From: "Michael Mulligan" <steamshovel@adelphia.net>
To: "Victor Dricks" <vld@nrc.gov>
Date: 12/28/01 11:05AM
Subject: LaSalle 2.206

Mr. Dricks,

This is the additional 2.206 on the LaSalle facility that I promised the pre petition hearing of VY yesterday. I have a little more work on it at the end but it gives the gist of my message. I will finish it up this afternoon. The simple message of it is, the Limerick 01-08 IR on their stuck open relief says that the NRC is incapable of using there own processes to prevent a serious accident. It's a serious defect in your regulatory philosophy. The message is that the NRC was not forthcoming with information on the LaSalle facility, and that a very serious accident could ensue, because the agency was not capably of accurately characterizing the conditions of Exelon and LaSalle. You only see LaSalle through the wrong end of the binoculars.

mike mulligan

December 28, 2001

Michael J Mulligan

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Chairman Meserve

Dr Travers

United States Nuclear Regulatory Commission

Washington, DC 20555-0001

I am making a complaint to Chairman Meserve and requesting an additional 10 CFR 2.206 against Exelon and the LaSalle nuclear facility.

The November 19 speech of Commissioner Diaz at Texas A&M raises very troubling issues. Of course he is speaking from the back yard of President Bush's ranch. His language of political rhetoric is appalling for a high official of a governmental agency. It's undemocratic at the least and may indicate the appearance of a soft type of fascism.

You can't miss him using the language of the devastation that the terrorist inflicted on us in NYC and his

supposed connection to the pro safety folks who worry about what nuclear power means post 9/11. Here is some of Diaz quotes from that speech:

a.. "We must defend our way of life, not only from terrorism, but from those misguided interests that, even when well intended, could be harmful to our national interests and energy security is high on the list of vital national interests."
b.. "There are multiple assaults being launched - and in crescendo voices - using the attacks of September 11 to unjustifiably brand nuclear facilities as highly vulnerable and as dangerous as an "American Chernobyl".
c.. "Therefore, as we face the challenges of today and tomorrow, I will be publicly responding to the doomsayers, to counter the unjustifiable fear that they can cause in our people and the damage they could inflict to our common defense and security, our economy and our well-being."
There is no question he is using the language of war on terrorism against us- assaults- as in the attacks on the World Trade Center. We are threatening his-and others- ways of life. Damaging national security and vital national interest! This guy is hinting that it might be acceptable to him to use the full force of governmental powers to protect national security, our economy, and your home against public safety advocacy. Is this a classified national security program, which begins much higher up in government?

WE should watch government very closely in these unprecedented times. Is he using code words to the elite's? Make them terroristic; might be his message to those who challenge us. Commissioner Diaz speech was intemperate and not reflective of good democratic government in times of crisis.

I consider this an Emergency request. I request the LaSalle 1 and 2 Plants be immediately shutdown for safety reasons. Leaking safety relief valve is a safety threat to the community, especially when the leakage has not been characterized in regulations, plant procedures, and having a sleepy federal regulator.

The issue of the degraded SRV's and suppression pool cooling sits in the darkening shadow of the subsequence white finding on the performance indicator with scrams per 7000 hours. As you know, I am concerned with the NRC, in that you censored and distorted the issues I raised- and declined to answer my questions- on the petition responses. The primary importance of the earlier LaSalle petitions is the facility sits is a cesspool of preventable operational accidents and plant transients. It is most striking that the petition response intentionally ignored the recent operational cesspool history. It's like you wanted to put it in the frame work of a White finding before you acknowledge it in the petition. We know the white finding came out just days later after the closeout petition letter.

I request all LaSalle SRV, and especially the leaking SRV, be immediately repaired and replaced with a type that is durable and leak tight. I question if the soft seats have enough testing and operational experience to be qualified for nuclear service. Repetitively these utilities come up with untested fixes-coatings, hardening, stages-and now soft seats and less operational testing- aand the leakage's keeps occurring. I guess the NRC accepts this -change something out-I don't care what or if it will work- so it will give us the excuse to keep operating.

I have no idea what you mean in the NRC the non-petition response statement of "in fact, all SR/V may leak without rendering them mechanical inoperable and incapable of performing their safety function in the event of a reactor overpressure event".

The question I posed, and there was no lack of clarity on my part; is could "all" SRV show indication of leakage (tailpiece and pilot valve abnormal temperatures) and the plant still be up at power. What I was getting at is that the control of abnormal SRV leakage in the regulatory scheme so full of holes, that, can all of the reliefs at both unit 1 and 2 could legally be showing signs of dangerous leakage?

Could the plant still be making money at power and the NRC walking around with their eyes wide shut, with all the SRV leaking and not be in an accident? I mean prior to a reactor overpressure event, just how much power would be acceptable going into the suppression pool by the reliefs? Would it be acceptable to run suppression pool cooling all year long to compensate for relief leakage?

This statement from the petition response is designed to be confusing, contradictory and distorting. It's how the NRC twist around a petition concerns that belittles a petitioner and it was what I predicted in my e-mails on before this.

By the way, has Exelon done any pressure lift accuracy testing or pilot valve remote opening testing on the failed 2N SRV at Limerick? You know the facts! Is the NRC dropped justification on the SDP phases 2 worksheet with "since this finding did not adversely effect the ability of the SRV to open"? Is the NRC depending on Exelon assurances that the opening of the valve, and accuracy of the opening, would not be effected?

As an example, I believe the NRC LaSalle 10 CFR 2.206 to me on the SR/V was answered in an intentionally distorted and fraudulent in manner. Your answers to me on the LaSalle petition with the S/RV were inaccurate, and this response to me on this petition was not truthful and full. What are you afraid to answer my questions?

Per the Limerick inspection report 01-11, we now know that a leaking relief valve was not characterized accurately by Exelon or the NRC, as to the leaking relief ability to fail as expected, or maintain safety. This is the new information that I bring to the table in this new petition. It proves the NRC in incapable of stepping in to control utility behavior prior to an accident.

Most astonishingly is the NRC inability to effectively challenge Limerick in the 81 days prior to the valve failure- in that a leaking relief may create an accident in which the NRC thinks is inconceivable. In effect, a component whose normal condition is non- leakage is allowed to leak for a long period of time. You had a failure of the normal method to detect valve leakage-pressure detection. Then the not normal parameter safety (pilot valve temp) standards are set, approached, then reset at a lower standard, without adequate proof, with an accident ensuing.

You have maintenance rules, corrective actions, owner groups, controls and goals, and inaccurate non-testing-and an accident that you could not stop. Limerick's SRV problems tell us the utility and the industry can have an unlimited assortment of safety and maintenance rules that are ignored- and are changed on a whim without an accurate engineering characterization- with months of agency proactive ignorance before the accident. It further takes months for the full characterization of the accident to come out and almost a year to inform the public of the ingredients of the accident. You are hiding behind a wall of secrecy; a mind-numbing wall of bureaucratic rules that is inhibiting public participation that you won't explain, and propriety restrictions.

Your regulatory structure at one time was designed to manage utility behavior. All regulatory rules now are designed to limit public participation and create a wall of secrecy. Increasingly the rules are designed to systemically structure and limit the interaction of the plant inspector. You need to deregulate the inspectors now. It's amazing how the corporation have regulated the inspectors while deregulating themselves.

You have a mind numbing robust bureaucratic process that only you can understand and an accident that you could not prevent or stop. Most dismayingly, is the public doesn't get to see any of these unengineered guesses with safety component declines until many months after the accident. You vaguely make a declaration that SRV performance industry wide is improving without showing the public any proof. The Limerick debacle shows us the majority of valve data is kept secret from the public until an accident, and then later, only a proportion gets shown to the public. Plausible denial is the catchword. During the next accident at LaSalle, the system would be just as corrupt- with the public not finding out at all of the accident or selectively years later.

RV-11 of LaSalle is amazing. I got another one of my industry efficiency ideas! Let's say the electrical side of the Diesel Generator starts to become failure prone and unreliable. To many electrical trips! On the Diesel Generator testing we could disconnect the Diesel from the Generator. But you ask, what about the safety components or monitoring instrumentation that only works while the generator is running? Oh, the

operational testing of these can be ignored- besides we can see the failure in an accident. We could bench test all the generator components- this would prove in an accident that the generator would work as planned.

Are you people nuts! RV-11 says that on the first lift of a relief valve-18% fail to remain leak tight, and on the second lift, 58 % fail to remain leak tight. Now what was that about the increasing reliability of relief valves nationwide- these numbers don't add up? Are the reduction of testing and the reduction of plant transients -giving us the false indication that relief valve reliability industry wide is improving? A component leak failure rate of 20% is worst than appalling. To create a phony bench test that doesn't test all components of the valve and down stream components with all the operational stresses of temperatures and pressure- is indicative of the massive industry decline in the margin of safety. It the industry scam- if you reduce the amount of testing and reduce the criterion of testing- you can say that there are less failures per increment of time. So let me get this straight, if you have a series of plant accidents in which you need to cycle the SRV's, you would be setting yourself up to operate through the rest of the cycle with many leaking relief's. Why not refurbish or replace the valves which were manipulated seeing how the SRV's are so delicate?

The NRC wants you to believe that it's all Limerick's responsibility to prevent an accident and accurately characterize safety at a plant. What is at the heart of this issue: if a utility becomes blinded by the need to make a profit and walks off a cliff, the NRC believes that it not their responsibility to step in and prevent an accident. It is becoming an increasing priority of the NRC to turn their head away from the utility when the they are bureaucratically reducing the margin of safety; with them allowing the plant's to run at full power with unsafe/degraded equipment.
This federal agency is walking away from their responsibility to act on unsafe condition. The sum and substance of agency action, is when caught, to write a document or report about a preventable accident, many months after they were aware of the accident precursor. If you don't get it, they will arrogantly allow a plant to run in a dangerous condition for years at a time- with the thought that the ingredients of the accident will not come out to the public showing the NRC as irresponsible. If the selective bad news comes out, the NRC constructs many months of delay- this allows the utility to create meaningless changes and goals before the public even becomes aware of the accident. The NRC will then throw up, almost years later, an ocean of bureaucratic processes that are taking place with the utility to correct. This only gives the appearance of a correction to the public. The utility will tell the public when they are first informed of the incidence that the preventable accident really doesn't matter because it has been corrected many months ago, and we got pages of documents that we don't even understand what we wrote.

What really is the philosophical strategy that the NRC is announcing to us? It is the paid song of the corporations: the NRC is relegated to be reactive to current events, and its real responsibility is to inspect the incident and write reports many times, years after the occurrence. This is a paid political scheme so that the NRC is prevented, or mitigated, from coming into operational conflict with plant operations. The utility, by the NRC, is given the green bureaucratic light to operate with faulty safety equipment. The utility, knowing they will be allowed to continue dangerous reactor operation until a planed shutdown or preventable trip; knows that the federal response will be a delayed selective report, and the cost of meaninglessly answering the inspection report.

a.. THE NRC'S PROGRAMS AND PROCESSES FOR SAFETY OVERSIGHT

b.. Dr. Richard A. Meserve
Chairman, U.S. Nuclear Regulatory Commission

c.. U.S. DOE Executive Safety Conference
Grand Hyatt, Washington, DC
December 11, 2001

a.. Introduction
b.. Good morning. I would like to express my appreciation to General Gordon and Under Secretary Card for their invitation to speak to you today concerning the Nuclear Regulatory Commission's safety oversight programs and processes. (Slide 1) Since the theme of this conference deals with safety management, I would like to acknowledge that the title of my talk reflects a primary tenet of our regulatory philosophy - namely, the responsibility for safety management falls on our licensees' shoulders. The NRC's responsibilities are to monitor performance, assess the effectiveness of safety management programs and activities, require corrective actions to deal with deficiencies in those programs and activities, and to take appropriate enforcement action for failure to comply with regulatory requirements, which in the most egregious cases could include suspension or revocation of a license. You have just heard Mr. O'Hanlon address safety management from the perspective of an NRC licensee; I will be focusing principally on safety oversight.

This is an illegal protection philosophy in which the utility and the NRC conspire against the public. It focuses plastic credibility to the operator's -because the regulatory philosophy prohibits agency active real-time criticisms of plant operation. They get a free politically paid shot with being deceptive and given a "get out of jail card" with no effective consequences. This is the foundation that has allowed the perception of nuclear safety improvement in recent years.

This corporation and NRC scheme of recent years has tilted the concentration of power against the plant employees, such that there is massive pressure against raising safety issues. The issues of profits, survival, economic competition, plant sales, plant shutdowns, and the potential of the next generation of nuclear plants is creating the condition of an industry wide chilling. Our industry leaders have become very good a reminding the employees that they can be replace or are not needed after the sale. These leaders have become very good with using the age-old tool of fear with the resultant silence.

You can clearly sense the self -protective mechanism of the Chairman Meserve NRC philosophy. The failure to manage safety of a licensee- it never translates into the NRC's failure to manage safety of the facility. If a facility goes down the tubes the regulators is never seen as being responsible for the fall. In a serious accidents or a massive mismanagement of a plant in which the NRC stood by and did nothing, the idea of this is to allow the NRC both publicly, and within its philosophy, to blame the immoral activity on the plant management. The philosophy allows the NRC to walk off the site in their yellow booties with credibility, in the hopes of carrying on with the defective regulatory structure that the corporations bought, at the other plants.

Let me explain the ultimate philosophy of the NRC- in unpaid reality. Both the NRC and the plant management co- shares the primary safety responsibility of all the employee and systems in managing safety at these site. Of all the players, the NRC as our federal governmental representative has the ultimate authority and power to step in to prevent an accident or maintain orderly control of the activity. It's only the NRC who doesn't have the self interest-profits- and they should have the ability to see things differently that the profit interest.

Economic markets and the corporation are primarily concerned with producing goods at the lowest price and maximizing profits. In today's world, the primary function of the corporation is to make the CEO rich. It's to construct and align our electric system to meet the income needs of the elite's- with cost and reliability a distance need. It is to blindly cut corners, to pay off the politicians so they evaporate the power of a regulatory agency. The function of politics today is to focus extraordinary unchecked powers to the corporation. This is the mechanism which has created the massive income differentials between the rich and poor. This power mismatch is how they got the nuclear power employees silenced

The Nuclear Regulatory Commission and the Commissioners have become masters of deception. These people pray to the gods of an aging technology and the hopes of a new birth. They would rather have mandated percentage of nuclear power plant grid capacity than an open and free democrocy. They know what is best for you because they have special skills and information that you don't have. The commissions set up the system for that. The Commissioners have no idea about what our Country stands for. They are in love with the totalitarianism of the new energy cold war. The illusion of a robust public process overrides the weak signals that you can see leaking past the high security fence: with the distorted facts of the accidents characterized by the NRC. They want to define what type of energy you will use in the future with there special knowledge.

You believe the illusionary truth of the process: the noise, steam, smoke, and the steady deep voice of seemingly credibility of the "Wizard of Oz". They have hidden- it's hidden and secrete- the little college Dean who is manipulating the switches of distortions and illusions that is hidden behind the curtain. It's the game of the elite's to know what best for you, and it so happens, they maintain there power and income advantage over you. Only the NRC and the utility employees- the managers- is allowed to collect and establish the facts of a plant's situation. The facts and reports always validate these writers' employers. It's what they get paid for. It's what a captured federal agency naturally does.

We are a nation who wants to live by simple-minded rules and regulation. We don't want to know why these rules are made-up or what the consequences will be to us in the future. Having no public process or very limited public process participation in government, and on the other hand, having a massive complicated public petition process, is one in the same coin. It allows the bureaucrats to decide what they want to hear. They get to frame all the publics' issues into the self-interest of the agency.

Did you know that fascism and totalitarianism creates a very favorable life style for a selective group of people. It makes the life of the bureaucrats much simpler. The lack of transparency, the unscrutinized processes, the unscrutinized games of the bureaucrats within the process, the widespread systemic distortions of fact, the fellowship of being in a conspiracy, all lead to a very good culture to the select few.

This crowning of totalitarianism like powers to the bureaucrats makes these employees basically exempt from accountability-because they control the levers of transparency and the rules of public engagement of their agency. There is usually a deal made by the politicians to these agencies. We'll give you unprecedented power to control public access to your agency. In return, we would like the agency to create the conditions so that these corporations can maximize profits- and we can get monies for our political campaigns. The politician will say that they will make the public scrutinization of the agency impossible. This creates the very potent conditions in which the agency becomes blinded to safety consideration. It is the vehicle that transfers enormous benefits to the corporation. It is the ongoing process in which the bureaucrats facilitate the disconnection of public interest from the government.

The NRC has to ask themselves just what kind of country do they want to live in. Do they really want congressional and presidential protection of their activities? Do they want to be protected and publicly unscrutinized, and live in the storm of fascism with truth is distorted and power is control of information. The protection of a few against the good of the many.

We can talk about an anti virtuous cycle. Where these regulatory agencies and governmental authorities are given more power to control the corporate information streams. They can even take advantage for their own self-interest terrorist events. In these unstable times it may bring some perception of phony stability.

What is must galling, is the NRC doesn't have the voice to speak up before the accident. The NRC will never tell you of their errors of not speaking up and the intentional turning of ones head.

In this, NRC just doesn't have the patriotism and courage to interrupt a pre accident precursor sequence. The NRC doesn't serve the public good: they serve the needs of their self-interest, the paying demands of an aging technological dinosaur that increasingly needs government protection and an uncharacterized reduction in the margin of safety- for the industry's survival. The NRC serves the totalitarianism of the

corporation who are "in love" with power, and consider the public good as a non voting second class citizens. The NRC thinks the corporations are the government.

I had asked you in the prior petition to include my Limerick letter of 6/21/01- to be included in the LaSalle petition. The NRC denied this addition based on it being non-germane. With the inclusion of that letter and the Limerick inspection report of 01-11, you could come up the conclusion that the NRC doesn't have the ability to maintain safety with the SRV valves and poorly understood complex accident scenarios. You are just buying time for the utilities with this game of delay. The sequence of the Feb/01 accidents, with my letter of 6/21/01, and the very delayed investigation of Dec 7 (01-11) of the accident is very telling.

I've asked you to replace a prior cut of the below letter- with you ignoring this inaccuracy.

Sincerely,

From: "William Macon" <WAM1@nrc.gov>

To: <steamshovel@adelphia.net>

Subject: Re: In responce to my LaSalle 2.206.

Date: Friday, December 07, 2001 8:28 AM

Mr. Mulligan,

The 10 CFR 2.206 petition response letter dated November 29, 2001, closes this matter.

Per Management Directive 8.11, and as I communicated to you on 10/05/01, the NRC staff will not treat general opposition to nuclear power or a general assertion of a safety problem, without supporting facts, as a formal petition under 10 CFR 2.206. The staff will treat general requests as allegations or routine correspondence.

Let me make perfectly clear that the staff is under no obligation to respond to general correspondence which does not involve a safety or security concern. If you do have a safety or security concern, with supporting facts that are credible and sufficient to warrant further inquiry, the NRC website http://www.nrc.gov/what-we-do/regulatory/allegations/safety-concern.html provides instructions for reporting such concerns.

Let me also make clear that the staff is under no obligation to provide information which is not already publicly available through the NRC Electronic Reading Room at http://www.nrc.gov/reading-rm.html. Supplemental information which may involve internal staff correspondence, proprietary information, or other restricted information will not be released. The Reference Librarians should be able to assist you finding available documents. However, the staff, including myself, is prohibited from helping individuals develop 10 CFR 2.206 petitions.

If you would like me to clarify any of the information above, I can call you at your convenience and we can discuss this further.

Bill Macon

Project Manager

NRR/DLPM/LPD3

U.S. Nuclear Regulatory Commission

ATTN: William A. Macon, Jr.

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>>> "Michael Mulligan" <steamshovel@adelphia.net> 12/05/01 21:39 >>>

From: "Michael Mulligan" <steamshovel@adelphia.net>

To: "William Macon" <WAM1@nrc.gov>

Subject: Re: In responce to my LaSalle 2.206.

Date: Friday, December 07, 2001 10:54 AM

Mr Macon,

If you are interested in a complete and non selective record of my contacts

with you, you would include this revision of my e-mail within the 2.206.

mike

----- Original Message -----

From: Michael Mulligan

To: Victor L Dricks ; William Macon

Sent: Thursday, November 08, 2001 9:04 AM

Subject: Same document as the additional 2.206 on 11/6 -cleaned up

Mr. Drick,

This is basically the same document as the additional 2.206 on 11/6. I

cleaned it up a bit and added some commentary. The areas I changed have been

italicized. Would you replace the 11/6 document with this one.

thanks,

mike mulligan

Dear Mr. Dricks and Mr. Macon.

I was looking for information from the senior LaSalle resident inspector (Nov 5) and Mr. Macon today about certain LaSalle situations. I was basically asking about any recent events concerning the LaSalle facility, and had some questions about prior unit 2 fuse failures.

These officials both basically told me that we had a string of 2.206 process going on and they would prefer that we not talk about the situations of the LaSalle facilities at this present time. These guys didn't want our discussions to create a conflict with the 2.206 process. The officials were very pleasant to me on the phone, even while not answering my question about the plant, and a returned a phone message left by me answered by the NRC in a timely manner. They were up-front and direct with me, and I appreciated that.

So I now request that this letter please be attached to the Oct 29 2001 2.206 and be answered according to the 2.206 process. If you can't do that with this attachment to the prior 2.206, then I request an additional 2,206.

I request both LaSalle plants be shutdown. That all meggered fuses be replaced with new fuses and a method needs to be figured out with testing new fuses. If you haven't document prior fuses that were meggered, then I request that all fuses be replaced. If the meggering is not at fault, then the quality of replacement and installed fuses becomes the issue.

In the shutdown, I request all plant fuses be replaced with a type of fuse that is proven reliable. I request that before start-up also, the turbine feed pump component management systems be upgraded with a modern system of component control. I request that the reactor level control and the feed control system be replaced with a modern reliable system.

In many recent communications with the NRC, the issue comes up about where is my proof on the issues. I tell people its behind the proprietary secretes of the corporation and monopoly of the NRC, and in the flavor of how they characterize events at these sites. I tell them that what you see from these facilities has become nothing but the combined needs of regulator and the power of the corperator. The public needs are way in the background. What you are seeing within the regulatory view is these needs expressed as their interpretation of facility situations, and no other organization allowed to have a first person opinion on the events. Only a very select pro-utility organizations are ever allowed the status of a first person observer of an event, or evaluate a nuclear facility. Thus, a NRC official never gets challenged by a first person observer of an incident who is not selected by the utility, or the NRC, or is technically trained.

Thus, proofs and absolute facts are needed by the outsiders to influence a regulator in a process; but the outsider has no permission to collect and intrepid the initial facts as a first person observer. An outsider is allowed to enter into a process that is considered fair on the weighing of facts (although riddle with a conflict of interest), but is always denied the status as a collector of information and the initiator of facts and information.

In the background in this game of establishing the facts and the exclusion of same in a regulatory process, the corporation and the NRC are in the simultaneous game of guessing and no proofs on safety system events

characterization and maintenance failures at the nuclear plants. It has become normalized on a large scale with the operational management of this nuclear facility. The internal players end up being confident of their control of the information, the territory, and time it-self.

I ask you, what does it mean if a government internalizes this kind of game? What does it mean with congress allowing this kind of distortion within the laws, and within the supposed product of fairness in the administration of regulations? What does it mean to continually disenfranchise the public from the search for truth and give some candy-coated document for the public consumption, which just meets the self- interest needs of the corporation and the NRC bureaucracy? It means these organizations don't evolve and transform themselves at the highest rate possible, and they may not keep up to the transformation of society itself. Transparency and the honest search for the truth, with maybe a bar fight or two, is the grandest evolutionary tool the universe has ever created. Mistakes and errors don't count too much in thus scheme, just progress

I will tell you who the very first victims are of this disenfranchisement; it's the NRC and the utility executives themselves. They who don't become toughened and gain experience in the bar room brawl, which unloads wisdom in our heads and is always within the transparent competitive search for the truth. In the upcoming decisions on our energy future, these comforted executives will always pick the easiest choices and the lowest common vision on what our future is to be. They will always make the very shortest reach and always create our poorest potentials as a country. In this pampered environment, these executives will always make choices based on their self-interest, or for the interest of their gang, and never for the betterment of the world or the community. They will always go for the quick start-up and governmental protections.

Turbine Driven Main Feed Pumps and LER-00-03

On the turbine driven feed pump plant scram on June 22, 2000 (LER-00-03-00), issues not raised in the LaSalle LER and the NRC inspection report raise very serious issues with us. We are appalled with the very shallow investigation and the very limited maintenance investigation of the turbine operational failure.

We are talking about fundamental maintenance care and upkeep of large safety components, which provided cooling water to the reactor core and a operational failure of the component may created situations that could trip the plant. Indeed it did create a scram.

The LER and the next inspection report (IR-00-06) discusses how turbine high-pressure oil wear products got lodged into the relief valve creating the conditions, which caused the control valve to close and a resultant scram. We find it amazing that there was no discussion of what caused the large wear products in this very important safety pump control oil. Most amazingly they didn't even find the proof that the particle was lodged in the relief. You had wear products large enough to get stuck into the relief, or pressure regulator, and no worries about were it came from in the inspection report or the LER? Why wasn't the pump torn apart to find out were the products was coming from? Why no evaluation of what the wear products consisted of. Was it a bearing?

To tell you the truth, this story has components of the LaSalle unit not being able to identify what actually cause the turbine trip. In the end, the filter might have been useful, but not questioning were the wear products came from is unprofessional at the least.

This missing question is for utility and the NRC itself. Did they just stick that filter in so they have a problem that appeared fixed and allow a

startup? Was there any other indications of abnormal wear product on other similar machines at LaSalle, Exelon, and the industry? Was other wear products detected in these other machines and did they install filters? Did the collected wear product predict equipment of degradations and failures of LER-00-003?

Feed Control System Arcing And Plant Trip Of LER-01-001

LER -01-001 raises even more questions. Here are excerpts from the LER: "While the lead was taped, it made contact with a screw on the rear of the cam (evidence of an electrical arc was found on the screw). The most probable cause for the lead contacting the screw is inadequate taping of the lead. This caused a short circuit in the feedwater control logic, which caused fuse 2C34A-F7 to blow."

Can you believe how much wiggle room there is in that statement "the most probable cause for the lead contacting the screw is inadequate taping? This fault is very convenient. Nowhere does LaSalle or the NRC say that the lead and the tape had arcing indications. Did they have proof that there was arcing between the lead and the screw? Why couldn't the screw have been arc-marked in some past incidence? Pictures! Did the NRC get to see the actual taped lead? Was there any testing while the plant was shutdown, such that the lead was made to come intentionally in contact with the cam screw, so that the identical conditions of the plant trip would be reproduced? Was there was a comprehensive attempt to accurately identify the component failure? The LER and the NRC inspection report make's no attempt other than to guess, and get a quick startup. You've gotten yourself into a mindset of not questioning things.

Other LaSalle fuse failure problems makes me ask about this potential

scenario. I was trying to get an understanding about this from the NRC officials today. With the recent blown fuses, could a troubled employee have figured out a way to intentionally create a fuse failure while the fuse was in the component? Could an employee have a blown fuse in his pocket? Then go into undetected one of these components that "was" to be tripped. Quickly remove the good fuse causing the component trip and replace it with the blown fuse in his pocket. The idea of this employee would not be to damage the facility. He would just be trying to send a message to plant management.

There is just a suspicious string of fuse failures that so far remain unexplainable. If I had known that the cabinets were in view of employees at all times, then I wouldn't be asking these question in a written form. Could the troubled employee put melted fuses in the new fuse bin?
Have you proof that meggering creates blown fuse with the typically types of meggering equipment, and no extraordinary effort to make a fuse blow. After all these years with meggering fuses, I just can't believe this problem has just showed up. Any prior documents that identified new fuses which have been blown before installation? Has meggering created similar blown fuses in the industry? Could meggering damage a fuse but not create an opening, thus creating an industry wide problem with fuses that are damaged? Could this degradation create a potential unnecessarily trip a plant or fail a safety component in a time of need outside the engineered parameters the safety fuse was designed for?
I find this totally amazing if you take the megger story seriously, that this situation has not been analyzed for a generic concern. Was meggering new fuses in a procedure? Were the employee meggering when it wasn't in a procedure? Was LaSalle meggering fuses throughout their history according to procedure, and the blown fuse issue just showed up. Was there definitive

testing and proof that meggering damaged the fuses, such that there was proof of the potential failure mode made before the LaSalle statement or failure rationale. Having the fuse vender characterize the fuse damage brings up conflict of interest issues. You need somebody to independently evaluate this. This enormous corporation probably provides a large amount of business to the fuse vender, and thus, this question's tne independent results of such evaluations. Why couldn't the vender bring back results within days?

Aren't we talking about the philosophical attributes of nuclear safety here? Has LaSalle or the NRC informed other utilities of this very serious failure mode, which may create a common mode failure across the industry? By putting it into a process and waiting many months, you feel comfortable with all the potential degraded fuses in operational systems within the industry

If you want my guess, since everyone else seems to be in the guessing game, you've had a lot of intermittent electrical failures and unexplained plant trips. You've normalized these types of unexplained plant trips. You've become so insensitive to the repeated shaky failure justifications, that the next ones become more distance to reality than the last one.

I find it totally neglectful that you suspect megger damage to the all the fuses and you have not removed all meggered fuses from the plant. I find it amazing you started up the plant without the megger evaluation ability to cause damage not being fully characterized. You think that if you follow some prolonged process, that in itself will keep the public safe. This is a most extraordinary shortcoming for the NRC. I find it amazing that the NRC didn't make a determination on the characterization with fuse megger damage in just a few days of this event; either discounting it or disseminate it as a warning to the industry within another few days You've certainly got me worried.

Do you believe more in safety, or in a lengthy process that is accurately completed?

mike mulligan

Hinsdale, NH

An additional comment made on Nov 7,2001

Our national energy policy just came out on President Bush's energy policy. Nuclear power plays a prominent role, as in the past administration. As we know in the last few years, Exelon has become a leader in setting up the initial NRC bureaucratic infrastructure on the next generation of nuclear plants. We know that the NRC Commissioners themselves have spent a considerable amount print explaining how they are going to reorganize their agency into facilitating the next generation of nuclear plants. These regulators always say, that by regulations they cannot promote these new facilities.

Intentionally or unintentionally, Exelon and the NRC are colluding in promoting this new generation. If the common goal is to facilitate the next nuclear generation; then downplaying nuclear plant problems within Exelon may seem reasonable. With Exelon being the lead utility on the Pebble Bed Reactor, then a highly professional and competent utility that manages the present nuclear fleet operation would be fundamental to the public acceptance of Exelon as the designer, and builder of the new facilities. It will set the state for the rebirth of the industry!

The NRC has lost its ability to be an independent regulator on Exelon issues. The primary goal of NRC inspection activity has become a tool to leverage Exelon nuclear competency. Many inspection reports do have LaSalle

criticisms, but it is designed to defuse accountability with some criticism, and a lot of playing up of the competence of Exelon. We believe many NRC employees and officials have become excessively excited about the next generation of nuclear plants. This has impaired the NRC operational judgement on the current fleet.

With Exelon being one of the largest nuclear companies with it interest in the Pebble Bed Reactor, I believe this has translated into enormous pressure on the Exelon employee, and may be unprecedented in the industry. There are many stories that indicate the Exelon region has become underdeveloped in transmission and power plant development. We have become very worried about the decline of Exelon's stock price of recent. We feel there will be an upcoming resource squeeze across the board with the corporation, and we worry about a declining performance on the nuclear side in the up coming years.

There is widespread employee discontent at the LaSalle facility. We believe the NRC is trying to depress the expression of employee discontent. We believe the NRC is trying to intimidate these employees into not expressing their frustration with Exelon's management. I think the NRC is in the game of, if you express any discontent with these sites, then we will identify you as a troublemaker, and we will find operator errors so that your careers will be sabotaged. You guys are nuts if you think these employees will talk to you or a sympathetic contractor.

The RCIC testable check valves are an example. Once an inaccurate valve indication become apparent the NRC should say: We will not tolerate a utility having a component giving operators inaccurate indications because of maintenance or design issues. We will not tolerate you creating a work around procedure because of a component failure, that the operator's must conform to. The plant and procedures are already so complex, that we won't

tolerate any increase of complexity and the injection of false signals into an accident. Instead the NRC repetitively point out the operator errors. Just how much crew resources does it take to correct the indication of these valves during a trouble plant trip?

Procedural non-compliance issues have the ability to be focused and may create intense intimidation. The message is, if you don't contain your (employees) criticisms of the NRC and Exelon management of the site, we will identify error of yours. Exelon will include it in your employee evaluation and they will clean up for us. You see the NRC and a utility can work in concert with each other. You can pick and choose errors to report, and crews to identify. This silences the employees as no other issue. The NRC doesn't want employee conflict and troubles to become overly overt at these sites. They would rather wait until the equipment fails in a troubled plant trip.

When employee and management conflict first arises at these sites, the NRC first instincts has always been to use power to depress the employees concerns.

Many times the utility management and the NRC think of themselves as a co-equal branch, with the employees by and large subservient. They think it's perfectly American in abusing their power to dismember the employees and operators. When a NRC inspector talks to you, he is always looking for the errors you committed. Telling the truth about problems to him may create havoc for your management, and many months later a consequence will come your way that you can't prove as intimidation.

The reporting of plant problems by employees are always distorted by the vortex of politics between the NRC interaction, the facility management competency, and interpersonal conflict. The vortex is more hurricane style with the NRC agency agenda itself, and the agenda of the corporation within their strategy. Most of the time these problems are framed to focus fault on

the weakest individual or the least costly alternatives. Many times the NRC regulatory theme is to focus fault on employees who are the most powerless. Who wants to pick on these enormous corporate lawyers and their minions?

If a facility has a beef with a characterization of a NRC inspection, the corporation has all sorts of very power tools and delay strategies to get the attention of NRC higher management. When a corporation becomes large enough, then the organization has many very skill professionals who know how the game played. Many times the NRC has to fold and the inspector's opinion are thrown in the trash heap. You have also a lot of demoralized NRC employees.

Many times you will have only one inspector making an issue and a building full of utility minions who can complicate the findings by a zillion factors until you give up. You can bet these inspectors will hear it from NRC management if the utility has a gripe. You can also bet the inspector will have to be absolutely double correct.

On many past nuclear utility declines (Millstone), the NRC has absolutely devastated the employee safety conscience workplace when they initially filtered out issues surrounding the decline of the site. The NRC turned on the employees who were raising these early concerns like attach dogs or whispering conspirators to the corporations. Those employee concerns, which turned out to be correct, were consider a severe attach against the status quo and the system as a whole. No, somebody pointing out that the emperor doesn't have any clothes is an enemy, as sure as can be, to the system. Make no mistake about it; the people who are making these concerns known are aligning astounding powerful tools against the status quo. And they are beginning a transition of their own lives that they yet don't realize, which will rearrange the lives of many.

If you blame it on employee error-who does he got. If he doesn't say the right things you can forget about being in the tribe. But you do have a union process! But there is no chance the NRC upper management will hear anything about your problems. NRC upper management is not for the subservient.

There is an almost unbelievable mismatch of power between an employee and the rest of the system (the NRC and facility management). A discontented employee who senses early troubles with the system is efficiently and quickly squashed for the betterment of all the careers above him, and for the betterment of the agency and the corporation. Many high level careers are based on this failing facility strategy. To admit it would question those careers. So again, I come to the point that the utility's purpose many times morphs into fulfilling a high level career.

It doesn't matter if he is right. An employee almost never confronts an inspectors findings because the employee knows the inspector has almost unlimited power against him. The employee knows if he creates a conflict with an inspector, the facility will order him off, because the plant is afraid this will stir up additional issues. Many times the fault will come out only after report is written, and you can forget about getting it changed after it's written. Matter of fact, the inspectors will go into a closeout meeting with facility management, with the result of the meeting accepted by the employees as a agreement on what happened by the facility management and the NRC. You can't go up against that. It's in the systems interest that the counter opinion of an individual becomes efficiency smashed at the earliest opportunity.

Many egos are on the line. An individual employee will not have a building full of Washington lawyers and technical staff. His issues will not be seen by upper NRC management by his lawyers first, and rattle down through the

regional NRC back to the inspector. You just cannot allow an employee to have that amount of power, which challenges everyone who has a higher pay scale. This would be clearly un-American behavior against the corporations and a federal agency. Most of the employees have seen and heard about the skeletons that was left, as a result of this horrendous system. Most of the site inspectors have seen their peers who have become skeletons, if they didn't play along. It just might be a matter of survival!

Sometime you will get an employee to fall on his sword for everyone else and he will later be rewarded for that. So you have employees who will naively tell the truth and pay a price because they are not considered in the tribe, and other employees who will take credit for a fault, when its not theirs, and get promoted.

Let me tell you something, these guys going into the RCIC reverse flow procedure doesn't mean nothing (IR 01-17 page 9). These operators are not confident that this safety pump will work at all or correctly. They are afraid of reverse flow, because I believe the system has had prior reverse flow issues, and it may not have been reported. You got these water hammer events on the RCIC system echoing throughout the building, bent discharge gages, and injection checks valve indication and position that are not reliable.

These guys are giving indications that they are afraid of this system. And they have good reason to be. But keep talking about the operator error in your documents. By discussing this over and over again, it makes like all the officials are doing something about the deficiency, while not a thing is done to correct the valves.

And the NRC wants the operator's to play, let just make believe these valves are close, when they indicate open?

LaSalle will put the injection check valve deficiency into a maintenance

process. It may take many years to get corrected, and many plant trips will have been impacted by the component malfunction. Hundreds of other similar component deficiencies will be added to the maintenance backlog. There will be plant shutdowns and startups, but the components will not be fixed. Maybe the next shutdown they will say. Exelon will be rewarded by a high capacity factor and no marks on their record.

Meanwhile the operator errors will build up. It will go into the employee folder and get recognized in the employee evaluations. Promotion will be base on the evaluations. Many operator errors will be because of Exelon's failure to timely fix maintenance issues. Nuisance alarms and degraded system will bother the employees for years. If the music stops, you can always catch the employees with falsification and the NRC will think the corporation is a hero.

We are worried with all the recent attention on past Exelon problems from the NRC. We fear current events are being downplayed.

From the Chicago Tribune

Getting duped by human nature
Robert Samuelson. Washington Post Writers Group. Robert Samuelson is a syndicated columnist based in Washington, D.C

December 21, 2001

WASHINGTON -- The collapse of the energy company Enron has inevitably become a metaphor for many of the sins of modern capitalism. It may be, but the story is more complicated than a simple tale of victims and villains. Capitalism derives its strength from the power of self-interest and the ingenuity of the human spirit. But its weaknesses also stem from human nature, which can convert the quest for riches into self-deception and dishonesty. The dangers mount in periods of economic and financial exhilaration when--as we've just experienced--the stock market seems the fastest path to instant wealth.

People yearn for their pot of gold and, to get it, stretch rules and lapse into wishful thinking.

The cult of share prices seduced managerial elites, ordinary investors and workers alike with often-disastrous consequences. Among top corporate managers, it led to widespread embellishing and doctoring of financial reports. Accounting rules were twisted or evaded to enhance reported profits, because higher profits would (presumably) mean higher share prices. Creative obscurity became commonplace. The same spirit gripped many investors and workers. People suspended skepticism and counted their paper profits. The dot-com and telecom debacles are well-documented results. Now Enron joins the list.

To work well, capitalism needs accurate information. Even with ideal information, markets make mistakes. But false or misleading information compounds the dangers, and the booming stock market inspired a boom in misleading information. The Securities and Exchange Commission and the Financial Accounting Standards Board, an accountants' self-policing organization, did little to check these abuses.

At its peak, the company's stock traded at $90 a share; now it's selling for about 50 cents. The simplest explanation for its bankruptcy is a loss of credibility in its financial statements. On Oct. 16, the company announced it would take a $1 billion charge to reflect losses in "broadband" communication and water businesses, among others. It also announced another $1.2 billion loss on a transaction outside its balance sheet. On Nov. 8, the company said its profits from 1997 to 2000 had been overstated by $591 million.

Though large, these losses shouldn't have single-handedly devastated a company that had reported $2.7 billion in profits between 1997 and 2000 and claimed year-end 2000 stockholders' equity of $11.5 billion. (Stockholders' equity is the difference between what a company owns and what it owes.) But the revelations destroyed the faith of customers and creditors in Enron's numbers. Were other losses lurking? If you fear not being paid, you stop dealing with Enron or lending to it. Once that happened, the company collapsed. The skepticism was warranted. At the end of 2000, Enron reported debts of $10.2 billion on its balance sheet. In its bankruptcy filing, it listed debts of almost $40 billion, including $22 billion on its balance sheet, nearly $7 billion "off balance sheet" and almost $11 billion for "project financings."

Among the collapse's biggest casualties are the workers who lost jobs (about 5,600 so far, including 1,100 in Europe) and had their retirement savings wiped out. Many were dangerously overinvested in the company's stock. About 58 percent of the assets of the company's 401(k) retirement plan were invested in Enron stock, reports a survey by DC Plan Investing, a newsletter. But Enron wasn't exceptional. The survey found that 95 percent of Procter & Gamble's plan was in company stock, 77 percent of General Electric's and 54 percent of Dell Computer's. No matter how well-run the companies, these high dependencies are risky. "A lot of employees invest in the company stock if they like the company," says Louis Berney, the newsletter's editor. "It's a crime perpetrated by the employees against themselves."

Lawsuits may uncover wrongdoing, but outwardly, Enron's 401(k) program seems fairly typical, says Jack VanDerhei, a pension expert at Temple University. According to company spokesman Mark Palmer, Enron matched employee investments with a 50 percent stock contribution: If I invested $5,000, Enron would put up $2,500 in stock. The stock contributed by the company could not be sold until a worker reached 50; but there were 20 investment choices--including buying Enron stock--for personal contributions. True, there was a total trading ban from Oct. 29 through Nov. 12, because the plan's outside administrator was being changed. But, says Palmer, investors had been informed of a ban. They could have sold anytime earlier.

Enron's downfall stemmed mainly from its own mistakes. Whether some corporate officials crossed the line between creative obscurity and illegal concealment is an open question. But in a larger sense, the collapse reflected the financial fever of the past decade. Those who glorify capitalism's triumphs often forget that it's also vulnerable to the frailties of human nature. Pursuing self-enrichment, people often follow the path of least resistance. It sometimes leads to acliff.

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OUR OPINIONS: O'Leary's bogus resume reflects culture's priorities
Staff
Tuesday, December 18, 2001

Everybody lies and cheats --- U.S. presidents, college professors and football coaches. It's become far better to win with duplicity than to lose with honesty. Forget holding your head up high. What matters is holding a trophy high over your head.

That's the message conveyed when even accomplished people such as George O'Leary, Georgia Tech's former football coach, pad their resumes with counterfeit successes. It's also the message that children get when their parents stress academic excellence without a concomitant emphasis on academic integrity.

We're raising a nation of con artists. A study released in May by Rutgers University professor Donald McCabe found that 97 percent of the high school students surveyed admitted to copying a test or homework. Nine out of 10 plagiarized material off the Internet.

Even 80 percent of the top students --- those listed in "Who's Who Among High School Students" --- confess to cheating. A similar poll of college kids found similar dispiriting results. The rationalization that "everybody does it" is depressingly accurate. Over the last four decades, the number of students in high

school and college admitting to serious cheating on tests has doubled. Kids blame it on the tremendous pressure to do well. So do the teachers and principals caught giving classes the answers to high-stakes standardized tests. The number of such incidents will probably continue to increase as schools and parents put more and more importance on student test scores.

In the face of such slipping standards, the University of Notre Dame deserves credit for holding the line and forcing O'Leary's resignation, although his resume tweaks were not critical to his getting the job. The Fighting Irish didn't hire the 55-year-old Georgia Tech coach because he lettered at the University of New Hampshire 35 years ago or got a master's degree in education. He was hired on his achievements on the field as a coach, and O'Leary was probably shocked that his old lies had reared up and shattered an impressive career.

Nobody checks resumes anyway, even when the job in question pays a million-plus and purportedly molds young men's characters. But institutes of higher education aspire to higher standards than most of us, and should respond to intimations of dishonesty a bit more sternly.

In another local example, Emory University historian Michael Bellesiles has been accused of shoddy and perhaps fabricated research in his landmark book on gun ownership in America. The professor is under pressure from Emory to respond fully to critics and verify the facts in "Arming America: The Origins of a National Gun Culture."

It's easy to see the shame in falsifying research or awarding yourself fake degrees. It's not as simple to recognize the dishonor of signing your child's band-practice sheet even when his trumpet never left its case or "helping" your third-grader so much with her science project that her name becomes her only real contribution.

But all those behaviors deliver the same unfortunate message: Moving ahead matters more than how you got there.

COMMENTARY
Absolute Power Corrupts Absolutely
By JAMES P. PINKERTON

December 18 2001

"The Lord of the Rings: The Fellowship of the Ring," which opens Wednesday, is a terrific movie about politics because it's about power. And that's what politics is all about: power--and the temptations that confront the powerful. Always. And there's no real solution, at least not in the real world.

To be sure, the movie watcher must wade through three hours of mostly mumbo jumbo about hobbits and halflings, elves and orcs, and listen to dialogue such as, "I will bind myself to you, Aragon of the Dunedain. For you, I will forsake the immortal life of my people." But the experience is rewarding because at the core of the film is the vast erudition and sharp moral vision of the British novelist J.R.R. Tolkien (1892-1973).

A medieval scholar by training, Tolkien settled into a comfortable life as an Oxford don in the 1920s, only to later live near some of the worst bombing of the 1940 blitz by the Nazis. So while "The Hobbit," published in the pre-World War II year of 1937, is comparatively light, the three sequels published in the post-war 1950s--"The Fellowship of the Ring," "The Two Towers" and "Return of the King"--are darker in tone, preoccupied with the temptation of power and the corruption of the powerful.

Temptation, of course, is a common theme in the Western tradition, from Adam and Eve to Dr. Faustus. Yet the worst tempting in modern times has not been for the fruits of knowledge but rather for the red meat of power, as seen in the totalitarian regimes that haunted Tolkien's life.

It's fitting, then, that the author wrapped his quartet of novels around the Ring of Gyges.

According to a story cited in Plato's work of political science, "The Republic," written about 2,400 years ago, Gyges was a shepherd who found a gold ring. Putting it on, he discovered that it was magic, enabling him to become invisible.

Drunk with power, he traveled to the castle in the capital, seduced the queen and killed the king, all with impunity because he couldn't be detected.

And so the question: If such absolute power existed, wouldn't anyone, even a virtuous person, be tempted to wield such might for his own selfish purposes?

Plato answered by describing an ideal society in which people would want to do good for the sake of goodness.

But what if they were naughty, not nice?

Plato's hypothetical Republic would be ruled by "guardians" who would oversee the right behavior. And there's the historic rub: Who will guard the guardians?

In a democracy, of course, the answer is, "We all will."

Tolkien, however, was writing in a time when fascists and communists, not democrats, seemed to be the wave of the future.

As governments grew ever bigger, the need to safeguard against the power of would-be guardians pushing "progress" was a deep concern to Tolkien, who idealized the simpler folkways of Old England.

And so he spun out his own stories, in which good and bad characters alike are tempted and twisted, like Gyges of yore, by lust for various magic rings.

Tolkien's tales were challenging and disturbing because he presumed that nobody would be immune to such enticement.

The moral of Tolkien's story is valid for the politics of today and every day: Trust no one with power, least of all yourself.

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Yale Dean Expected To Resign
Audit Of Berkeley Divinity School Finds Mismanagement Of Funds
By JANICE D'ARCY
And CONSTANCE NEYER Courant Staff Writers

December 18 2001

NEW HAVEN -- A top dean at the Yale Divinity School is expected to resign this week after an audit revealed he had mismanaged tens of thousands of dollars and used some to pay for his daughter's Harvard education.

In his three years in New Haven, Dean Ralph William Franklin's tenure as head of the Berkeley Divinity School, an Episcopal school under the auspices of Yale, has been publicly unblemished. During his

tenure, Franklin, 54, became a spokesman for the Episcopal Church in the United States and joined an exclusive group plotting the church's long-term international direction.

But a confidential audit supplied to The Courant reports that in recent months Franklin has used Berkeley money to pay for personal expenses such as a family trip and dry cleaning. In two instances, Yale auditors found that Franklin took thousands of dollars in "loans" from the school that were repaid only after he was confronted by auditors.

Auditors conducting a review of the divinity school this fall also found a freewheeling attitude from many of the administrators at Berkeley School toward reimbursements and use of donations.

"As a result of our audit, we identified a nearly complete lack of internal controls," wrote the two auditors who first uncovered the problems at Berkeley in September.

Christian R. Sonne, chairman of the Berkeley board of trustees, confirmed that Franklin would soon announce that he would leave for a job in New York, but denied that the dean was being forced out. However, Sonne said the board has launched its own investigation into Berkeley's finances and has hired an external auditing firm.

"People can speculate all they want," Sonne said. "We're sorry he's leaving."

Berkeley became affiliated with Yale Divinity School in 1971. It maintains its own board of trustees and administration while conducting financial dealings under the auspices of Yale University. When Franklin came to Yale in 1998, he was named dean at Berkeley and associate dean at Yale Divinity.

Auditors who examined the school's records between July 1999 and June 2001 found that nearly half of Berkeley's budget had been flowing through a checking account that was independent from Yale - "in flagrant violation" of Berkeley's agreement with Yale. The account, which in 2000 had close to $900,000 - much of it from gifts donated directly to Berkeley - lacked oversight or scrutiny from administrators outside the divinity school.

Other key findings in the audit include:

Franklin used $8,500 of Berkeley funds to pay for his daughter's dental bills not covered in the dean's health benefits package.

Though Franklin's contract stipulated that Yale would reimburse his children's undergraduate tuition only, Berkeley funded the tuition for Franklin's daughter to attend Harvard Medical School. (The medical school's annual tuition is currently $28,000).

In 1999, Franklin requested from his subordinate and received two personal loans of $8,000 and $2,500 that were not approved by the Berkeley Board of Trustees. The loans remained unpaid until auditors confronted him in August of 2001.

Franklin used Berkeley funds to pay $933 in airline tickets for his wife and daughter to join him in Colorado to attend the General Convention of the Episcopal Church.

Administrators regularly issued hundreds of dollars from the petty cash account without requiring receipts.

Employees' Yale-issued American Express charges were paid directly by Berkeley, in violation of the Yale policy, and employees were rarely required to provide receipts during fiscal year 2000-2001. Of the $171, 606 in expenses auditors reviewed, they found documentation supporting only $18,375.

Only about a quarter of Franklin's American Express charges of $7,397 in the same time period had supporting documentation.

In calendar year 2000, approximately $13,000 worth of gifts was disbursed, though there was little documentation to explain who received the gifts and why.

Certain Berkeley employees received compensation from the Berkeley checking account unbeknown to outside Yale administrators. The payments included gifts and bonuses, housing allowances, child care allowances, car payments, health insurance reimbursements, tuition assistance, parking reimbursements and other benefits that were not authorized by Yale.

Sonne said board members discussed the audit findings and concluded that "in the overall context of things we did not feel that things are so significant as to cause a problem."

Yale Vice President and Secretary Linda Lorimer said university officials would not comment on personnel matters. Franklin did not return messages left at his home and office.

Since the audit was completed, Judy Stebbins, the divinity school's finance director who oversaw the Berkeley budget, has left the university.

Yale officials have also launched a review of its relationship with Berkeley, where about a third of the Divinity School's student population study.

A source close to the negotiations said Franklin has been under pressure to leave the university. The source, who would speak only on condition of anonymity, said Franklin agreed, along with Yale administrators, to remain silent about the financial controversies he will leave in his wake.

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