

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555

December 22, 1987

**NRC INFORMATION NOTICE NO. 87-64: CONVICTION FOR FALSIFICATION OF
SECURITY TRAINING RECORDS**

Addressees:

All nuclear power reactor facilities holding an operating license or a construction permit and all major fuel facility licensees.

Purpose:

This information notice is provided to alert recipients, their employees, and their contractors' employees to the criminal prosecution by the U.S. Department of Justice, and subsequent conviction in U.S. District Court in Philadelphia, of two former contractor security employees at Philadelphia Electric Company's Limerick Nuclear Generating Station.

It is expected that recipients will review the information for applicability to their facilities and consider actions, if appropriate, to preclude a similar problem. In this regard, recipients may wish to (1) review and provide this notice to employees and contractors' employees involved in NRC licensed activities, especially those employees involved in making and keeping records, and (2) remind their own and their contractors' employees that not only are licensees subject to civil enforcement action for violations of NRC requirements, but individuals who intentionally violate these requirements are also subject to criminal prosecution.

However, suggestions contained in this notice, including those for dissemination of this notice, do not constitute NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances:

On September 25, 1984, the NRC received an allegation that the training records of an employee of Yoh Security, Inc., the former security contractor at Limerick, had been falsified to indicate that the individual had received certain training when, in fact, the employee had not received such training. In response to this allegation, an investigation was conducted by the NRC's Office of Investigations (OI). On the basis of that investigation, the NRC found that training and qualification records for more than 40 then-current and former armed guards had been falsified and that those falsifications had been done at the direction of certain Yoh Security, Inc., supervisory and management personnel. The OI investigation report was referred to the Department of Justice.

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Two former employees of Yoh Security, Inc., were subsequently convicted in U.S. District Court in Philadelphia. On July 15, 1987, the former Site Manager of Yoh Security, Inc., was sentenced to six months' imprisonment and fined \$30,000. The former Operations Captain was placed on probation for five years.

Discussion:

Licensees have the responsibility for ensuring the safe performance of licensed activities. In so doing, licensees must not only use trained individuals, provide adequate procedures, and maintain accurate records, but must also exercise supervision over their employees and their contractors' employees to ensure that procedures are followed and NRC requirements are met. While violations of NRC requirements caused by inattention to detail and human error are unacceptable to the NRC and may result in civil enforcement action, they do not subject individuals to criminal prosecution. However, violations caused by intentional acts may subject corporations, the individual wrongdoer, and others who knew and condoned such acts to criminal prosecution. As evidenced by this reported case, as well as other cases previously described in Information Notices 85-97, "Jail Term for Former Contractor Employee Who Intentionally Falsified Welding Inspection Records," and 86-54, "Criminal Prosecution of a Former Radiation Safety Officer Who Willfully Directed an Unqualified Individual to Perform Radiography," the criminal sanctions available may include a fine and/or imprisonment.

No specific action or written response is required by this information notice. If you have any questions about this matter, please contact the person indicated below or the Regional Administrator of the appropriate regional office.

Charles E. Rossi
Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical Contact: Loren L. Bush, Jr., NRR
(301) 492-8080

Attachments:

1. Information Notice No. 85-97
2. Information Notice No. 86-54
3. List of Recently Issued NRC Information Notices

SSINS No.: 6835
IN 85-97

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
WASHINGTON, D.C. 20555

December 26, 1985

IE INFORMATION NOTICE NO. 85-97: JAIL TERM FOR FORMER CONTRACTOR EMPLOYEE WHO
INTENTIONALLY FALSIFIED WELDING INSPECTION
RECORDS

Addressees:

All nuclear power reactor facilities holding an operating license (OL) or a construction permit (CP).

Purpose:

This information notice is to inform licensees, contractors and their employees of the criminal prosecution by the U.S. Department of Justice of a contractor QC inspector employed at the Seabrook Nuclear Power Station, and a resultant jail sentence. The individual intentionally falsified records of liquid penetrant and magnetic particle testing of welding joints in piping, pipe braces and structural steel. The NRC suggests that recipients review and provide widespread dissemination of this notice to employees and contractors' employees involved in safety-related activities, especially those employees involved in making and keeping records. The NRC further suggests that recipients remind their own and contractor employees that not only are licensees subject to civil enforcement action for violations of NRC requirements, but individuals who intentionally violate these requirements are also subject to criminal prosecution. The suggestions for dissemination of this notice do not constitute NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances:

In March 1983, management of Pullman Higgins (P-H), principal contractor for construction of the Seabrook Nuclear Power Station, identified deficiencies in a QC inspection report of liquid penetrant and magnetic particle testing. Rather than assuming the deficiency to be an isolated occurrence, P-H investigated other reports prepared by the individual and found similar deficiencies. As a result, the individual's employment was terminated in April 1983.

Subsequently, during an investigation conducted by the NRC's Office of Investigation (OI), the individual, after initial denial, admitted falsifying the inspection reports in that he documented work as being complete and acceptable when, in fact, he had not performed the inspection of the work. Further, the individual also admitted that he had lied on his job application and resume regarding his formal education and previous NDE certification. The case was

December 26, 1985

referred to the Department of Justice and on September 30, 1985, the U.S. Attorney in New Hampshire announced that the individual was sentenced to six months imprisonment and three years probation following his guilty plea to two counts of an indictment charging, under 18 U.S.C. §1001, that he filed false statements on documents required by the NRC to be maintained.

Discussion:

Licenses have the responsibility to ensure the safe construction and operation of nuclear power generating facilities to ensure quality in all licensed activities. In so doing, licensees must not only use trained individuals, maintain accurate records, and provide adequate procedures, but must also exercise supervision over their employees and their contractor employees to assure adherence to procedures and NRC requirements. While violations of NRC requirements caused by inattention to detail or human error are unacceptable to the NRC and may result in civil enforcement action, they do not subject individuals to criminal prosecution. However, violations caused by intentional acts may subject corporations, the individual wrongdoer, and others who knew and condoned his acts to criminal prosecution. As evidenced by this reported case, the criminal sanctions available may include a jail sentence.

No specific action or written response is required by this information notice. If you have any questions about this matter, please contact the Regional Administrator of the appropriate regional office or this office.



Edward L. Jordan, Director
Division of Emergency Preparedness
and Engineering Response
Office of Inspection and Enforcement

- Technical Contact: Steve Burns, ELD
492-7268

Attachment: List of Recently Issued Information Notices

SSINS No.: 6835
IN 86-54

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
WASHINGTON, D.C. 20555

June 27, 1986

IE INFORMATION NOTICE NO. 86-54: CRIMINAL PROSECUTION OF A FORMER RADIATION SAFETY OFFICER WHO WILLFULLY DIRECTED AN UNQUALIFIED INDIVIDUAL TO PERFORM RADIOGRAPHY

Addressees:

All holders of an NRC license authorizing the possession of byproduct, source, or special nuclear material.

Purpose:

This notice is provided to alert recipients and their employees of criminal prosecution that can result for directing unqualified personnel to perform licensed activities and making material false statements to the NRC. It is expected that recipients will review this notice and disseminate it to all of their employees. The NRC further suggests that recipients remind their employees that not only are licensees subject to civil enforcement action for violations of NRC requirements, but individuals who intentionally violate these requirements may also be subject to criminal prosecution. However, suggestions contained in this information notice do not constitute NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances:

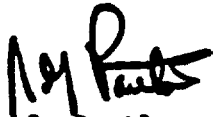
During an interview conducted by the NRC's Office of Investigations (OI) on May 15, 1984, the former District Manager and Radiation Safety Officer of the Pittsburgh Testing Laboratories (PTL), Cleveland, Ohio, office admitted that he had allowed an unqualified individual to perform radiography. Further, he admitted that he was not truthful with an NRC inspector in August 1984, when questioned regarding the use of unqualified individuals. As a result, on May 24, 1984, the NRC issued an Order to PTL removing this individual from all licensed activities. Subsequently, the case was referred to the Department of Justice and on February 19, 1986, the U.S. District Judge in the Eastern Division of the Northern District of Ohio accepted the individual's guilty plea of deliberate violation of NRC requirements and fined the individual \$2,500. Further, PTL also pleaded guilty to deliberate violations and making a material false statement to the NRC. As a result, PTL was fined \$15,000 by the Court. Subsequent to the Court's action, the NRC issued a proposed \$58,000 civil penalty to PTL on April 17, 1986.

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Discussion:

Licensees have the responsibility to ensure the safe performance of licensed activities. In so doing, licensees must not only use trained individuals and provide adequate procedures, but must also exercise supervision over their employees to ensure adherence to procedures and NRC requirements. Violations of NRC requirements caused by inattention to detail or human error are unacceptable to the NRC and may result in civil enforcement action. However, violations caused by intentional acts also may subject corporations and the individual wrongdoers to criminal prosecution. The criminal sanctions available may include a prison sentence, as has occurred previously (Reference: IE Information Notice 85-97, copy attached), or may include a criminal fine as occurred in this case.

No specific action or written response is required by this information notice. If you have any questions about this matter, please contact the Regional Administrator of the appropriate NRC regional office, or this office.


James G. Partlow, Director
Division of Inspection Programs
Office of Inspection and Enforcement

Technical Contact: J. R. Metzger, IE
(301) 492-4947

Attachments:

1. IE Information Notice 85-97
2. List of Recently Issued IE Information Notices

LIST OF RECENTLY ISSUED
NRC INFORMATION NOTICES 1987

Information Notice No.	Subject	Date of Issuance	Issued to
87-35, Supp. 1	Reactor Trip Breaker Westinghouse Model DS-416, Failed to Open on Manual Initiation From the Control Room	12/16/87	All holders of OLs or CPs for nuclear power reactors.
87-63	Inadequate Net Positive Suction Head in Low Pressure Safety Systems	12/9/87	All holders of OLs or CPs for nuclear power reactors.
87-62	Mechanical Failure of Indicating-Type Fuses	12/8/87	All holders of OLs or CPs for nuclear power reactors.
87-61	Failure of Westinghouse W-2-Type Circuit Breaker Cell Switches.	12/7/87	All holders of OLs or CPs for nuclear power reactors.
87-60	Depressurization of Reactor Coolant Systems in Pressurized-Water Reactors	12/4/87	All holders of OLs or CPs for PWRs.
86-108, Supp. 2	Degradation of Reactor Coolant System Pressure Boundary Resulting from Boric Acid Corrosion	11/19/87	All holders of OLs or CPs for nuclear power reactors.
87-59	Potential RHR Pump Loss	11/17/87	All holders of OLs or CPs for nuclear power reactors.

OL = Operating License
CP = Construction Permit

Two former employees of Yoh Security, Inc., were subsequently convicted in U.S. District Court in Philadelphia. On July 15, 1987, the former Site Manager of Yoh Security, Inc., was sentenced to six months' imprisonment and fined \$30,000. The former Operations Captain was placed on probation for five years.

Discussion:

Licenses have the responsibility for ensuring the safe performance of licensed activities. In so doing, licensees must not only use trained individuals, provide adequate procedures, and maintain accurate records, but must also exercise supervision over their employees and their contractors' employees to ensure that procedures are followed and NRC requirements are met. While violations of NRC requirements caused by inattention to detail and human error are unacceptable to the NRC and may result in civil enforcement action, they do not subject individuals to criminal prosecution. However, violations caused by intentional acts may subject corporations, the individual wrongdoer, and others who knew and condoned such acts to criminal prosecution. As evidenced by this reported case, as well as other cases previously described in Information Notices 85-97, "Jail Term for Former Contractor Employee Who Intentionally Falsified Welding Inspection Records," and 86-54, "Criminal Prosecution of a Former Radiation Safety Officer Who Willfully Directed an Unqualified Individual to Perform Radiography," the criminal sanctions available may include a fine and/or imprisonment.

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Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical Contact: Loren L. Bush, Jr., NRR
(301) 492-8080

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2. Information Notice No. 86-54
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*SEE PREVIOUS CONCURRENCES

D/DOEA:NRR CEROS 12/16/87	*C/OGCB:DOEA:NRR*PPMB:ARM CHBerlinger 12/16/87	TechEd 12/11/87	*OI BBHayes 12/11/87	*NMSS GLSjoblom 12/09/87
*OGCB:DOEA:NRR RJKiesel 10/13/87	*RI DJHolody 10/13/87	*RI WTRussell 10/13/87	*DD/DRIS:NRR BKGrimes 10/27/87	*D/OE RPRosano 11/09/87
				JLieberman 11/09/87

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	D/DOEA:NRR	C/OGCB:DOEA:NRR	*PPMB:ARM	OI <i>DK</i>	*NMSS
	CERossi	CHBerlinger <i>CMB</i>	TechEd	BBHayes	GLSjoblom
	12/ /87	12/16/87	12/11/87	12/11/87	12/09/87
<i>RMC</i>	*RI	*RI	*DD/DRIS:NRR	*OE	*D/OE
<i>OGCB:DOEA:NRR</i>	DJHolody	WTRussell	BKGrimes	RPRosano	JLieberman
<i>RJKiesel</i>	10/13/87	10/13/87	10/27/87	11/09/87	11/09/87
<i>10/13/87</i>					
<i>12/15/87</i>					

armed guards had occurred, and that those falsifications were performed at the direction of certain Yoh Security, Inc., supervisory and management personnel. The OI investigation report was referred to the Department of Justice.

Two of the former employees of Yoh Security, Inc., were subsequently convicted in U.S. District Court in Philadelphia. On July 15, 1987, the former Site Manager of Yoh Security, Inc., was sentenced to six months imprisonment and fined \$30,000. The former Operations Captain was placed on probation for five years.

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11/ /87	11/ /87	12/11/87	11/ /87	12/9/87	
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Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical Contact: Richard P. Rosano, OE
(301) 492-7429

Attachments:

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	D/DOEA:NRR	C/OGCB:DOEA:NRR	PPMB:ARM	OI	NMSS
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*OGCB:DOEA:NRR	*RI	*RI	DD/DRIS:NRR	OE	D/OE
RJKiesse1	DJHolody	WTRussell	BKGrimes	RPRosano	JLieberman
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Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical Contact: ~~Daniel J. Holody, Region 1~~
~~(215) 337-1312~~
Richard P. Rosano, OE
492-7429

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BB Hayes
OI

D/DOEA:NRR	C/OGCB:DOEA:NRR	PPMB:ARM	NMSS	D/OE
CERossi	CHBerlinger	TechEd	GLS,joblom	JLieberman
10/ /87	10/ /87	10/ /87	10/ /87	10/ /87
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RJKiessel	DJHolody	WTRussell	BKGrimes	RPRosano
10/13/87 <i>AKC</i>	10/13/87	10/13/87	10/ /87	10/ /87

by phone
AKC
JALAN