

October 27, 2000

IA-00-032

Mr. Hiram J. Bass
[HOME ADDRESS DELETED
PURSUANT TO 10 CFR 2.790]

SUBJECT: ORDER PROHIBITING INVOLVEMENT IN NRC-LICENSED ACTIVITIES
(EFFECTIVE IMMEDIATELY) - NRC OFFICE OF INVESTIGATIONS REPORT
NO. 2-1999-028 AND NRC INSPECTION REPORT NOS. 50-259/00-03,
50-260/00-03, 50-296/00-03

Dear Mr. Bass:

The enclosed Order Prohibiting Involvement in NRC-Licensed Activities (Effective Immediately), (Order), is being issued because of your deliberate misconduct in violation of 10 CFR 50.5 of the Commission's regulations, as described in the Order. Your deliberate misconduct caused your employer at the time, Tennessee Valley Authority (TVA), an NRC licensee, to be in violation of plant procedures that are required by Technical Specification 5.4.1. The NRC's Office of Investigations investigation report summary and NRC Inspection Report 50-259/00-03, 50-260/00-03, 50-296/00-03 were sent to you by letter dated July 31, 2000. In that letter, you were provided an opportunity to respond to the apparent violation and/or request a predecisional enforcement conference. The NRC attempted to contact you by telephone on numerous occasions; however, to date you have not responded to our July 31, 2000 letter.

The Order prohibits your involvement in NRC-licensed activities for a period of three years from the date of your resignation from TVA, June 21, 1999, and establishes other requirements as stated in the Order. You are required to respond to this order and should follow the instructions contained in section V of the order when doing so.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of the Order may also subject the person to a civil monetary penalty.

Questions concerning the Order may be addressed to me at (301) 415-2741. Also attached is the Notice of Violation and Exercise of Enforcement Discretion issued to TVA as a result of your deliberate actions.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures, with your address redacted, and your response (if you choose to provide one), will be available electronically for public inspection in the NRC Public Document Room (PDR) or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR and PARS without redaction.

Mr. Hiram J. Bass

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ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html>
(the Public Electronic Reading Room).

Sincerely,

/RA/

R. W. Borchardt, Director
Office of Enforcement

Enclosures:

1. Order Prohibiting Involvement in NRC-Licensed
Activities, Effective Immediately
2. Notice of Violation and Exercise of Enforcement
Discretion

cc w/ encls:

Mr. J. A. Scalice, Chief Nuclear
Officer and Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Distribution w/encl 1:

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OFFICE	RII:DRP	RII:EICS	RII:ORA	RII: DRS	RII:ORA	
SIGNATURE	/ra	/ra	/ra	H. Christensen	/ra	
NAME	LPLISCO	ABOLAND	CEVANS	CCASTO	BMALLETT	
DATE	10/11/00	10/12 /00	10/12 /00	10/12/00	10/12 /00	/ /00
COPY?	YES NO	YES NO	YES NO	YES NO		YES NO

OFFICE	NRR	OE	EDO	OGC		
SIGNATURE			RWBorchardt for			
NAME	JJohnson	RBORCHARDT	FMIRAGLIA	DDAMBLY		
DATE	10 /17/00	10/ 27/00	10 / 27 /00	10 / 26 /00	/ /00	/ /00
COPY?	YES NO	YES NO		YES NO	YES NO	YES NO

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of
Hiram J. Bass

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IA-00-032

ORDER PROHIBITING INVOLVEMENT IN
NRC-LICENSED ACTIVITIES
(EFFECTIVE IMMEDIATELY)

I

Hiram J. Bass was formerly employed as the Measuring and Test Equipment (M&TE) Program Administrator by Tennessee Valley Authority (TVA or Licensee). The Licensee is the holder of License Nos. DPR-33, DPR-52, DPR-68, issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 50 on December 20, 1973, August 2, 1974, and August 18, 1976, respectively. The licenses authorize the operation of the Browns Ferry Nuclear Plant Units 1, 2, and 3 (BFN or facility) in accordance with the conditions specified therein. The facility is located on the Licensee's site in Athens, Alabama.

II

On September 21, 1999, the Nuclear Regulatory Commission's (NRC) Office of Investigations (OI) initiated an investigation to determine whether Hiram J. Bass deliberately failed to issue and/or disposition nonconformance evaluations as required by site procedures while employed as the M&TE Program Administrator at the facility. The NRC also conducted an inspection of this issue during the period April 2 through June 24, 2000. The results of this investigation and inspection were documented in NRC Inspection Report 50-259/00-03, 50-260/00-03, 50-296/00-03, issued on July 27, 2000, and our letter to Mr. Bass dated July 31, 2000.

As background, certain M&TE used at BFN is calibrated on a regular basis by TVA's Central Laboratory Field Testing Services (CLFTS). When CLFTS identifies an instrument that is out of tolerance, that information is forwarded to the BFN Maintenance Department, M&TE Group. The M&TE Program Administrator is responsible for issuing and ensuring disposition of each nonconformance evaluation for M&TE found to be out of tolerance. The purpose of a nonconformance evaluation is, among other reasons, to initiate the facility review process to ensure that plant components have not been negatively affected by the out-of-tolerance M&TE, and to initiate action to address plant components that have been affected. BFN Technical Specification 5.4.1, BFN Site Standard Practice Procedure (SSP)-6.7, Control of Measuring and Test Equipment, Revision 8A, effective May 27, 1997 through June 1, 1998, and TVA Standard Programs and Processes Procedure (SPP)-6.4, Measuring and Test Equipment, Revision 0, effective May 29, 1998, through August 15, 1999, together require nonconformance evaluations to be issued and dispositioned for conditions such as lost M&TE or standards, out-of-tolerance M&TE or plant standards, damaged or otherwise defective M&TE or plant standards, and disassembled M&TE or plant standards.

In June 1999, a BFN self-assessment of the M&TE program revealed that several out-of-tolerance M&TE items did not have nonconformance evaluations initiated by BFN. Further TVA review determined that, from June 1997 to June 1999, approximately 500 nonconformance evaluations were not properly issued and/or dispositioned for components tested or inspected using the out-of-tolerance M&TE. When questioned by TVA and subsequently by the NRC OI,

Mr. Bass failed to explain why the large number of nonconformance evaluations had not been issued and/or dispositioned. On June 21, 1999, following questions by TVA regarding this matter, Mr. Bass resigned from TVA.

The NRC's investigation and inspection of this matter concluded that Mr. Bass deliberately failed to issue and/or disposition nonconformance evaluations on test equipment that was out-of-tolerance, in accordance with BFN Technical Specification required Licensee procedures.

The NRC informed Mr. Bass by certified letter dated July 31, 2000, of the results of the NRC's investigation and inspection of this matter, and provided Mr. Bass the opportunity to respond to this matter or request a predecisional enforcement conference. Receipt of the letter by Mr. Bass was verified by his signature on the certified mail return receipt. The NRC has attempted to contact Mr. Bass by telephone on numerous occasions; however, to date he has not responded to the NRC's July 31, 2000 letter.

III

Based on the above, the NRC has concluded that Mr. Bass engaged in deliberate misconduct from approximately June 1997 to June 1999, by deliberately failing to adhere to Technical Specification 5.4.1 required Licensee procedures related to out of tolerance measuring and test equipment (M&TE).

These actions constituted a violation of 10 CFR 50.5(a)(1), which prohibits an individual from engaging in deliberate misconduct that causes 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. As defined by 10 CFR 50.5(c)(2), deliberate misconduct means an intentional act or omission that the person knows constitutes a violation of a requirement, procedure, or instruction of a licensee; in this case Technical Specification 5.4.1. The NRC must be able to rely on the Licensee and its employees to comply with NRC requirements. Mr. Bass' conduct raises serious doubt about his trustworthiness and reliability; particularly whether he can be relied upon to comply with NRC requirements in the future.

Consequently, I lack the requisite reasonable assurance that licensed activities can be conducted in compliance with the Commission's requirements and that the health and safety of the public will be protected if Mr. Bass were permitted at this time to be involved in NRC-licensed activities. Therefore, the public health, safety and interest require that Mr. Bass be prohibited from any involvement in NRC-licensed activities for a period of three years from the date of his resignation from the Licensee (June 21, 1999). Additionally, Mr. Bass is required to notify the NRC of his first employment after the prohibition period ends and all subsequent employment in NRC-licensed activities for a period of three years following the prohibition period. Furthermore, pursuant to 10 CFR 2.202, I find that the significance of Mr. Bass' conduct described above is such that the public health, safety and interest require that this Order be immediately effective.

Accordingly, pursuant to sections 103, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202, and 10 CFR 50.5, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT:

1. Hiram J. Bass is prohibited for three years from the date of his resignation, June 21, 1999, from engaging in NRC-licensed activities. NRC-licensed activities are those activities that are conducted pursuant to a specific or general license issued by the NRC, including, but not limited to, those activities of Agreement State licensees conducted pursuant to the authority granted by 10 CFR 150.20.
2. If Mr. Bass is currently involved with another licensee in NRC-licensed activities, he must immediately cease those activities, and inform the NRC of the name, address and telephone number of the employer, and provide a copy of this Order to the employer.
3. For a period of three years after the three year period of prohibition has expired, Mr. Bass shall, within 20 days of his acceptance of each employment offer involving NRC-licensed activities or his becoming involved in NRC-licensed activities, as defined in Paragraph IV.1 above, provide notice to the Director, Office of Enforcement (OE), U. S. Nuclear Regulatory Commission, Washington, DC 20555, of the name, address, and telephone number of the employer or the entity where he is, or will be, involved in the NRC-licensed activities. In the first notification, Mr. Bass shall include a statement of his commitment to compliance with regulatory requirements and the basis why the Commission should have confidence that he will now comply with applicable NRC requirements.

The Director, OE, may, in writing, relax or rescind any of the above conditions upon demonstration by Mr. Bass of good cause.

V

In accordance with 10 CFR 2.202, Hiram J. Bass must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically admit or deny each allegation or charge made in this Order and shall set forth the matters of fact and law on which Mr. Bass or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Associate General Counsel for Hearings, Enforcement & Administration at the same address, to the Regional Administrator, NRC Region II, 61 Forsyth Street, SW, Suite 23T85, Atlanta, GA, 30303, and to Mr. Bass, if the answer or hearing request is by a person other than Mr. Bass. If a person other than Mr. Bass requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by Mr. Bass or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR 2.202(c)(2)(i), Mr. Bass may, in addition to demanding a hearing, at the time the answer is filed or sooner, move the presiding officer to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

R. W. Borchardt, Director
Office of Enforcement

Dated this 27th day of October 2000