \(5 USC 7321\)](#), and the NRC supplemental regulations ([5 CFR 5801](#)). These laws and regulations can be found on the internal NRC Ethics Website along with management directives on ethics, financial disclosure reports, ethics training materials, and informational articles (<http://drupal.nrc.gov/ogc/nrc-ethics>). A detailed summary of the Standards of Conduct regulations was issued by OGC as a Yellow Announcement (<http://www.internal.nrc.gov/announcements/yellow/2009/2009-129.html>). The public NRC Website contains a summary of the ethics rules (<http://drupal.nrc.gov/ogc/nrc-ethics>). OGC Ethics Counselors and the Regional Counsels provide advice, assistance, and counseling on matters and issued covered by these rules. Employees are urged to contact (<http://drupal.nrc.gov/ogc/nrc-ethics>) an Ethics Counselor or the Regional Counsel to discuss questions and concerns regarding these requirements.

Employees must be attentive to the high standards of integrity expected in all their activities, personal or official, and conduct themselves in a manner to create and maintain public respect for the NRC and the U. S. Government. Accordingly, this instruction establishes management policies for situations which are not specifically addressed in the standards of conduct regulations. All cases of actual or potential conflicts of interest or situations which might lead to the appearance of a conflict of interest must be discussed with the employee's immediate supervisor.

1201-06 ACCEPTANCE OF GIFTS, ENTERTAINMENT, AND FAVORS

The standards of conduct regulations contained in [5 CFR 2635](#) provide detailed guidance to agency employees on the acceptance of gifts, entertainment, and favors from outside sources. A summary of the ethics rules on gifts can be found in Yellow Announcement No. 129, issued on December 18, 2009.

1201-07 PERSONAL CONDUCT

07.01 Policy. NRC employees shall maintain high standards of integrity in all their activities, personal and official, and conduct themselves in a manner to create and maintain public respect for the NRC and the U.S. Government.

- Alcohol and Illegal Drugs. Employees must control their off-hours activities so that their ability to perform assigned duties is not impaired during duty hours.
 1. Illegal drugs shall not be used, possessed, or transported.
 2. In order to ensure that employees are not impaired to perform their duties, alcohol will not be consumed during working hours or within 5 hours preceding any scheduled working hours at licensee or other non-NRC facilities when the employee expects to be involved in any direct official contact with a licensee representative. This includes lunch or other times when return to the facility is expected after a short time.
 3. Individuals are not to enter any licensee's protected area or other facility if there are any lingering effects of alcohol consumption.
 4. While at a licensee site or facility, employees must comply with any additional policies of the licensee that restrict the use, storage, or transportation of alcohol. In some cases, possession of alcohol at an on-site parking lot, even if locked in the trunk of a car, would be a violation of licensee policies.
- Official Business and Personal Relationships. Employees shall not conduct any business activity or perform official travel that is primarily a means to continue a friendship or social activity.
- Business Partnerships with Licensees. Employees are prohibited from entering into or maintaining any partnerships or shared ownership arrangements with an employee of a licensee or its contractors in any vacation property, pleasure boats, aircraft, or any other recreation or business activity. Where such arrangements were entered into before one of the involved individuals became an employee of a licensee or its contractors or the NRC, the NRC employee must discuss the matter in detail with his or her supervisor.
- Work Habits and Professional Demeanor. It is imperative that NRC employees conduct themselves in a professional manner. Employees must demonstrate, by their actions and demeanor, that as Federal employees they are committed to give the public full value of their services by putting in a full day. In addition, employees are to be aware that inappropriate behavior, both during and outside of working hours, can discredit both the individual and the NRC.
- Avoidance of Appearances of Loss of Impartiality. The standards of conduct regulations provide that employees take appropriate steps to avoid even an appearance of loss of impartiality in the performance of their official duties. Employees concerned that certain circumstances would raise a question of their impartiality will use the process described in [5 CFR 2635.502](#) to determine whether they should participate in a particular matter. Pursuant to this regulation:

1. Employees are to inform their immediate supervisor of a friendship with a licensee employee who is authorized to speak for licensee management. Friends may include former NRC employees, classmates, or acquaintances. The supervisor shall determine whether the friendship warrants initiating the process in [5 CFR 2635.502](#) to determine whether the employee is to be disqualified from participating in inspections or other matters that could directly and predictably affect the financial interest of the licensee.
2. Although [5 CFR 2635.502](#) does not specifically address dating, the NRC policy is that NRC employees shall not date employees of those licensees or their contractors for which the employee has inspection responsibilities. The employee's Office Director or Regional Administrator may waive this prohibition upon a determination a reasonable person with knowledge of the relevant facts would not question the NRC employee's impartiality.
3. Employees are to inform their immediate supervisor of any longstanding close social or familial relationships that could create an appearance of loss of impartiality. The supervisor shall determine whether the relationship warrants initiating the process in [5 CFR 2635.502](#) to determine whether the employee should be disqualified from participating in inspections or other matters that could directly and predictably affect the financial interest of the individual with whom the employee has such a relationship or the employer of that individual. However, it should be emphasized that management policies are not intended to prohibit the continuation of pre-existing friendships.

07.02 Guidance. The following employee activities could result in a loss of impartiality in the performance of official duties under certain circumstances or a violation of the standards of conduct regulations, which prohibit employee acceptance of gifts from prohibited sources that exceed \$20 in value per occasion or \$50 in value during a calendar year:

- a. Accepting transportation from a licensee.
- b. Attending in-plant parties or neighborhood social functions where attendance is essentially limited to licensee or contractor employees.
- c. Participating in licensee or contractor sponsored activities, such as dances, ski clubs, travel clubs, licensee-sponsored team sports, and other employee association functions.

1201-08 ACTIVITIES AT THE PLANT AND OTHER LICENSEE FACILITIES

08.01 Policy

- a. Coffee Clubs. Employees may join informal coffee clubs at the plant.

- b. Cafeterias. Employees may utilize a facility cafeteria not reserved for management personnel provided they pay the normally charged prices.
- c. Credit Unions. Employees and their families may join a credit union associated with a licensee or a contractor.

1201-09 NRC EMPLOYEES RESIDING NEAR LICENSED POWER REACTOR FACILITIES

09.01 Applicability. This section, 1201-09, applies to NRC employees who have involvement in the inspection program of a power reactor licensee and also live near a licensed power reactor operated or being constructed by that licensee.

09.02 Policy.

- a. Property. NRC employees shall not buy, lease, or rent property from, or sell property to, a licensee or a licensee contractor. This restriction is not intended to exclude the purchase, lease, or rental of property from an individual employee of a licensee or its contractors nor the sale of property to such an employee. Such property must be available for general sale at a fair market value and purchased or sold through normal means, such as through a real estate agency or through newspaper advertising.
- b. Neighborhood Relationships
 - 1. Carpooling to provide transportation for neighborhood children to Scouts, Little League events, church or social youth group meetings, and similar activities is permissible. When licensee or contractor families are involved, NRC employees and their families are encouraged to provide their fair share of the transportation.
 - 2. An NRC inspector may have occasion to inspect a neighbor's activities at the reactor site. This is acceptable for routine items. However, if it involves critical evaluations or allegations, the inspector is to inform his or her supervisor.
- c. Community Activities
 - 1. NRC employees and their families may be involved in normal charitable solicitations such as American Cancer Society, Red Cross, etc. within their neighborhoods. They may solicit contributions from local residents who may be employees of the licensee and its contractors provided that the solicitation is not targeted at licensee employees and there is no mention of affiliation with the NRC. They shall not solicit contributions on licensee property and shall not directly solicit contributions from the licensee or a licensee contractor as a corporate entity.

2. NRC employees and their families can join community or social clubs provided that such organizations are not limited to licensee or contractor employees, and provided that the NRC employees and their families obtain admission through normal channels, are not sponsored by licensee or licensee contractor employees, and pay their own way if there is an entry fee or dues.
 3. Church and church-sponsored spiritual activities are not restricted regardless of the extent of participation of licensee or contractor employees and their families.
 4. NRC employees and their families may participate in political activities to the extent permitted by the [Hatch Act \(5 USC 7321\)](#). Agency policy on political activities can be found in Management Directive 7.10.
- d. **Employment by Spouse and Children.** As a general rule, spouses and dependent children of NRC employees having involvement in the inspection program of the licensee shall not accept employment with the licensee, its contractors, or on-site subcontractors at the same facility where the NRC employee has duties related to the inspection program.

As a general rule, the resident inspection office shall not hire an individual whose spouse is employed at the same facility by the licensee, one of its contractors, or an on-site subcontractor.

Under 1201-04.01, the Regional Administrator is authorized to grant waivers from these policies.

The more common situations involve licensee employment of the spouse of an individual whom the resident inspection office wishes to hire as an office resident assistant. In such cases, the duties of both the NRC employee and the spouse must be considered to ensure that potential conflicts of interest are minimized. It might be necessary, for example, to restrict the activities of an office resident assistant so that the employee is not permitted to type inspection reports or inspection plans involving work within the scope of the spouse's employment.

A much more difficult situation can arise if the spouse of the resident inspector wishes to accept employment with the licensee, one of its contractors, or an on-site subcontractor. Depending on the position to be held by the spouse, there could be an apparent or real conflict of interest. For example, there is a significant difference between a spouse being employed as a plant cafeteria worker and one being employed as a secretary to the plant manager. The issue is whether a resident inspector might consciously or subconsciously color his or her findings to ensure that the spouse would continue employment and, consequently, continue to add to family income. The Regional Administrator must use great care in resolving such cases.

1201-10 NRC RESIDENT STAFF

10.01 Applicability. This section, 1201-10, applies to NRC resident inspectors assigned to power reactor and fuel enrichment facilities.

10.02 Policy

- a. Use of Pagers and/or Cellular Phones. Pagers and or cellular phones are frequently made available to RI staff and others who provide site coverage and may be required to respond to events. These devices serve as a means to expedite communications and potentially minimize response time to an event. Consistent with this purpose, carrying pagers and cellular phones does not impose additional responsibility or restrictions for the individual. As the current guidance indicates, there should be no additional restrictions on personal activity when off duty while carrying a pager or phone, except, if called upon by the region, the resident inspector must make management aware of any fitness-for-duty limitations and response time capability.
- b. Respirators. The region should, as a minimum, maintain the status of inspection, radiological, and respirator qualifications for each inspector fulfilling an emergency response role. Note that IMC 1245, "Qualification Program for Operating Reactor Programs" does not require inspectors to be respirator qualified. However, in rare instances of incident response that necessitates respirator qualification, the Regional Administrator can require an inspector to shave facial hair in order to fulfill the emergency response role.
- c. Response Time. Resident inspectors are not required to establish residence within any specific distance of a site, nor is there a specific requirement regarding response time to a site that would reasonably affect the choice of personal residence within these guidelines. "Emergency Response Resource Guide," NUREG 1442, establishes the expected time for an NRC representative to arrive on site in response to an emergency as 2 to 8 hours. The regions should be cognizant of response capability and coordinate appropriately when resident inspectors are away from the site for extended periods.

1201-11 REFERENCES

[SUMMARY OF STANDARDS OF EMPLOYEE CONDUCT REGULATIONS
5 CFR 2635 \(http://www.nrc.gov/about-nrc/employment/ethics/summary-of-conduct-regs09.pdf\)](http://www.nrc.gov/about-nrc/employment/ethics/summary-of-conduct-regs09.pdf)

Yellow Announcement No. 129, issued on December 18, 2009

[IMC 1245](#), "Qualification Program for Operating Reactor Programs"

NUREG 1442, "Emergency Response Resource Guide"

[5 CFR 2635](#), Standards of Ethical Conduct for Employees of the Executive Branch

[5 CFR 5801](#), Supplemental Standards of Ethical Conduct for Employees of the Nuclear Regulatory Commission

[5 USC 7321](#), Political Activities (Hatch Act)

[18 USC 201-209, 216](#), Selected Provisions of the Conflict of Interest Laws

Management Directive 7.9, "Ethics Approvals and Waivers"
(<http://www.internal.nrc.gov/ADM/DAS/cag/mandirs/mdcat.html>)

Management Directive 7.10, "Political Activity"
(<http://www.internal.nrc.gov/ADM/DAS/cag/mandirs/mdcat.html>)

| (<http://drupal.nrc.gov/ogc/nrc-ethics>)

END

Attachment 1 – Revision History for IMC 1201

| Commitment Tracking Number | Accession Number Issue Date Change Notice | Description of Change | Description of Training Required and Completion Date | Comment and Feedback Resolution Accession Number |
|----------------------------|---|--|--|---|
| | 07/23/90 | Initial issuance to provide a standard of conduct to be followed by employees of NRR, NMSS, AEOD, OE, and the Regional offices in their relationships with licensees, licensee contractors and vendors, and applicants for an NRC license or construction permit. The instruction contains NRC management policies that supplement the standards contained in 10 CFR Part 0. | | |
| | 01/23/91 | Revised to change the statement in Section 1201-07.01.c.2 from "alcohol shall not be consumed." to "alcohol should not be consumed.." In addition, an introductory clause was added to explain that such action is for the purpose of ensuring that employees are not impaired to perform their duties | | |
| | 12/27/94 | Revised to eliminate many of the restrictions contained in the previous manual chapter and reflects the standards of conduct issued by the office of government ethics (OGE). In addition, the manual chapter includes as appendices two important employee announcements dealing with ethics related matters. | | |

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|----------------------------|---|---|--|---|
| N/A | 06/29/99 CN 99-010 | Has been revised to provide clarification of the Agency's guidance for the resident inspector program as specified in the October 13, 1998 memorandum from the Deputy Executive Director for Regulatory Programs entitled "Resolution of Long-Standing Concerns Associated with the Resident Inspector Program." The areas clarified included the resident's use of pager and/or cell phones, response time to events at the plant, time in the resident program, and resident relocation policy. | N/A | |
| N/A | ML111470227 10/28/11 CN 11-023 | Deleted Appendix A and B (redundant and superseded) - provided link and reference to "Summary of Standards of Employee Conduct Regulations 5 CFR 2635". This action resolves FF 1201-1593. | N/A | ML112140163 |
| | ML16211A030 07/29/16 CN 16-019 | Is revised as an editorial change to correct hyperlinks and formatting. | N/A | N/A |