

April 20, 2015

IA-14-040

Mr. Bryan J. Buchanan
**[HOME ADDRESS DELETED
UNDER 10 CFR 2.390]**

SUBJECT: NOTICE OF VIOLATION - NRC INVESTIGATION REPORT NO. 2-2013-024

Dear Mr. Buchanan:

This refers to the investigation conducted by the U.S. Nuclear Regulatory Commission (NRC) Office of Investigations (OI) between April 13, 2013, and May 9, 2014, of activities at the Chicago Bridge and Iron Company's, Lake Charles, Louisiana, facility (CB&I-LC), formerly known as Shaw Modular Solutions. The investigation was conducted, in part, to determine whether you directed CB&I-LC personnel to falsify statements, and thus create a false quality record associated with a sub-module destined for the Virgil C. Summer Nuclear Station (V. C. Summer). The results of the investigation and apparent violation were described in the January 15, 2015, NRC letter which transmitted a factual summary of the OI report to you. This letter was also subsequently emailed directly to you by NRC staff on January 29, 2015.

A Predecisional Enforcement Conference (PEC) was conducted on March 10, 2015, in the NRC Region IV office to discuss the apparent violation, its significance, its root cause, and your corrective actions. This conference was closed to public observation because we discussed the findings of an OI report that has not been publicly disclosed.

Based on the information developed during the investigation and the information that you provided during the conference, the NRC has determined that a deliberate violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it were described in the January 15, 2015, NRC letter to you.

The violation occurred on March 1, 2013, when you, in your capacity as a CB&I-LC official, deliberately instructed subordinate CB&I-LC employees to knowingly omit from an Incident Investigation Report that: (1) the V. C. Summer CA-01-20 sub-module had dropped approximately 3.5 feet; (2) improper rigging equipment (nylon slings) had been used and had broken; and (3) the sub-module had sustained damage. Your deliberate actions were a violation of Title 10 of the *Code of Federal Regulations* (10 CFR) 52.4, "Deliberate Misconduct," as they caused CB&I-LC to not meet the requirements of 10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," which were contractually imposed on CB&I-LC by NRC licensees. Enclosure 2 includes a copy of the letter and Notice of Violation issued to CB&I-LC. Given the significance of the underlying issue and the deliberate nature of your actions, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III.

In determining the appropriate sanctions to be issued in this case, the NRC considered issuing an Order prohibiting your involvement in future NRC-licensed activities for a specified period of time (i.e., up to three years) as a result of your actions. However, after considering the circumstances of this case, including the low safety significance of the damage to the sub-module and the fact that you are no longer employed at CB&I-LC, I have decided to issue the enclosed Notice of Violation.

You should be aware that if you are involved in NRC-licensed activities in the future, additional deliberate violations could result in more significant enforcement action or criminal action.

The NRC has also concluded that the information you provided regarding the reason for the violation, the actions you have taken, and plan to take to address this issue were adequately addressed at the PEC. Therefore, you are not required to respond to this letter. However, if you have additional information that you believe the NRC should consider, you may provide a response to the Notice. The NRC will review any response to the Notice, and will also determine whether further enforcement action is required to address any new information provided to ensure compliance with regulatory requirements.

Instead of providing a written response to the Notice, you may request Alternative Dispute Resolution (ADR) with the NRC in an attempt to resolve this issue. This request must be made within 30 days of the issuance date of the Notice. Alternative dispute resolution is a general term encompassing various techniques for resolving conflict outside of court using a neutral third party. The technique that the NRC has decided to employ is mediation. Additional information concerning the NRC's program is described in the enclosed brochure (NUREG/BR-0317) and can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution at Cornell University has agreed to facilitate NRC's program as an intake neutral.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

In addition, this letter will be maintained by the Office of Enforcement in an NRC Privacy Act system of records, NRC-3, Enforcement Actions Against Individuals. This system, which is not publicly-accessible, includes all records pertaining to individuals who are being or have been considered for enforcement action, whether such action was taken or not. The NRC-3 system notice, which provides detailed information about this system of records, can be accessed from the NRC Web site at <http://www.nrc.gov/reading-rm/foia/privacy-systems.html>.

B. Buchanan

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Please feel free to contact Robert Fretz of my staff at 301-415-1980 or Robert.Fretz@nrc.gov if you have any questions.

Sincerely,

/RA/

Patricia K. Holahan, Director
Office of Enforcement

Docket No. 99901425

Enclosures:

1. Notice of Violation
2. Notice of Violation to Chicago Bridge and Iron Company, (Lake Charles)
3. NRC Brochure NUREG/BR-0317

B. Buchanan

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NRO-002

OFC	NRO/DCIP:ROE	NRO/DCIP:ES	NRO/DCIP:BC	OE/EB:ES	OE/EB:BC
NAME	ABelen	TFrye	KKavanagh	RFretz	NHilton
DATE	03/23/15	03/23/15	03/26/15	04/13/15	04/20/15
OFC	RII/OI	NRO/DCIP:D	OGC	OE	
NAME	RRzepka	MCheok	DCylkowski *	PHolahan	
DATE	03/27/15	04/07/15	04/13/15	04/20/15	

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Bryan J. Buchanan
[HOME ADDRESS DELETED
UNDER 10 CFR 2.390]

IA-14-040

During an investigation conducted by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI), completed on May 9, 2014, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

- A. Title 10 of the *Code of Federal Regulations* (10 CFR) 52.4(c)(1) states, in part, that an employee of a contractor of any licensee may not engage in deliberate misconduct that causes or would have caused, if not detected, a licensee to be in violation of any rule, regulation, or order; or any term, condition, or limitation of any license issued by the Commission.

Criterion XVI, "Corrective Action," of Appendix B, "Quality Assurance Program Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to 10 CFR, Part 50, states, in part, that "measures shall be established to assure that conditions adverse to quality, such as . . . deficiencies . . . and nonconformances are promptly identified and corrected."

Contrary to the above, on March 1, 2013, you engaged in deliberate misconduct that would have caused South Carolina Electric and Gas Co., the licensee for the Virgil C. Summer Nuclear Station (V. C. Summer), to be in violation of 10 CFR Part 50, Appendix B, Criterion XVI. Specifically, you deliberately instructed subordinate employees at the Chicago Bridge and Iron Company's Lake Charles facility (CB&I-LC) to knowingly omit from statements supporting an Incident Investigation Report that: (1) the V. C. Summer CA 01-20 sub-module had dropped approximately 3.5 feet; (2) improper rigging equipment (nylon slings) had been used and had broken; and (3) the sub-module had sustained damage. The deliberate act on your part caused other CB&I-LC employees to submit incomplete and inaccurate information to their employer, a contractor to an NRC license holder, regarding the incident, and resulted in a condition adverse to quality not being promptly identified and corrected.

This is a Severity Level III violation (NRC Enforcement Policy, Section 6.9).

You are not required to respond to this Notice of Violation (Notice); however, pursuant to the provisions of 10 CFR 2.201, you may submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a copy to the Document Control Desk, Washington, DC 20555-0001, within 30 days of the date of the letter transmitting this Notice. Any reply should be clearly marked as a "Reply to a Notice of Violation; IA-14-040" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Any response to this Notice will be made available electronically for public inspection in the NRC Public Document Room and in the NRC's Agencywide Document Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

This Notice will be maintained by the Office of Enforcement in an NRC Privacy Act system of records, NRC-3, Enforcement Actions Against Individuals. This system, which is not publicly-accessible, includes all records pertaining to individuals who are being or have been considered for enforcement action, whether such action was taken or not. The NRC-3 system notice, which provides detailed information about this system of records, can be accessed from the NRC Web site at <http://www.nrc.gov/reading-rm/foia/privacy-systems.html>.

Dated this the 20 day of April 2015

The Notice of Violation and Proposed Imposition of Civil Penalty issued to Chicago Bridge and Iron Company, dated April 20, 2015, is available electronically for public inspection through the NRC's Agencywide Document Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, by referencing Accession Number ML15082A130.