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April 24, 2003

U. S. Nuclear Regulatory Commission
ATTENTION: Document Control Desk
Washington, DC 20555-0001

SUBJECT: Duke Energy Corporation
Catawba Nuclear Station Unit 1 and Unit 2
Docket Nos. 50-413 and 50-414
Security Special Report 413/2003-S01 Revision 0

Pursuant to 10 CFR 73.71 Sections (b) (1) and Appendix G (I) (b), attached is a Security Special Report 413/2003-S01, concerning the falsification of pre-employment screening records by a contract employee.

This Security Special Report does not contain any regulatory commitments. This event is considered to be of no significance with respect to the health and safety of the public. Questions regarding this Security Special Report should be directed to R. D. Hart at (803) 831-3622.

Sincerely,

G. R. Peterson

Attachment

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xc:

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LICENSEE EVENT REPORT (LER)

(See reverse for required number of digits/characters for each block)

Estimated burden per response to comply with this mandatory information collection request 50 hours. Reported lessons learned are incorporated into the licensing process and fed back to industry. Send comments regarding burden estimate to the Records Management Branch (T-6 E6), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to bjs1@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0104), Office of Management and Budget, Washington, DC 20503. If a means used to impose information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

1. FACILITY NAME Catawba Nuclear Station, Unit 1	2. DOCKET NUMBER 05000 413	3. PAGE 1 OF 7
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4. TITLE
Security Access Revoked for Falsification of Criminal Record

5. EVENT DATE			6. LER NUMBER			7. REPORT DATE			8. OTHER FACILITIES INVOLVED	
MO	DAY	YEAR	YEAR	SEQUENTIAL NUMBER	REV NO	MO	DAY	YEAR	FACILITY NAME	DOCKET NUMBER
03	25	2003	2003	S01	00	04	24	2003	Catawba Unit 2	05000414
									FACILITY NAME	DOCKET NUMBER

9. OPERATING MODE 1	10. POWER LEVEL 100%	11. THIS REPORT IS SUBMITTED PURSUANT TO THE REQUIREMENTS OF 10 CFR §: (Check all that apply)								
		20 2201(b)	20 2203(a)(3)(ii)	50.73(a)(2)(ii)(B)	50.73(a)(2)(ix)(A)					
		20 2201(d)	20.2203(a)(4)	50 73(a)(2)(iii)	50 73(a)(2)(x)					
		20 2203(a)(1)	50 36(c)(1)(i)(A)	50.73(a)(2)(iv)(A)	73 71(a)(4)					
		20 2203(a)(2)(i)	50.36(c)(1)(ii)(A)	50 73(a)(2)(v)(A)	73 71(a)(5)					
		20.2203(a)(2)(ii)	50.36(c)(2)	50 73(a)(2)(v)(B)	X OTHER Specify in Abstract below or in NRC Form 366A					
		20.2203(a)(2)(iii)	50.46(a)(3)(ii)	50.73(a)(2)(v)(C)						
		20 2203(a)(2)(iv)	50.73(a)(2)(i)(A)	50.73(a)(2)(v)(D)						
		20.2203(a)(2)(v)	50.73(a)(2)(i)(B)	50.73(a)(2)(vii)						
		20.2203(a)(2)(vi)	50.73(a)(2)(i)(C)	50 73(a)(2)(viii)(A)						
		20.2203(a)(3)(i)	50.73(a)(2)(ii)(A)	50 73(a)(2)(viii)(B)						

12. LICENSEE CONTACT FOR THIS LER

NAME R. D. Hart, Regulatory Compliance	TELEPHONE NUMBER (Include Area Code) 803-831-3622
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13. COMPLETE ONE LINE FOR EACH COMPONENT FAILURE DESCRIBED IN THIS REPORT

CAUSE	SYSTEM	COMPONENT	MANUFACTURER	REPORTABLE TO EPIX	CAUSE	SYSTEM	COMPONENT	MANUFACTURER	REPORTABLE TO EPIX

14. SUPPLEMENTAL REPORT EXPECTED				15. EXPECTED SUBMISSION DATE		
YES (If yes, complete EXPECTED SUBMISSION DATE).	X	NO		MONTH	DAY	YEAR

16. ABSTRACT (Limit to 1400 spaces, i.e., approximately 15 single-spaced typewritten lines)

On 3/25/2003 at approximately 1200 hours, with Unit 1 at 100 percent power and Unit 2 in Mode 3, Catawba Security was notified by Duke Power Company's Access Services Group of a verified falsification of screening information by a contract employee which was discovered after protected area access had occurred. The contract employee had unescorted access at Catawba (after the undisclosed arrest) from 02/27/2003 to 03/13/2003 in accordance with 10 CFR 73.56. On 3/13/2003, Duke discovered the contract employee (who was currently working at Catawba Nuclear Station) had been arrested on 8/8/2002 and failed to disclose this information on his pre-employment screening record. The contract employee was escorted from Catawba's protected area and his unescorted access was terminated. A detailed investigation ended on 3/25/2003 and concluded that the contract employee had intentionally failed to disclose an arrest. Had this information been available during the initial screening process, unescorted access would have been denied. The intentional falsification does not appear to be due to any malicious intent with respect to the health and safety of the public. This event is considered to have no significance with respect to the health and safety of the public.

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NARRATIVE (If more space is required, use additional copies of NRC Form 366A) (17)

BACKGROUND

Catawba Nuclear Station Units 1 and 2 are Westinghouse Pressurized Water Reactors [EIIIS: RCT]. At the time these conditions were identified, Unit 1 was operating in Mode 1, Power Operation and Unit 2 was operating in Mode 3, Hot Standby. This event is reportable per 10CFR 73.71(b) (1) and Appendix G(I) (b).

Personnel access authorization activities for the Catawba Nuclear Station are performed by Duke Power Access Services located in Charlotte, North Carolina. Duke's Nuclear Access Authorization Program consists of the four following elements: 1) background investigation, 2) psychological evaluation, 3) fitness for duty or "FFD", and 4) continual behavior observation. These four program elements are the bases for recommendation of "Unescorted Access Authorization" or "UAA" to licensed nuclear power facilities. Duke utilizes contractors or vendors for supplemental workforce or specialized skills. Some of the vendor/contractor companies have established an acceptable UAA program for access to Duke facilities. Duke may accept the UAA program or any part thereof conducted by a contractor or vendor that makes their records available for auditing by Duke; however, Duke retains the responsibility for assuring that individuals granted UAA to the nuclear facility meet the regulatory requirements.

Most licensed nuclear power facilities utilize a common, industry sponsored, "Personnel Access Data System" or "PADS" to maintain information on contractors or vendors that have accessed other nuclear facilities with "Unescorted Access" or "UA".

As part of the background investigation, a "Background Investigation Questionnaire" or "BIQ" must be completed by the individual applying for an UAA. The BIQ requires the individual to list any criminal arrests or convictions. Once UAA has been granted, it is the individual's responsibility to report all arrests to their management. All individuals granted UAA are made aware of this responsibility through the "Plant Access Training" program. In addition, the individual is fingerprinted and the fingerprints are submitted to the Federal Bureau of Investigation. Under the access authorization rules at the time of this event, a temporary UAA could be granted to individuals on an interim basis, not exceeding a period of 180 continuous days pending the completion of the five year background investigation. This 180 day temporary UAA could be

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granted only once per individual based on satisfactory completion of the following conditions:

1. Identity verification through one photo identification.
2. Conduct a credit check.
3. Recommendation of one developed character reference who has had frequent and direct association with the applicant.
4. Conduct an employment check and suitable inquiry for the past 365 days.
5. Passing a psychological evaluation within the past 365 days.
6. Evidence that a request for fingerprint history has been submitted.

This temporary status remains in effect until the five year background investigation and fingerprint results have been processed and reviewed as favorable.

Access Services reviews criminal history information upon receipt to determine any inconsistencies with the individual's self disclosure information provided via the BIQ. Access Services will then make a determination whether or not the arrests/convictions adversely affect the reliability or trustworthiness of the individual. In circumstances where an individual's trustworthiness and reliability is questionable, UAA is denied or revoked. Many contractors work at nuclear facilities all over the country and in many cases for several different approved vendor companies. If the individual contract worker has been granted UAA at another licensee, they may work at a Duke facility under the following circumstances:

1. It is within 30 days since their last Unescorted Access or "UA", a BIQ completed, and they meet the FFD requirements, and other requirements as determined by the Access Services Group.
2. It has been greater than 30 days but less than 365 days since their last UA, a "Suitable Inquiry" has been performed, a BIQ completed, and they meet the FFD requirements and other requirements as determined by the Access Services Group.
3. It has been greater than 365 days since their last UA, a "Suitable Inquiry" has been performed, a BIQ completed, they meet the FFD requirements, and other requirements as determined by the Access Services Group.

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EVENT DESCRIPTION

(Dates and times are approximate)

The following is a chronology of the security event reported by Catawba Nuclear Station to the NRC Operations Center via the Emergency Notification System at 1257 hours on 3/25/2003.

- 09/12/2001 Contractor was granted temporary UAA to Catawba Nuclear Station.
- 09/13/2001 Contractor was issued a security badge with Catawba Nuclear Station protected area unescorted access.
- 09/15/2001 Contractor was granted Catawba Nuclear Station protected and vital area unescorted access based on job requirement.
- 10/18/2001 Contractor completed job and left Catawba Nuclear Station; badge terminated favorably.
- 12/17/2001 Contractor granted full UAA based on completion of full background investigation.
- 01/18/2002 Contractor began work with unescorted access at another non-Duke nuclear facility.
- 01/23/2002 Contractor left non-Duke nuclear facility; badge terminated favorably.
- 02/07/2002 Contractor was issued a security badge with McGuire Nuclear Station protected and vital area unescorted access based on job requirement.
- 03/11/2002 Contractor completed job and left McGuire Nuclear Station; badge terminated favorably.
- 03/27/2002 Contractor was issued a security badge with Oconee Nuclear Station protected and vital area unescorted access based on job requirement.
- 04/12/2002 Contractor completed job and left Oconee Nuclear Station; badge terminated favorably.

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- 04/24/2002 Contractor was issued a security badge with Catawba Nuclear Station protected and vital area unescorted access based on job requirement.
- 05/11/2002 Contractor completed job and left Catawba Nuclear Station; badge terminated favorably.
- 08/08/2002 Contractor was arrested in South Carolina with trial pending.
- 08/27/2002 Contractor completes required forms in preparation for work at McGuire Nuclear Station which included BIQ. Contractor indicates no arrests on BIQ form (first falsification).
- 09/12/2002 Contractor was issued a security badge with McGuire Nuclear Station protected and vital area unescorted access based on job requirement.
- 10/01/2002 Contractor completed job and left McGuire Nuclear Station; badge terminated favorably.
- 10/07/2002 Contractor completes required forms in preparation for work at Oconee Nuclear Station which included BIQ. Contractor indicates no arrests on BIQ form (second falsification).
- 10/14/2002 Contractor was issued a security badge with Oconee Nuclear Station protected and vital area unescorted access based on job requirement.
- 11/01/2002 Contractor completed job and left Oconee Nuclear Station; badge terminated favorably.
- 02/24/2003 Contractor completes required forms in preparation for work at Catawba Nuclear Station which included BIQ. Contractor indicates no arrests on BIQ form (third falsification).
- 02/27/2003 Contractor was issued a security badge with Catawba Nuclear Station protected and vital area unescorted access based on job requirement.

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03/13/2003 Contractor discussed appearance in court with his site contract supervisor as the reason for being late for work. Upon inquiry, the contract supervisor was told by the contractor that he was arrested on 08/08/2002. The contract employee was escorted from Catawba's protected area; his unescorted access was terminated and updated the PADS. Duke began detailed investigation to determine the circumstances surrounding the arrest and the proper course of action to ensure regulatory compliance.

03/25/2003 Duke completes detailed investigation, with the conclusion that the contractor had intentionally failed to report an arrest on the screening forms during the pre-employment screening process. Catawba reported the event to the NRC Operations Center within one hour of the conclusion that had this information been available during the initial screening process; unescorted access would have been denied.

CAUSAL FACTORS

The investigation of this event did not indicate any malevolent intent to harm plant equipment on the part of the contract employee. The contract employee failed to disclose all criminal offenses in order to gain unescorted access. During the time period the individual had unescorted access, no aberrant behavior was observed.

A review of the authorization process concluded that all requirements and established processes were followed regarding the granting of temporary and full authorization of unescorted access.

The evaluation of the facts of this event leads to the conclusion, that the cause of this event was an inappropriate action of intentional falsification of information. The willful falsification appears to have been motivated by a desire for employment.

CORRECTIVE ACTIONS

Immediate:

1. Individual was escorted from the protected area and his unescorted access was restricted.

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NARRATIVE (If more space is required, use additional copies of NRC Form 366A) (17)

Subsequent:

1. Individual's unescorted access authorization was terminated in accordance with Duke Energy's Access Authorization Program.
2. Indicated unfavorable termination on individual's record in the Personnel Access Data System with additional data added to indicate that pertinent information should be obtained from Duke Energy before processing a request for access from this individual.

Planned:

There are no planned corrective actions in response to this event as there were no program failures or human performance errors by DPC Access Services or Catawba site personnel. There are no NRC commitments contained in this LER.

SAFETY ANALYSIS

There was no safety significance associated with this event as the investigation of this event did not indicate any malevolent intent on the part of the contract employee to harm plant equipment.

This event did not result in any uncontrolled releases of radioactive material, personnel injuries, or radiation over exposure. The health and safety of the public were not affected by this event.

ADDITIONAL INFORMATION

A review of Catawba events over the previous three (3) years identified one similar event. Security Special Report 413/2001-S01 dated May 7, 2001, reported a similar event where an applicant for temporary employment failed to report prior offenses. Therefore, this is a recurring event. Since these events involve acts on the part of individual applicants and do not reflect any programmatic weaknesses, corrective actions from the previous event which involved individual employee termination, could not be expected to have prevented recurrence. This event did not involve an equipment failure and is not considered reportable to the Equipment Performance and Information Exchange (EPIX) program.