

EXHIBIT 4

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EXHIBIT 4



ENTERGY

Entergy Operations, Inc.

10000
Arlington, VA 22201
Tel 804 739-8774

R. F. Burski

Director
Nuclear Energy
Arlington, VA

CONFIDENTIAL

October 13, 1995

Mr. James E. Dyer, Director
Division of Reactor Projects
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Subject: Waterford 3 SES
Docket No. 50-382
License No. NPF-38
Response To Allegation Nos. RIV-95-A-0113
and RIV-95-A-0147

Dear Mr. Dyer:

As requested in your letters dated September 13, 1995 and September 14, 1995, Entergy Operations, Inc. is providing this response regarding Allegation Nos. RIV-95-A-0113 and RIV-95-A-0147. Entergy Operations conducted an investigation and concluded that sufficient evidence exists to substantiate Allegation RIV-95-A-0147. Attachment A contains Entergy Operations, Inc.'s response to this allegation.

Allegation No. RIV-95-A-0113 alleged that "Security firewatch personnel placed tape on doors without cardreaders which allowed the firewatches to complete their rounds much faster by only checking the doors where the tape had been broken." Entergy Operations conducted an investigation and concluded that sufficient evidence also exists to substantiate this allegation. The circumstances of this matter and action taken are discussed herein. During this investigation, it was also learned that a previous investigation of similar allegations had been conducted by the EOI security contractor after a preliminary investigation by the site Security department. Attachment B contains a description of the Entergy Operations investigation of this allegation and its conclusions. Attachment C

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contains an evaluation of the earlier investigation. Attachment D contains a description of the root causes, generic implications, and corrective actions planned to prevent recurrence.

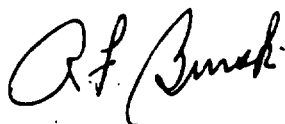
Entergy Operations believes that the corrective actions identified in this response, will be effective in correcting the identified deficiencies. We are also committed to ensuring that a culture continues to exist at Waterford 3 where employees and contractors are comfortable identifying and reporting potential safety or quality concerns.

Throughout this investigation, Entergy Operations, Inc. maintained contact with the NRC to keep them apprised of the progress of these events. Additionally, detailed information on the investigation is being maintained and available for your review on the Waterford 3 site.

In accordance with 10CFR2.790, Entergy Operations proposes that this document be withheld from public disclosure on the basis that it contains confidential information. An affidavit explaining why the above information should be withheld from public disclosure is attached.

Should you have further questions, please contact Gregory Fey at (504) 739-6323.

Very truly yours,



R.F. Burski
Director
Nuclear Safety

RFB/GCS/tjs
Attachments

cc: Russel Wise, Allegations Coordinator

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ATTACHMENT A

Response to Allegation RIV-95-A-0147

Background and Investigation Results

On August 17, 1995, Condition Report 95-0688 was initiated to document the falsification of documentation associated with a firewatch inspection by a Waterford 3 Security officer. This condition report was generated as a result of an investigation conducted by Entergy Operations Site Security into anonymous allegations made to the Entergy Operations Corporate Security department in Jackson, Mississippi. The anonymous allegations were turned over to the Superintendent of Security at Waterford 3 by the Entergy Operations Security Manager on July 25, 1995. The Site Superintendent of Security then turned part of the investigation over to the Security Force Coordinator for Wackenhut Corporation. This initial investigation was concluded on August 16, 1995.

On August 18, 1995, Condition Report 95-0690 was initiated when a Quality Assurance surveillance identified a separate incident of falsifying documentation associated with a firewatch inspection.

The above facts were communicated by Waterford 3 management to the NRC during a conference call conducted on August 22, 1995. This information is the content of Allegation RIV-95-A-0147. Specifically, the improprieties involved a qualified firewatch who signed a log for a surveillance that he did not perform and another firewatch who signed a log for a surveillance that had not been performed.

In response to CR 95-0688 and CR 95-0690, the General Manager, Plant Operations assigned an independent investigation team (IIT), led by the Quality Assurance group to evaluate these incidents as they related to Security practices. Additionally, he requested electronic watch stations be installed as soon as possible to make sure all firewatch rounds are being completed. The IIT reviewed the results of the Wackenhut investigation related to this allegation and the Quality Assurance surveillance and concurred with the findings.

Corrective Actions

Upon discovery of the firewatch improprieties, follow-up firewatch surveillances were performed with no discrepancies identified. The two individuals involved in the firewatch improprieties have been terminated.

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As a corrective measure to preclude recurrence of these types of events, Waterford 3 has installed electronic watch stations (Morse Watchman) throughout the plant which require security guards to "key" into stations to validate their presence in the area. This system provides a barrier to ensure any bypassed inspection areas are readily detected. As an additional measure, Security management was directed to increase the number of challenges and observations of security patrols and firewatches. Finally, training classes will be conducted with all security personnel to re-emphasize management's expectations regarding firewatch tours and proper and accurate logkeeping practices.

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ATTACHMENT B

Entergy Operations Independent Investigation to Allegation RIV-95-A-0113

On September 18, 1995, Waterford 3 received the USNRC letter forwarding the allegation that tape was being used by security personnel to avoid doing the required firewatch inspections. The Director, Nuclear Safety directed the IIT (reference Attachment A) to conduct an immediate inspection of the doors on the current firewatch tour to determine if there was any evidence of tape or tape residue on the doors. The IIT found eight doors with tape or tape residue during this initial inspection. The physical appearance of the tape on the doors seemed to indicate that it had not recently been applied. While briefing the Site Security Superintendent, the IIT learned that the issue of using tape on doors had been previously investigated by the EOI security contractor after a preliminary investigation by the site Security department as a result of the anonymous allegation referenced in Attachment A.

On September 19, 1995, the IIT initiated a review of the investigation reports addressing the initial allegations and found several inconsistencies. On September 22, the IIT briefed Waterford 3 management and recommended that legal expertise be brought in to aid in the subsequent investigation. The IIT also recommended that personnel closely affiliated with the initial investigation be placed on paid administrative leave from site to ensure independence in the investigation process.

With the assistance of Mr. Douglas E. Levanway, an attorney with Wise Carter Child & Caraway, a legal firm experienced in the investigation of such matters, the IIT commenced a thorough investigation of the allegations as well as the initial investigation process.

The IIT interviewed some personnel identified in the initial investigation report, additional security force personnel as well as the individuals who conducted the initial investigation. Through these interviews, four security personnel disclosed that they had seen tape on doors and in some cases removed tape. Through information derived from the interviewees, the IIT also found three additional doors with tape residue. None of the interviewees admitted to placing the tape, nor did they have knowledge of who placed tape. However, each believed that the tape was being used by Security personnel as a method to omit firewatch inspections or other security tours. The IIT could not make an exact determination of the full extent of this practice in terms of scope or duration. Eleven doors in all were found to have tape or tape residue. It is believed that the practice

ended with the initial investigation in July, 1995, and the installation of the electronic watch stations.

It should be noted that the interviews developed a set of other issues requiring follow-up investigations. It has been determined that these follow-up items do not relate directly to these allegations. Nonetheless, these items will be thoroughly investigated. Any information derived through the investigation deemed important to plant security will be provided to the NRC as appropriate.

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ATTACHMENT C

Evaluation of the Site Security/Wackenhut Investigation Related to Allegation RIV-95-A-0113

The issue of using tape on doors had been previously investigated by the EOI security contractor after a preliminary investigation by the site Security department. That investigation which began on July 26, 1995, was conducted after the Entergy Operations Corporate Security organization received an anonymous telephone call stating similar allegations. The site security investigation concluded that there was insufficient evidence to substantiate the allegation. Several weaknesses were found in the site security/Wackenhut investigation process. First, Entergy Site Security management turned over the responsibility for conducting the investigation to the security force contractor, Wackenhut, without maintaining adequate oversight.

Secondly, the Lead Security Officer (LSO) assigned to perform a tour to identify evidence of tape on doors performed an inadequate inspection. During an interview, the LSO indicated that he expected to find tape near the door lock area and near the floor and therefore limited his inspection to those areas. It was the practice, however, to place the tape at the top of the door, usually behind the door closure device. The independent investigation team concluded that a reasonable search would have included the entire door and door frame. This conclusion was substantiated by the fact that the IIT, in its September 1995 inspection, readily identified eight doors with tape or tape residue in a relatively short period of time.

Finally, the Wackenhut Security Force Coordinator (SFC) made several errors during the investigation and in the conduct of his report. During interviews, three persons made statements that they had personal knowledge of tape being used on doors and had so informed the SFC. Notwithstanding those statements, the Wackenhut SFC documented in his report that one of the three indicated that he had no knowledge of the impropriety. And, although he did reference their statements which were an attachment to the report, the SFC further omitted information in his report as to the two other individuals' knowledge of the practice. It could not, however, be substantiated that the SFC intentionally misrepresented the information. The position of the SFC, in interviews with him, was that the statements could not substantiate the allegation because physical evidence of the tape could not be found and no one had first hand knowledge of who placed the tape or why the tape was placed on the doors. The IIT investigators concluded that the SFC's conclusions were incomplete and evidenced a lack of appreciation for the nuclear safety issues involved.

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ATTACHMENT D

Description of Generic Implication, Root Causes and Corrective Actions Related to Allegation RIV-95-A-0113

GENERIC IMPLICATIONS/CORRECTIVE ACTIONS

To ensure that other security functions have not been affected by poor work practices, the IIT as well as security management have increased the number of unannounced surveillances and observations. These surveillances and observations have been conducted on all areas important to security. Coverage includes all shifts and weekends. Together with the Morse Watchman system, it is believed that no other improprieties have taken place.

The generic implications relative to the Wackenhut investigation process are being evaluated. To ensure that the Wackenhut investigations have been effective in properly identifying problems, root causes and resolutions when improprieties have been identified, the IIT is undergoing an evaluation of investigations conducted over the previous two year period.

During interviews, Security personnel discussed a reluctance to identify problems. As a basis for their reluctance, interviewees generally referred to a security officer who was recently terminated for falsifying a record (Reference Allegation No. RIV-95-A-0147). It was perceived by the interviewees that his termination was inappropriate since he admitted to the impropriety. The independent investigators reviewed the circumstances surrounding the termination and concluded that the termination was in fact, appropriate.

Notwithstanding this conclusion, it is believed that the perception of not being able to comfortably identify problems could exist and must be dealt with aggressively. The Nuclear Safety department will conduct an anonymous survey of the safety culture within the Security department. This survey will be used to determine the existence, extent and source of any chilling effects as appropriate. The results of this survey will be used to identify necessary corrective actions. At a minimum, Entergy Operations intends to conduct training sessions with Entergy and Wackenhut managers and supervisors to ensure that the requirements of Section 211 of the Entergy Reorganization Act of 1974 as amended and 10CFR50.7 are clearly understood and are complied with and that Entergy Operations' commitment to an open safety environment, where employees are encouraged to identify

problems and bring them to the attention of management, is fully understood and complied with.

Additionally, Entergy Operations intends to include in a letter of complaint to Wackenhut, direction to ensure that no adverse employment actions are associated with the reporting of safety concerns. Entergy will specifically provide direction for compliance with Section 211 of the Entergy Reorganization Act of 1974 as amended and 10CFR50.7.

ROOT CAUSES/CORRECTIVE ACTIONS

Problem to be Corrected - Use of Tape on Doors

The root cause of this problem is believed to be misconduct by one or more security officers. In spite of a thorough investigation, it could not be determined who the individual or individuals were that practiced this inpropriety. Therefore, further human performance evaluations were not possible. It is doubtful, however, that the proposed corrective actions would differ significantly.

A contributing cause of this problem was inadequate oversight by security supervisory personnel. Given the estimated scope and duration of this practice, it is believed that earlier detection or prevention would have been possible with a greater level of supervision.

Corrective Action

Departmental discussions and smaller group meetings as appropriate, will be held between the General Manager, Plant Operations, Site Security Management, Wackenhut Management and all security force personnel to communicate expectations regarding procedural compliance and excellence in the conduct of security practices. It will be clearly communicated that misconduct of this type will not be tolerated.

In response to these allegations, Security Supervisory personnel were directed to perform frequent observations and challenges of the security force during the conduct of their duties. In the departmental discussion mentioned above, it will be made equally clear that management expects that adequate supervision must be maintained and that failure to do so will also not be tolerated. The Nuclear Safety department will also place a high priority on the conduct of independent surveillances of security related activities.

Entergy Operations Security management will be counseled regarding the need to conservatively and aggressively investigate such improprieties.

Additionally, security management has been directed to issue Condition Reports upon the receipt of such improprieties. This will afford Entergy Operations the opportunity to ensure that adequate oversight is maintained during the investigation process.

In addition to the above, training seminars will be conducted for security supervisors to reinforce management's expectations of their role in providing oversight and ensuring high quality work practices within the security department.

Finally, the Morse Watchman system will continue to be used to ensure that security force presence is validated in areas as required. In fact, the Morse Watchman system is being expanded to include protected area patrols as well as firewatches.

Problem to be Corrected - Inadequate Investigation

The root cause of this problem appears to be an error in judgment in substantiating improprieties affecting nuclear safety. The Wackenhut SFC believed that no further action was necessary since, in his opinion, there was no physical evidence and the impropriety could not be identified. This opinion was nonconservative.

A contributing cause of this condition appears to be inadequate oversight by Entergy Security Management personnel. Management personnel did not challenge the results of the investigation. Given the fact that Entergy Security management had knowledge of at least one person with knowledge of the impropriety, conservative management practices would have included a review of the supporting documentation and investigative efforts. This challenge would most likely have caused a more conservative decision relative to substantiating the allegation.

A second contributing cause of this condition appears to be an inadequate investigation by the Lead Security Officer. As mentioned above, the LSO was directed to conduct a search for tape on doors. The LSO indicated that it was his belief that the tape would be located near the door lock and floor areas and limited his search as such. It is believed that the search was not competently conducted in that a reasonable search would have included the entire door and door frame.

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Corrective Action

Entergy Operations intends to issue a letter of complaint to Wackenhut Corporation detailing the weaknesses in their investigative process. The Security Force Coordinator and the Lead Security Officer will also be counseled regarding the importance of conservative investigative techniques.

The Waterford 3 Superintendent of Security has been counseled regarding the importance of maintaining adequate oversight of the investigation process, particularly when the item of concern is related to nuclear safety.

Finally the Entergy Operations and Wackenhut security investigation process will be evaluated to identify and correct any deficiencies associated with this process including the techniques and methods used to investigate and resolve safety concerns and the need, under certain circumstances, for investigations to be conducted by people independent of the Security organization.

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

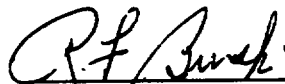
In the matter of)
)
Entergy Operations, Incorporated) Docket No. 50-382
Waterford 3 Steam Electric Station)

AFFIDAVIT

R.F. Burski, being duly sworn, hereby deposes and says that he is Director, Nuclear Safety - Waterford 3 of Entergy Operations, Incorporated; that he is duly authorized to sign and file with the Nuclear Regulatory Commission the attached Response to the alleged firewatch improprieties by security personnel; that he is familiar with the content thereof; and that the matters set forth therein are true and correct to the best of his knowledge, information and belief. [He is submitting this affidavit in conformance with the provisions of 10CFR2.790 of the Commissions' regulations for withholding this information from public disclosure.

Pursuant to the provisions of paragraph (b)(4) of Section 2.790 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information in this letter sought to be withheld from public disclosure should be withheld.

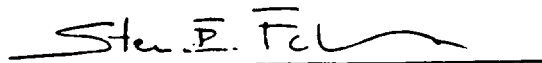
1. The information sought to be withheld from public disclosure in this letter is related to an allegation made by an employee of the Wackenhut Corporation at Waterford 3 that firewatch improprieties were performed by security personnel. The letter also addresses an investigation by Entergy Operations, Inc. of additional firewatch improprieties by Security personnel.
2. The information in this letter is confidential and relates to specific details of these issues. Disclosure of this information would constitute an unwarranted invasion of personal privacy of the individuals involved.
3. The information being held in confidence by Entergy Operations is the type of personnel information customarily held in confidence by the Company. It is not available in public sources.



R.F. Burski
Director, Nuclear Safety - Waterford 3

STATE OF LOUISIANA)
) ss
PARISH OF ST. CHARLES)

Subscribed and sworn to before me, a Notary Public in and for the Parish and State above named this 13th
day of OCTOBER, 1995.


Notary Public

My Commission expires WITH LIFE

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