TITLE: DAVIS-BESSE NUCLEAR POWER STATION

ALLEGED EMPLOYEE DISCRIMINATION

Licensee:

Toledo Edison Company
300 Madison Avenue
Toledo, OH 43652

Docket No.: 50-346

Reported By:

John W. McMahon

John W. McMahon, Investigator
Office of Investigations
Field Office, Region III

Case Number: 3-88-008

Report Date: November 8, 1988

Control Office: OI:RIII

Status: CLOSED

Reviewed and Approved By:

Eugene T. Pawlik

Eugene T. Pawlik, Director
Office of Investigations
Field Office, Region III

Participating Personnel:
J. McCormick-Barger, Reactor Inspector, RIII

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 2C
FOIA- 2004-0326

WARNING

The attached document/report has not been reviewed pursuant to 10 CFR § 2.790(a) exemptions nor has any exempt material been deleted. Do not disseminate or discuss its contents outside NRC. Treat as "OFFICIAL USE ONLY."

A1

Copy ____ of ____

SYNOPSIS

On June 21, 1988, the NRC Region III Administrator requested an investigation be conducted regarding alleged employee discrimination at the Davis-Besse Nuclear Power Station (Davis-Besse). The employee was employed by Science Applications International Company (SAIC), a contractor for the licensee, Toledo Edison Company (TECo). The investigation was conducted to determine whether a contract employee at Davis-Besse was the victim of a discriminatory termination, and if so, to what degree, if any, Davis-Besse upper management was involved.

Information developed revealed that on [redacted] had found and documented an unsatisfactory condition while conducting an inspection involving the use of Raychem shrink tubing on electrical connections. The [redacted] wrote a Potential Condition Adverse to Quality (PCAQ) report and the PCAQ was subsequently invalidated a few days later. The [redacted] later documented in a memorandum that a quality systems engineer, who later became the QC supervisor, was the initiator in obtaining the invalidation. The QC supervisor, during July 1986, yielded to the quality systems engineer the responsibility for the resolution of the PCAQ because he was in charge of the Raychem program.

In September 1986, the quality systems engineer had been named as QC supervisor and met with the [redacted] to attempt to resolve the unsatisfactory condition in the inspection report. The [redacted] agreed to issue a revised inspection report approving the Raychem application, since the procedures allowed the condition to be accepted as it stood. However, the QC inspector stated on his revised inspection report that his initial concerns on the PCAQ remained. The QC supervisor then requested the [redacted] to clarify his position, re-evaluate the issues, and provide specific descriptions of his concerns. The [redacted] replied in a memorandum dated [redacted], and sent copies of his reply to the Senior Vice-President, Nuclear, and the Director of Quality Assurance (QA).

During this timeframe, the QC supervisor had requested the lead [redacted] to submit a lay off list for each discipline due to an expected reduction in workload. The [redacted] lead submitted a list with the request that the QC inspector be retained due to his work performance and that he could work in various disciplines. On or about October 20, 1986, the QC supervisor told the [redacted] lead that the [redacted] was going to be laid off. The lead told the QC supervisor that the [redacted] had paperwork to finish, and the QC supervisor told the lead to inform the [redacted] that after he was finished with the paperwork he would be laid off.

On October 29, 1986, after being informed that he was laid off effective October 31, 1986, the [redacted] met with the QA Director. The QA Director told the [redacted] that he was being laid off due to a reduction in force and gave the [redacted] a copy of a memorandum the QA Director had written to the QC supervisor citing that the [redacted] was correct in identifying the concerns and that the PCAQ was improperly invalidated. The memorandum also stated that the QC supervisor had inadequately and erroneously responded to the [redacted] concerns.

Within approximately two weeks after the [redacted] was laid off, his position in the electrical group was filled by another contract [redacted]. Records from SAIC indicate that the [redacted] was the first involuntary dismissal for that contractor in that time period. The [redacted] applied for open positions at Davis-Besse on two separate occasions after his dismissal but was not offered a position. Some other contract personnel in the electrical group were either offered direct employment with TECo or were hired back after being laid off.

The investigation determined that the contract employee was, in fact, a victim of a discriminatory termination by Davis-Besse, but there was no involvement in or knowledge of this action by any upper level Davis-Besse management personnel.

ACCOUNTABILITY

The following portions of this Report of Investigation (Case No. 3-88-008) will not be included in the material placed in the PDR. They consist of pages 3 through 30.

THIS PAGE LEFT BLANK INTENTIONALLY

TABLE OF CONTENTS

	Page
SYNOPSIS	1
ACCOUNTABILITY	3
APPLICABLE REGULATIONS	7
DETAILS OF INVESTIGATION	9
Purpose of Investigation	9
Background	9
Details	9
Willfulness/Intent	26
Agent's Conclusion	27
LIST OF EXHIBITS	29

THIS PAGE LEFT BLANK INTENTIONALLY

APPLICABLE REGULATIONS

10 CFR 50.7, Employee Protection

THIS PAGE LEFT BLANK INTENTIONALLY

DETAILS OF INVESTIGATION

Purpose of Investigation

The purpose of this investigation was to determine whether [redacted] at the Davis-Besse Nuclear Power Station (Davis-Besse), was discriminately laid off after raising safety related concerns at the station. The investigation was also to determine that if, in fact, a discriminatory layoff of [redacted] did take place, what levels of plant management may possibly have been involved.

Background

On June 21, 1988, the NRC Region III (RIII) Administrator requested an investigation after receiving information that [redacted] had been laid off from his position as a [redacted] after raising safety related concerns at Davis-Besse, which is operated by Toledo Edison Company (TECo) (Exhibit 1). On June 8, 1988, approximately two weeks before, the RIII Administrator had received information from [redacted] former lead [redacted] that [redacted] was laid off even though the lead had specifically requested [redacted] to be retained. The lead stated that prior to the lay off of [redacted] had rejected a condition involving Raychem shrink tubing on electrical connections and "brought heat" on the QC supervisor from Davis-Besse management, and this may have been the reason for [redacted] lay off (Exhibit 2).

In October 1986, the Davis-Besse Quality Assurance (QA) Director was Loren O. RAMSETT. The QC supervisor was Louis R. WADE. The lead QC inspector for electrical was Robert W. WALLACE. [redacted] (Exhibit 3).

> INVESTIGATOR'S NOTE: WADE had joined Davis-Besse QA Department in April 1986 and was assigned by RAMSETT to the Raychem program. WADE later replaced Donald L. RHODES as QC supervisor.

Details

On July 12, 1988, [redacted] was interviewed by NRC:OI. [redacted] stated that he has been employed in the nuclear industry for approximately [redacted] (Exhibit 4, p. 4). [redacted] he went to work as a [redacted] at Davis-Besse. [redacted] stated he was hired as a contract employee or consultant through Science Applications International Company (SAIC) (Exhibit 4, pp. 4-5). [redacted] stated that when he first arrived at Davis-Besse, RHODES was the QC supervisor. [redacted] also stated that Davis-Besse was in an outage at this time (Exhibit 4, p. 6).

[redacted] he conducted an inspection concerning a Raychem shrink tubing application in the containment building. [redacted] said that paragraph 3.21.3 of the QC Checklist, titled "Inspection Procedure of Termination of Electrical Cables," stated "Raychem tubing has been installed per engineering instructions referenced on the MWO" (Maintenance Work Order). [redacted] said he found an unsatisfactory condition during this inspection and

marked paragraph 3.21.3 as unsatisfactory on the QC checklist (Exhibit 4, p. 7; Exhibit 5). [redacted] said that the condition was unsatisfactory because the general instructions regarding the Raychem splicing had not been approved by Davis-Besse Document Control, and that the general instructions and the specifications supplied by Davis-Besse did not address whether or not to grind the bolt flush with the nut on the electrical connection (Exhibit 4, pp. 11-12).

[redacted] said that based on his experience with Raychem shrink tubing, the bolt, if not ground flush, may cause a tear in the tubing after installation (Exhibit 4, p. 13). [redacted] stated that based on this, he initiated a Potential Condition Adverse to Quality (PCAQ) report (Exhibit 4, p. 9; Exhibit 6).

[redacted] stated that during this timeframe, management was giving verbal directions and changes to the Raychem instructions. [redacted] said the revisions to the engineering specifications (drawings) associated with Raychem installations were being drafted, but no written revisions to the drawings had been received by the QC inspectors (Exhibit 4, pp. 15-16).

[redacted] said that after he filled out the PCAQ, he took the PCAQ to RHODES, the QC supervisor. [redacted] said RHODES looked it over and said, "it looks good to me [redacted] but since Lou WADE is in charge of the Raychem, I'll hold it and give it to him and let him look at it" (Exhibit 4, p. 26). [redacted] said shortly after giving the PCAQ to RHODES, both RHODES and WADE came to him and WADE requested [redacted] to explain the situation. [redacted] said that he explained his concerns to WADE and WADE responded by saying, "let me take this and run it by engineering first" (Exhibit 4, p. 26).

[redacted] said about four or five days later, on or about [redacted] WADE brought the PCAQ back to [redacted] and the PCAQ had been invalidated. [redacted] said that WADE told RHODES and [redacted] that the PCAQ would not be issued (Exhibit 4, p. 26). [redacted] said that he was still concerned because it seemed that management was requesting the QC inspectors to work to specifications that had not been issued, and that the PCAQ was invalidated based on revisions that were not in effect at that time (Exhibit 4, pp. 27-28).

[redacted] stated that even though the PCAQ was not issued, the unsatisfactory condition on QC Checklist No. 86-E-421 was still outstanding. [redacted] implied that the MWO and inspection report could not be closed out until the unsatisfactory condition was resolved (Exhibit 4, pp. 33-34).

[redacted] said that on or about October 6, 1986, WADE approached [redacted] and discussed QC Checklist No. 86-E-421. [redacted] said WADE told [redacted] "we got this inspection report...is still open and we need to do something about it." [redacted] said he asked WADE what WADE wanted done, and WADE replied, "well, we need to get it taken care of." [redacted] said he told WADE, "that's fine, but the same thing that I wrote up about it, you (WADE) didn't agree with still exists. So far as I know, nobody has gone back down there and cut it open and redone it" (Exhibit 4, p. 34).

[redacted] said WADE told him, "well, we need to change that 'unsat' to a 'sat.'" [redacted] said WADE told [redacted] the specifications were going to be changed. [redacted] stated he told WADE, "that's true, but they haven't done it yet. So we still got a problem with the general instructions not having gone through any document control approval and we have those specifications sitting over here that we're supposed to go by and we didn't do that." [redacted] said WADE responded, "well, that's going to be taken care of." [redacted] said that the bolt was still a problem and told WADE, "well, like I said, as far as I know, they had not changed that (the bolt), so it's still there, the situation still exists. But I said, if you (WADE) want it changed, all you got to do is tell me and I'll do it" (Exhibit 4, p. 35). 7C

[redacted] said that during the discussion, WADE was "very friendly for a while, until he realized that I wasn't going to just sign it off, and he said, in essence, 'you don't know what you want to do then.'" [redacted] said, "it's not up to me what I want to do. I have already initiated the PCAQ. You all said it was not going to be issued and as far as I'm concerned, that's really the end of it. I don't agree with it, but it's out of my hands" (Exhibit 4, pp. 35-36).

[redacted] said that WADE requested him to change QC Checklist No. 86-E-421 and send the change in writing to WADE. [redacted] said that "I only changed page 1 of 3, which was the one that had the 'unsat' marked on it. I still left the last sheet which said that the PCAQ had been initiated and that the PCAQ was not to be issued." [redacted] said that WADE told him the change was unsatisfactory; "we're going to have to write up a whole new inspection report" (Exhibit 4, p. 36; Exhibit 7).

[redacted] stated that on October 9, 1986, he received a memorandum from WADE stating that WADE was unsure of what [redacted] concerns were regarding the PCAQ. According to the memo, WADE said his perception of the PCAQ and the inspector's concerns dealt with the identification of the type of connector used in the installation and that the connecting bolt was not ground flush as required by one of the engineering drawings. In the memorandum, WADE responded to these concerns by saying that revision 2 of the engineering specification effective August 6, 1986, permits the type of connector cited as unsatisfactory by [redacted] and that QC Checklist No. 86-E-421, paragraph 3.21.3 is related only to Raychem tubing, not hardware such as a bolt. WADE, at the end of the memorandum, requested [redacted] to "reevaluate the issues and provide specific description of your [redacted] concerns. Please provide me a reply no later than October 10, 1986" (Exhibit 8). 7C

[redacted] stated that on October 10, 1986, he wrote a reply to WADE. [redacted] stated in the memo, "...to clarify the original concerns of the PCAQ dated [redacted] These (concerns) were discussed with Mr. Don RHODES. But since you (WADE) were in charge of the Raychem program, he passed the PCAQ on to you and I discussed those items with you at that time. You said then, you understood what they were, but wanted to run them by engineering first. Five days later you gave the PCAQ back to me and said that it would not be issued" (Exhibit 9).

[redacted] also pointed out in the memorandum that the reasons he issued a PCAQ were that the documents regarding the installation of the Raychem shrink tubing were in conflict with each other; one was a controlled document, while the other document had not been reviewed by the Document Control group. [redacted] said the controlled document instructed the workers to grind or file the connecting bolt flush with the nut while the non-controlled document did not require anything be done to the bolt. [redacted] stated in his memorandum that he followed the instructions found in the non-controlled document, and thereby nothing was done to the bolt. [redacted] stated in the memorandum, "I did have concerns about the protrusion of the bolt on the inside of the Raychem connection and the potential problems that it could cause and [that is] why I addressed it on the PCAQ" (Exhibit 9). [redacted] also said that WADE had incorrectly cited a revision to the procedure and instructions which were not in effect in July 1986 (Exhibit 4, p. 40; Exhibit 9).

[redacted] said that he forwarded a copy of this memorandum to his lead, WALLACE, the Operations QA Manager, Charles DAFT, the QA Director, RAMSETT, and TECo Senior Vice President, Nuclear, Joe WILLIAMS, Jr., a former Admiral in the U.S. Navy. [redacted] said that the reason he sent a copy of the memo to all these people is that it was his perception that WILLIAMS, RAMSETT, and WADE had been brought to Davis-Besse "as a team," or had been brought in one at a time and knew each other, and "...if we're going to let those people know about it, we might as well let everybody know about it" (Exhibit 4, p. 41). [redacted] said that WADE returned a copy of the memorandum with a "post it" note on it that said, [redacted] did you really send this to the Admiral, (signed) Lou." [redacted] said the copy of the memorandum was laying on his desk and that WADE never mentioned the memorandum or the "post it" note to [redacted] (Exhibit 4, p. 42; Exhibit 9).

[redacted] stated that sometime between October 15-19, 1986, he met with RAMSETT and WADE and discussed the concerns [redacted] had regarding the Raychem shrink tubing and connections. [redacted] said that RAMSETT asked a lot of questions, and WADE would try to answer without letting [redacted] get involved in the discussion. [redacted] said he then asked RAMSETT if they could discuss the concerns alone. [redacted] said RAMSETT excused WADE from the office and [redacted] was able to explain his concerns and the reasons for writing the PCAQ. [redacted] said that after the meeting, RAMSETT said, "okay, I think I understand what this situation is about now and what the problems are. I'll get back with you" (Exhibit 4, p. 44-45).

[redacted] stated that after the meeting with WADE and RAMSETT, WADE told [redacted] "we'll just write another PCAQ and go ahead down and rework that connection and take care of that bolt." [redacted] said another PCAQ was issued and a number was assigned to it (No. Q-86-0492) and the connections were reworked. [redacted] also said the bolt was ground flush and more Raychem shrink tubing was attached to the connection (Exhibit 4, p. 47).

On August 25, 1988, [redacted] was re-interviewed regarding the rework of the electrical connection originally cited in the PCAQ he wrote on [redacted] stated that he then remembered that during this time, three or four other PCAQs were written and he apparently misspoke about re-working

the connection. [redacted] stated that he then recollected that after PCAQ No. Q-86-0492 was issued, the connection was reinspected and accepted "as is" (Exhibits 21 and 22).

[redacted] said that on or about October 29, 1986, he was notified that he was laid off effective [redacted]. The reason cited in the lay off notification was "reduction in force" (Exhibit 10). [redacted] said that while he was checking out, he received word that RAMSETT wanted to see him. [redacted] stated he went to RAMSETT's office and RAMSETT showed [redacted] a memorandum from RAMSETT to WADE dated October 29, 1986. [redacted] said that after reviewing the memorandum, "I was dumbfounded because a lot of times they (management) verbally tell you that, 'hey, you were right' or this that and the other, but I have never seen it in writing like this before, especially where the supervisor (WADE) gets slapped on the hand" (Exhibit 4, p. 48; Exhibit 10). 7C

[redacted] said RAMSETT told him, "well, here's what I decided and what I found out and what I decided about the problem." [redacted] said he told RAMSETT, "good, I appreciate that, it's a shame that a couple of us had to lose their jobs because of this." [redacted] said RAMSETT told him, "Oh, no, no," and assured [redacted] that this [redacted] concerns and subsequent memorandum) had nothing to do with [redacted] lay off (Exhibit 4, p. 48).

[redacted] stated that to the best of his knowledge, no other [redacted] were laid off at Davis-Besse at this time (Exhibit 4, p. 49). [redacted] also said that he never received any reprimands, counselling, or negative comments about his job performance while at Davis-Besse (Exhibit 4, p. 42). [redacted] said that he felt as a contractor or consultant he could be laid off almost instantaneously and "did not have a leg to stand on" even if he felt he had been discriminated against. [redacted] said that it was his feeling that as long as he was laid off and not fired, he didn't have any basis to file a complaint against Davis-Besse management with the U.S. Department of Labor (Exhibit 4 p. 54). 7C

[redacted] stated that when he was preparing to leave Davis-Besse, WADE told [redacted] "now we got an outage coming up in about 12-14 months and I'll be looking forward to seeing you back then." [redacted] said RAMSETT also told him, "we're going to have another outage and we'll be looking for you back" (Exhibit 4, p. 55). [redacted] said that upon hearing this, "I chuckled to myself...[and] took that with a grain of salt realizing that, especially if WADE was there, there's not going to be much of a chance of that, because he and I didn't hit it off too good and by the same procedures, he (WADE) wanted pat answers and wanted you to do them and I don't go along with that" (Exhibit 4, p. 55).

7C

[redacted] stated that regarding the outage alluded to by RAMSETT and WADE, he received a call from SAIC and was asked if he was ready to go back to Davis-Besse, and [redacted] told SAIC he would go back. [redacted] said he did not hear from SAIC for a few weeks and he re-contacted SAIC and inquired about a position at Davis-Besse. [redacted] said the secretary told him that his application had been forwarded to Davis-Besse. [redacted] said he called friends who were still working at Davis-Besse and inquired if he was going to be rehired. [redacted] said that he heard from a friend (not identified) that Richard J. JAROSI, who was a lead QC inspector in the Instrumentation

and Control (I&C) group, had spoken to WADE about bringing [redacted] back to Davis-Besse as a [redacted] said his friend said WADE told JAROSI "there's no damn way [redacted] is coming back up here" (Exhibit 4, pp. 55-57). 7C

On July 13, 1988, WALLACE was interviewed by NRC:OI. WALLACE stated that he has been employed by TECo at Davis-Besse for approximately nine years. WALLACE said that he has been employed in the the QC electrical department for the entire time and is currently a senior QC inspector. WALLACE stated that in July 1986, he was the lead QC inspector for the electrical group in QC. WALLACE said that he supervised approximately 20 QC inspectors during this timeframe. WALLACE stated that four or five of the QC inspectors in the group were TECo employees and the rest were contract personnel or consultants. WALLACE said that one of the contract employees working for him at this time was [redacted] (Exhibit 11, pp. 4-6).

WALLACE stated that in July 1986, RHODES was the QC supervisor, but "when the Admiral (WILLIAMS) came in, he brought his own people. And so this gentleman, Lou WADE, came over, more or less indicating that he was going to help somebody. But he was there for the sole purpose of replacing Don RHODES, which he did" (Exhibit 11, p. 7).

WALLACE reviewed QC Checklist No. 86-E-421 and stated that he felt the general instructions in the MWO and the engineering drawing "did confuse people" regarding whether or not to grind the bolt off (Exhibit 11, p. 13). WALLACE further stated, "I think if I was in [redacted] position, I would have issued a PCAQ too, because I was getting too many directions" (Exhibit 11, p. 14).

WALLACE then reviewed the PCAQ written by [redacted] on [redacted] WALLACE stated that the PCAQ was not issued because "it was never signed by supervision, and evidently, this Mr. HARRIS (Donald J.) from QA got involved in this thing, and he just wrote his comments on there that said, 'invalidated.' In other words, he (HARRIS) shot the PCAQ down" (Exhibit 11, p. 17). WALLACE said that "without QC supervisor's name on that, it's dead in the water. And evidently, somebody had some concerns to get QA involved in this or Mr. HARRIS would have never put these words on here (Exhibit 6; Exhibit 11, p. 17). 7C

WALLACE stated that since QC Checklist No. 86-E-421 had an unsatisfactory condition and a PCAQ had not been issued, "somehow that unsatisfactory condition had to be resolved, either through a reinspection and an acceptance or by a PCAQ," or by correcting the situation (Exhibit 11, p. 20). WALLACE said that regarding this specific PCAQ, after [redacted] wrote it, RHODES "more or less sit on it and turn[ed] it over to Mr. WADE. That's the story that I get. Whether it's true or not, I don't know" (Exhibit 11, p. 21). 7C

WALLACE stated that in October 1986, WADE asked WALLACE to make up a lay off list of the QC inspectors under WALLACE's supervision. WALLACE said, "he (WADE) requested me to make up a lay off of the people that we had. In other words, who goes first and who do you want to keep" (Exhibit 11, p. 22). WALLACE said, "he (WADE) told me he wanted a list of people that he could lay off and he sort of felt that we'd probably have to keep maybe four of the contractors, because we don't have enough people to carry on. So I knew the

people really well, and I knew who I had to have. So I based these names in the order so I could keep my last four people. I made the list up and the four or five people that I felt were essential for me to do my job and have the most qualified people were, [redacted] was one of them, Glen WEED was one, and Dave NASH I believe was one. So I kept those people because they were highly qualified. They'd done us a good job" (Exhibit 11, pp. 23-24).

1C

WALLACE said that sometime after he made his lay off recommendations to WADE, WADE told WALLACE he was going to lay [redacted] off. WALLACE said his response to that was, "I need the man." WALLACE said he informed WADE that [redacted] had some paperwork and packages to finish. WALLACE said WADE told him, "as soon as [redacted] got his paperwork cleared up and his packages closed, that I was to inform him immediately" (Exhibit 11, p. 25). WALLACE estimated that WADE told him of his plans to lay off [redacted] about a week and a half before [redacted] was actually laid off. WALLACE also stated that he does not remember any other [redacted] being laid off during this timeframe. WALLACE also said, "instead of the four [redacted] that I wanted, they (management) kept ten or twelve, I think. Most of them, we kept" (Exhibit 11, p. 26).

WALLACE stated that some of the QC inspectors who left Davis-Besse during this timeframe later returned when positions opened up. WALLACE stated that he received a call from [redacted] told WALLACE that he [redacted] had received a call from SAIC asking [redacted] if he wanted to return to Davis-Besse. WALLACE said that [redacted] wanted to return to Davis-Besse and [redacted] called WALLACE because [redacted] knew that since WALLACE was [redacted] lead, WALLACE could recommend that [redacted] be rehired. WALLACE said he informed [redacted] he (WALLACE) was no longer a lead and could not make any recommendations. WALLACE stated that he informed JAROSI that [redacted] was requesting to return to Davis-Besse. WALLACE said that JAROSI accepted the information from WALLACE "without too many comments" (Exhibit 11, pp. 27-28).

1C

WALLACE said that WADE did not give any explanation as to why WADE wanted to lay [redacted] off other than "we want to lay [redacted] off" (Exhibit 11, p. 36). WALLACE said that in his opinion, he knew of no other reason why [redacted] was laid off other than the incident regarding the issues raised by QC Checklist No. 86-E-421 and the attempt by [redacted] to write a PCAQ (Exhibit 11, p. 40).

On July 13, 1986, RHODES was interviewed by NRC:OI. RHODES stated he has been in the nuclear industry since 1959. RHODES said he was one of the first QC technicians hired at Davis-Besse. RHODES said that in July 1986, he was the QC supervisor at Davis-Besse. RHODES reviewed QC Checklist No. 86-E-421 and the PCAQ written by [redacted] on [redacted] RHODES stated that he did not remember the details of the inspection report or the PCAQ (Exhibit 12, pp. 7-11).

RHODES stated that in the summer of 1986, the QC department had a very quick expansion due to the Raychem problem, a fire protection program, and other programs. RHODES said that the department went from a normal complement of 8-12 QC inspectors to 20-30 new inspectors per day. RHODES said that due to the large expansion, WADE came to the QC department with the "assumption" to help RHODES out by taking over the Raychem program. RHODES said, "Lou (WADE) was running the Raychem program so to speak. I was still the supervisor, and I had to sign---initiate and sign the PCAQs, but a lot of time I'd never

1C

seen them initiated. You know, I didn't have the time to check out every PCAQ that was written at the time, and I just don't remember any details on this particular one" (Exhibit 12, pp. 12-13). Regarding the notation by RHODES on QC Checklist No. 86-E-421, page 4, which states, "PCAQ not issued (signed) D. RHODES 7/14/86," RHODES said, "when Lou WADE came into the group, he kind of managed the Raychem program, so I did not become involved with the details, the kind of details that you're asking me, but I would have signed it (PCAQ) as an initiator, and I would still have signed it as not being issued. But what happened in between, I really can't shed any...light" (Exhibit 12, p. 14).

RHODES responded to the question of whether or not WADE may have brought the inspection report and PCAQ to RHODES for authorization not to issue the PCAQ by saying, "very possible, very possible. I mean we---Lou (WADE) and I really had a pretty good working relationship, a one to one, and, you know, if that's what he told me and he was running the program, why that possibly could have happened, but I don't remember this specific one. Don't remember this specific one. But there had to have been a reason why I didn't initiate it. I mean I just would not initiate it on my own; and I don't remember this. You know, I don't remember any conversation with HARRIS" (Exhibit 12, p. 14). RHODES added, "but again, I was not directly involved with the Raychem program at this time, but I was still signing these things because I was still the supervisor with signatory (sic) authority" (Exhibit 12, p. 16).

Regarding [redacted] competence as a [redacted] RHODES stated that [redacted] was conscientious and tried to do his best. RHODES said [redacted] was "pretty knowledgeable" and had a "pretty good technical background." RHODES stated that [redacted] tried to follow procedure and tried to follow "paper...and when they didn't work and when they didn't make sense, he brought it to people's attention and tried to get it corrected" (Exhibit 12, p. 16). RHODES also said that he never received a report that [redacted] did not do his job. "He [redacted] was very conscientious, and he was a hard worker, and I thought he was dependable; (he) had a good work record," said RHODES (Exhibit 12, p 17).

RHODES said that WADE did not report to him. RHODES said, "nobody ever said that Lou WADE is assigned to you and works for you. That was never done. He just showed up one day, and oh, by the way, he's going to be looking at the Raychem program." RHODES said that WADE "didn't have any authority other than the fact that he was a good friend of RAMSETT's (QA Director)." RHODES also said that when he was relieved of his position as QC supervisor, WADE replaced him (Exhibit 12, pp. 18-19).

RHODES stated that he was replaced by WADE sometime in October 1986 (Exhibit 12, p. 7). RHODES stated that he spoke with [redacted] after [redacted] was informed he was going to be laid off. RHODES said [redacted] made the statement, "you know, I'm the first to be laid off." RHODES said [redacted] said he expected it, or words to that effect (Exhibit 12, p. 23).

RHODES said regarding [redacted] work performance, he never knew [redacted] to write frivolous PCAQs. RHODES said that regarding the unsatisfactory condition documented on QC Checklist No. 86-E-421, RHODES opined that [redacted] was correct and had a "legitimate complaint" (Exhibit 12, p. 24).

RHODES stated that because he never signed the PCAQ written by [redacted] RHODES may have given the PCAQ to WADE because WADE was involved in the Raychem program. RHODES said that it is possible that after [redacted] gave the PCAQ to him for review and signature, RHODES gave the PCAQ to WADE, and WADE later returned the PCAQ to RHODES saying the PCAQ was not needed. RHODES said, "there were some cases like that. It sounds like a correct scenario, because I never signed it. Really, it's not initiated, not this copy" (Exhibit 12, p. 30).

On July 14, 1986, JAROSI was interviewed by NRC:OI. JAROSI said he has been employed in the nuclear industry for nine years, of which the last eight years have been at Davis-Besse. JAROSI said that his current position is QC supervisor for electrical and I&C. JAROSI said that in July 1986, he was the lead QC inspector for I&C (Exhibit 13, p. 4).

JAROSI was then asked to review QC Checklist No. 86-E-421 and the PCAQ written by [redacted] on [redacted] JAROSI said that, in his opinion, [redacted] was justified in writing the PCAQ regarding the unsatisfactory condition he documented on QC Checklist No. 86-E-421 (Exhibit 13, p. 10). JAROSI further stated that he feels that the invalidation of the PCAQ was not handled according to procedures in place at that time. JAROSI said that even if [redacted] supervisor did not agree with the issuance of the PCAQ, the PCAQ should have been forwarded to the PCAQ review board for evaluation. JAROSI also said the subject PCAQ did not have [redacted] supervisor's signature (RHODES) in Part 1, block L, acknowledging that RHODES had reviewed the PCAQ (Exhibit 6; Exhibit 13, pp. 7-8). 7C

> INVESTIGATOR'S NOTE: The alleged violations of procedures regarding PCAQs did not appear willful and are being reviewed and addressed by NRC:RIII.

JAROSI stated that [redacted] "was able and competent. He was asked to perform inspection(s). He would go out and perform the inspection(s), come back with all the documentation as required and, you know, let you know---he informed you if he had any problems in the field, kept the Level IIIs informed" (Exhibit 13, p. 11).

Regarding the termination or lay off of [redacted] JAROSI said, "I remember Lou WADE telling Bob WALLACE to release [redacted] And Bob said, 'well, I can't release [redacted] First of all, [redacted] got a lot of paperwork to catch up on. He's got a lot of MWOs to close out.' And Lou telling him (WALLACE), 'as soon as [redacted] is done with his MWOs and the paperwork, let him know.' And [redacted] was released shortly after that" (Exhibit 13, p. 16). 7C

JAROSI said that WADE asked the lead inspectors for a lay off list and in what order the leads wanted the inspectors laid off. JAROSI said that he did not keep a copy of the list he supplied to WADE, but that WADE did not follow the recommended list, he laid off the inspectors who had the most expensive contracts (Exhibit 13, p. 17). JAROSI stated that [redacted] was not one of the [redacted] in the QC organization (Exhibit 13, p. 18).

JAROSI said that after [redacted] was laid off in [redacted], "numerous" QC inspectors were hired at Davis-Besse between October 1986 and July 1988. JAROSI said that in this timeframe, he was able to bring back two SAIC employees. JAROSI said that in January 1988, Davis-Besse shut down for a refueling outage. JAROSI said that at that time WALLACE told him that [redacted] was interested in coming back for the outage. JAROSI said that he "would have been happy to bring [redacted] back. I had a list of SAIC employees that were available that we had in the past here at Davis-Besse. And I showed that list to Lou (WADE), and there were only two people that Lou would credit bringing back. And [redacted] was not one of those people that he (WADE) wanted to bring back" (Exhibit 13, pp. 34-36). JAROSI said that a third SAIC employee had been authorized by WADE to return to Davis-Besse, but that the inspector was not available (Exhibit 13, p. 36). JAROSI said that he "could not honestly say" if WADE specifically said that [redacted] could not come back to Davis-Besse. JAROSI said that the list of SAIC employees probably totaled ten inspectors (Exhibit 13, p. 36). 7C

JAROSI stated that approximately 18 contract QC inspectors were hired who had never worked at Davis-Besse before, and in JAROSI's opinion, this was a bad management practice to have to train and familiarize new inspectors to the plant (Exhibit 13, pp. 38-39).

On July 21, 1986, Donald J. HARRIS was interviewed by NRC:OI. HARRIS stated that he has worked in the nuclear industry since 1970. HARRIS said that in July 1986, he was employed at Davis-Besse as an acting quality systems manager. HARRIS stated his duties and responsibilities included, but were not limited to, reviewing PCAQs. HARRIS stated he was also a member of the PCAQ review board. HARRIS stated that the PCAQ procedure went into effect on May 21, 1986, as Revision 1. HARRIS said Revision 0 was never issued (Exhibit 14, pp. 4-5).

HARRIS stated that according to the PCAQ procedure, there was no limitation on who could write or initiate a PCAQ. HARRIS said that under Revision 1, after an individual initiated a PCAQ, "normally, it (PCAQ) went directly to the supervisor for validation or invalidation...subsequent revisions removed that" (Exhibit 14, p. 6). HARRIS stated that if a supervisor decided to invalidate the PCAQ, the supervisor would have to sign the PCAQ and write the rationale for the invalidation on the PCAQ (Exhibit 14, p. 7). HARRIS further stated that the PCAQ procedure in effect at that time did not address the situation of a supervisor consulting with another department within QA to determine if the PCAQ was valid or not (Exhibit 14, p. 8).

HARRIS then reviewed the PCAQ dated [redacted] that was written by [redacted]. HARRIS said that under Part 2, paragraph (f), Immediate Action/Comments, he wrote the comment, "Invalidate. Action committed in LER and Raychem problems identifies the requirements to change E-302(a) to coincide with the Raychem sketches. Revisions are currently in process" (Exhibit 6; Exhibit 14, p. 8). 7C

HARRIS stated that his recollection of the method in which he received the PCAQ is that some supervisor from the QC department brought the PCAQ to him and asked him how to invalidate the PCAQ and a basis to invalidate it (Exhibit 14, pp. 9-10). HARRIS stated that only one person brought the PCAQ to him to have it invalidated, but he is not sure who that person was (Exhibit 14, p. 13).

HARRIS stated that according to his recollection, the reason the PCAQ was brought to him for assistance was that the procedure was relatively new and the supervisor who brought the PCAQ to him for invalidation was unsure of the method to make a PCAQ invalid (Exhibit 14, p. 15). HARRIS further stated that the unknown supervisor who brought the PCAQ to him had already decided that the PCAQ was going to be invalidated and merely needed assistance in the correct manner of filling out the PCAQ form with the rationale. HARRIS said he discussed the rationale with the supervisor and agreed with the supervisor. When asked why HARRIS signed the rationale for the invalidation instead of the supervisor, HARRIS responded, "I wish I had not" (Exhibit 14, p. 14).

On July 21, 1988, DAFT was interviewed by NRC:OI. DAFT stated he has been employed by TECo in QA since 1974. DAFT said that in July 1986, he was the Operations QA Manager at Davis-Besse. DAFT said that part of his responsibilities included overseeing the QC department. DAFT said that RHODES was the QC supervisor at this time (Exhibit 15, pp. 3-5).

DAFT said that during this timeframe, Davis-Besse was in an outage. DAFT further said that during this time there was a Raychem inspection and repair effort which took a significant expenditure of manpower and resources. DAFT stated that RAMSETT, the QA Director, had assigned WADE the responsibility to "monitor the Raychem effect (effort) from the QC standpoint" (Exhibit 15, p. 5).

Regarding the PCAQ written by [redacted] on [redacted] DAFT stated that either WADE or RHODES would be the person to review the PCAQ to determine if the PCAQ was valid or invalid. DAFT said, "on the Raychem, I do not recall whether we had assigned that responsibility to Mr. WADE or whether Mr. RHODES was still the primary contact for the Raychem effort" (Exhibit 15, p. 7). 1C

DAFT stated that in July 1986, "we were still hot and heavy into the outage, and I do not think that there were any plans or discussions on laying people off." DAFT stated that in September 1986, he was reassigned duties and was relieved of his duties and responsibilities in QA (Exhibit 15, p. 14). DAFT said that the outage started winding down around early or mid-November 1986. DAFT said that he does not remember any discussions regarding lay off of personnel as a result of the outage winding down (Exhibit 15, p. 15).

DAFT stated that the feedback he received while in QA during this timeframe was that [redacted] work was acceptable, and he did not recall receiving any negative comments about [redacted] work (Exhibit 15, p. 16).

DAFT stated that his experience regarding lay offs of personnel was that the QC supervisor would determine the lay offs based upon discussions with the lead QC inspectors, the type of work that was upcoming, the qualifications of the employees, and whether the employees could work in more than one discipline (Exhibit 15, p. 18). 1C

On July 21, 1988, WADE was interviewed by NRC:OI. WADE said he had approximately 20 years experience in QC in the nuclear power industry. WADE stated that he began employment at Davis-Besse in April 1986 (Exhibit 16, pp. 4-5). WADE said that when he came on board at Davis-Besse, he worked for RAMSETT, the QA Director. WADE said he was assigned as a Quality Systems

Specialist and was assigned to "get involved primarily with the development and implementation of a couple of special projects, one being the Raychem effort that was going on and the other was fire protection" (Exhibit 16, p. 6).

WADE said that he interfaced with the QC electrical inspectors who were assigned to the Raychem "fix it" program. WADE said that WALLACE was the lead QC inspector, and if any of the QC inspectors had questions about the program, they would go to WALLACE. WADE said that WALLACE would normally go to WADE regarding "specific Raychem fix it" problems. WADE said that if he found a problem with any of the Raychem procedures or anything like that, he would normally handle it himself or with the lead QC inspector (Exhibit 16, pp. 12-13).

WADE then reviewed QC Checklist No. 86-E-421 and the PCAQ written by [redacted] on [redacted]. WADE stated that he does not recall having a discussion with [redacted] and RHODES when [redacted] marked paragraph 3.21.3 of QC Checklist No. 86-E-421 and wrote the PCAQ. WADE also said he did not recall telling [redacted] that he (WADE) was going to "run" the PCAQ by engineering to get their comments on the PCAQ (Exhibit 16, p. 18). WADE said he did not believe that this particular problem related to the Raychem "fix it" program. WADE also said that he did not remember discussing this PCAQ with HARRIS and said that in July 1986, he was not aware that the PCAQ existed (Exhibit 16, p. 19).

WADE agreed that there did not appear to be a logical progression from [redacted] who initiated the PCAQ, to HARRIS who worked in QA and apparently invalidated the PCAQ. Since the Supervisor block in part 2 was blank, there appeared to be a missing link in the chain and WADE agreed that this did not seem normal (Exhibit 6; Exhibit 16, p. 20).

WADE stated that in September 1986, he replaced RHODES as the QC supervisor. WADE further stated that he recalled discussing the subject PCAQ with [redacted] and told [redacted] "I told him that---well, let me see. Essentially the bottom line was I would look at the PCAQ, evaluate it and take appropriate action" (Exhibit 16, pp. 21-22).

On or about October 8, 1986, WADE stated that he did not specifically recall, but it is possible that he had a discussion with [redacted] about doing something about the unsatisfactory condition documented in QC Checklist No. 86-E-421. WADE said it appeared that after the discussion, [redacted] wrote Inspection Report No. 86-E-1023, which was a change to the original inspection report, but stated that the initial concerns documented in the PCAQ remained the same (Exhibit 7; Exhibit 16, p. 23-24).

> INVESTIGATOR'S NOTE: [redacted] attached Inspection/Surveillance Report No. 86-E-1023, dated October 8, 1986, to QC Checklist No. 86-E-1018, which reflected his acceptance of the connection and the Raychem shrink tubing. [redacted] also attached the initial unissued PCAQ he wrote on [redacted]

WADE stated that normally he did not review every inspection report, but "initially I tried to look at as many inspection records generated by the personnel as possible to get a feel how we were doing business, being new

into the organization. In reviewing this inspection report, I find a concern identified on it that up to that point in time I was not cognizant of, per se. In following up on this, I got a copy of the PCAQ. I reviewed the PCAQ. The PCAQ as written in my opinion for me to make a decision did not provide me clarification as to what the real problem was" (Exhibit 16, p. 29).

WADE stated, "so, as a result of that, I asked [redacted] to please clarify this for me. I was new. I was not cognizant of the overall program. I was not fully aware" (Exhibit 16, p. 29). WADE said that he then wrote a memorandum to [redacted] dated [redacted] (Exhibit 8). In the memorandum, WADE requested [redacted] to clarify his concerns and reply in writing by the next day (Exhibit 8).

[redacted] did respond to WADE's memorandum and stated that on or about [redacted], he discussed the PCAQ with WADE and WADE told [redacted] he (WADE) was going to discuss the PCAQ with engineering. When questioned if he remembered this discussion that was documented on [redacted] WADE replied, "no sir, I don't recall that discussion. I really don't. I don't recall it" (Exhibit 9; Exhibit 16, p. 32). Regarding the "post it" note attached to the [redacted] memorandum dated [redacted] and WADE's reason for attaching it, WADE said, "no particular reason. It was obvious that he [redacted] sent it, I just couldn't believe he did. Normally, these type of issues don't get elevated to that level of management that quickly" (Exhibit 9; Exhibit 16, p. 33). WADE said that after the [redacted] memorandum had been written, WADE and RAMSETT had discussed the contents of the memorandum. WADE stated that he tried to convey to RAMSETT "where I was coming from with respect to the existing procedures and drawings in place at that time, being the October timeframe, not the time of the initial PCAQ, the July timeframe" (Exhibit 16, p. 35).

WADE said that RAMSETT sent him a memorandum, No. HE 86-100, dated October 29, 1986, which documented RAMSETT's evaluation of the situation. WADE agreed that the memorandum stated [redacted] did have cause to initiate a PCAQ in [redacted] that the PCAQ was invalidated without just cause, and that [redacted] response to WADE's October 9, 1986, memorandum was "generally factual and pertinent" (Exhibit 16, pp. 40-41). WADE stated that after receiving this memorandum from RAMSETT, that WADE did not feel any animosity for [redacted] rather, WADE felt he should discuss RAMSETT's findings with RAMSETT (Exhibit 16, p. 41; Exhibit 17).

WADE stated he did discuss the findings with RAMSETT, saying, "I took exception to some of the statements made or a statement made because I did not understand what it was saying. And that is item 3: (of RAMSETT memorandum No. HE 86-100) 'Your letter to [redacted] dated October 9, 1986 was inadequate and erroneous to [redacted] concerns.' If we refer to my letter, all I'm doing is asking for clarification" (Exhibit 16, p. 41).

WADE stated that RAMSETT did not adequately explain his position to WADE (Exhibit 16, p. 41). WADE said that RAMSETT indicated that WILLIAMS had asked RAMSETT about the situation after WILLIAMS received a copy of [redacted] memorandum (Exhibit 16, p. 43). WADE said that he did not receive a reprimand or "chewing out" as a result of [redacted] sending the memorandum to WILLIAMS (Exhibit 16, p. 44).

WADE said that in October 1986 he did not recall specifically being instructed by RAMSETT or anyone else to start preparing lay off lists. WADE said, "I don't recall getting specific instructions or asking for this or asking for that. I do know that we knew we were ramping down in several areas, that the outage was reducing in scope and it was time that we started looking at reduction in force" (Exhibit 16, p. 44). WADE said he did not recall asking the lead QC inspectors to prepare a "list or any pecking order" regarding which QC inspectors should be laid off and which QC inspectors should be retained (Exhibit 16, p. 45). WADE said, "I looked for a list and couldn't find any. And I just don't recall it, sir. Let's go back and try to clarify what I said. I left it up to the leads to provide me with the information of who was to be laid off first. I don't recall asking for a specific list at the time" (Exhibit 16, pp. 45-46). When WADE was asked, "well, how else would they (leads) provide you with the information," WADE responded, "I don't know" (Exhibit 16, p. 46).

When asked what criteria he used as a supervisor to retain one QC inspector over another, WADE said, "well, again, I leave that up to the supervisors as a manager. And as a supervisor, then, I would leave it up to the leads. They are more closely associated with these people than I am" (Exhibit 16, p. 46). WADE said that he did not recall WALLACE specifically requesting [redacted] not to be laid off (Exhibit 16, p. 47). When asked to explain that WALLACE and JAROSI claimed WADE did not adhere to their recommendations regarding lay offs, WADE said, "no sir, I can't" (Exhibit 16, p. 48). WADE said, "I tried to go by the information provided by those individuals (leads). If I didn't, it was because of some reasons that they had, not me" (Exhibit 16, p. 49).

WADE said that he had not received any negative reports regarding [redacted] work performance (Exhibit 16, p. 48). WADE also said that [redacted] did not ask to be laid off, but "he [redacted] had indicated that he was looking forward to going back to the [redacted] and taking it easy for a while. This was prior to the lay off" (Exhibit 16, p. 50).

WADE said he was unaware that [redacted] had attempted to return to Davis-Besse during the next outage. Asked if he had any reason for not rehiring [redacted], WADE said, "would I? I would leave that up to the electrical or the I&C supervisor (lead) based on the other candidates that were available and their capabilities" (Exhibit 16, pp. 50-51). WADE said that during this timeframe, Davis-Besse was in the process of re-evaluating the contracts it had with the consulting firms that supplied consultants for employment. WADE said that based on this, SAIC was not one of the preferred companies for supplying contract personnel. WADE said, "we had some SAIC people that we brought back in because they still had a contract with us and we could still bring them in. And they were brought in based on specific requests from the supervisors for special applications, such as fire protection, code--barrier codings, penetration seals, the hanger program that people were specifically trained to" (Exhibit 16, pp. 52-53).

Regarding JAROSI informing WADE that [redacted] had submitted his application through SAIC to return to work at Davis-Besse, WADE said he did not remember that specifically, "but we may have discussed it" (Exhibit 16, pp. 51-52).

WADE reiterated that [redacted] lay off had nothing to do with the Raychem PCAQ. WADE said, "I have no particular reason other than at the time that's the way we done business. That was a recommendation or a legitimate reason" when asked why he chose [redacted] to be laid off (Exhibit 16, p. 54). WADE said he absolutely did not remember telling WALLACE to lay [redacted] off (Exhibit 16, p. 55). WADE said he did not remember WALLACE telling WADE that WALLACE wanted to retain [redacted] (Exhibit 16, p. 55). WADE said he also did not remember telling WALLACE that [redacted] was to be laid off as soon as [redacted] was finished with his paperwork (Exhibit 16, p. 55).

On July 27, 1988, RAMSETT was interviewed by NRC:OI. RAMSETT stated that he has been in the nuclear industry for 28 years, 20 of which were in the QA field. RAMSETT stated he began employment at Davis-Besse in November 1985 as the Director of QA (Exhibit 18, p. 3). RAMSETT said in the spring of 1986 he hired WADE as a senior engineer in the quality systems department (Exhibit 18, p. 4).

RAMSETT stated that after he arrived at Davis-Besse, he was displeased with the performance of [redacted] RAMSETT stated that his displeasure stemmed from his perception that the QC department was "loose. By loose I mean it was the manner in how the inspectors were assigned work, how they were documenting their work, and what constituted acceptable work when the job was complete" (Exhibit 18, p. 5).

RAMSETT said he vaguely remembers meeting with WADE and [redacted] in October 1986 to discuss the PCAQ that [redacted] wrote on [redacted] RAMSETT said that after the meeting, he felt he did not have a clear understanding of what the problems were (Exhibit 18, p. 9). RAMSETT then reviewed [redacted] memorandum of [redacted] and stated that after he received a copy of this memorandum, he still was not clear in his mind what the differences were between [redacted] and WADE. RAMSETT said that he then researched the problem to better understand the differences (Exhibit 18, p. 10).

RAMSETT stated that WILLIAMS had inquired as to what the differences were between WADE and [redacted] since WILLIAMS had also received a copy of [redacted] memorandum. RAMSETT stated that after he conducted his research into the matter, he informed WILLIAMS of the same information he documented in the October 29, 1986, memorandum RAMSETT sent to WADE (Exhibit 17; Exhibit 18, p. 11).

RAMSETT said that his research of the matter concluded that [redacted] acted properly when he initiated a PCAQ regarding the unsatisfactory condition documented in QC Checklist No. 86-E-421 (Exhibit 17; Exhibit 18, p. 12). RAMSETT further concluded that WADE's response contained "errors" (Exhibit 18, p. 12). RAMSETT also stated that his research into the matter did not identify who took the PCAQ to HARRIS for invalidation (Exhibit 18, pp. 12-13).

RAMSETT stated that WADE's response to the October 29, 1986, memorandum was, "he (WADE) needed further explanation as to what I meant on certain areas, such as, 'your letter to [redacted] dated October 9, 1986, was inadequate and erroneous in responding to [redacted] concerns'" (Exhibit 18, p. 14). RAMSETT explained that he found that WADE had erroneously cited a revision to the procedure that was not in effect at the time [redacted] wrote the PCAQ (Exhibit 18, p. 15).

Regarding lay offs, RAMSETT stated that he was not directly involved in the process. RAMSETT said the QC supervisor is "responsible to make sure that we have a proper number of inspectors to cover any maintenance work or modification work at any particular time" (Exhibit 18, p. 16).

RAMSETT opined that based on his experience, a QC supervisor would determine which QC inspectors would be laid off from the input supplied by the lead QC inspectors, because the leads would be the most familiar with each QC inspector's work on a day-to-day basis (Exhibit 18, p. 17). RAMSETT said that during 1986, he believed that the following number of QC inspectors were laid off: five in August and September, seven in October, four in November, and about 20 in December (Exhibit 18, p. 18). RAMSETT further stated that he was unaware that [redacted] was certified in more that one discipline and that [redacted] lead had requested that [redacted] not be laid off (Exhibit 18, pp. 18-19).

RAMSETT said that after [redacted] was notified that he was laid off, [redacted] came to RAMSETT's office "and we talked, and--talked about what had transpired. I told him that I thought the work he had done here was good. If there is a---sometime in the future when we'd need additional work, we certainly would not hesitate calling on him as well as anyone else" (Exhibit 18, p. 19). 1C

RAMSETT said that he then gave [redacted] a copy of the memorandum dated October 29, 1986, from RAMSETT to WADE, and "he appreciated that" (Exhibit 18, p. 19). RAMSETT did not remember or did not have any knowledge about telling [redacted] to give a copy of the memorandum to Elmer BAIN of SAIC (Exhibit 18, p. 20). RAMSETT said that Davis-Besse did put out bids for contracts regarding consultant firms who supplied QC inspectors (Exhibit 18, pp. 21-25). RAMSETT also stated that according to his recollection, some SAIC people remained at Davis-Besse, but that they were not electrical inspectors, they were involved in fire protection (Exhibit 18, p. 25).

On July 27, 1988, Mary E. O'REILLY, attorney for TECo, fulfilled a request by NRC:OI by providing a list of all SAIC employees who had been laid off or otherwise terminated from Davis-Besse between September-December 1986 (Exhibit 19). O'REILLY also provided organizational charts for the Davis-Besse QA/QC department for September through November 1986 (Exhibit 3).

The list of SAIC employees who left Davis-Besse indicates that three people left before [redacted] was laid off: [redacted] left on September 18, 1986; [redacted] left on September 19, 1986; and [redacted] left on October 11, 1986 (Exhibit 19). The organizational charts showed that as of September 15, 1986, [redacted] was in the QC electrical group along with five other inspectors, of which only one was not an SAIC consultant (Exhibit 3). The October 15, 1986, organizational chart showed the QC electrical group still had six inspectors; however, [redacted] had left Davis-Besse and was replaced by a [redacted] (Exhibit 3). The October 31, 1986, organizational chart disclosed that the QC electrical group contained only five inspectors, reflecting [redacted] being laid off (Exhibit 3). The November 18, 1986, organizational chart showed that the QC electrical group was back to six inspectors, with an inspector named [redacted] replacing [redacted] (Exhibit 3). 7C

On August 4, 1988, Susan BAILEY was interviewed by NRC:OI. BAILEY said she has been employed as the office manager for SAIC since September 1985. BAILEY said that one of the functions of SAIC is to provide consultants for positions at nuclear power plants. BAILEY said that [redacted] BAILEY stated that her records indicated [redacted] had been [redacted] BAILEY said that SAIC conducts testing and certification of their consultants (Exhibit 20).

BAILEY further said in mid-1985 and late 1985, SAIC provided approximately 35-40 consultants to Davis-Besse. BAILEY said [redacted] began work at Davis-Besse on [redacted] BAILEY said that SAIC did not receive any evaluations regarding the work performance of any of the consultants supplied to Davis-Besse (Exhibit 20).

BAILEY stated that she has no record of a person named [redacted] BAILEY said that [redacted] had sent a resume to SAIC in the past, but was never employed by SAIC. BAILEY said that her records indicated that [redacted] was laid off by Davis-Besse on [redacted] BAILEY said that [redacted] signed his position at Davis-Besse on September 19, 1986. BAILEY said that according to her records, [redacted] was the first SAIC consultant involuntarily separated from Davis-Besse in the mid-1985 to late 1986 time period (Exhibit 20).

BAILEY stated that the other SAIC consultants who left the QC department at Davis-Besse in the 1985-1986 timeframe were (Exhibit 20):

SAIC QC INSPECTOR	REASON FOR LEAVING SITE	DATE INSPECTOR LEFT SITE
[redacted]	Resigned	11/14/86
	Laid Off	11/14/86
	Laid Off	11/15/86
	Laid Off	12/05/86
	Laid Off	12/15/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/19/86
	Laid Off	12/23/86
	Laid Off	12/23/86
	Laid Off	12/23/86

BAILEY said that of the above QC inspectors, [redacted] who worked in the same QC electrical group as [redacted] returned to Davis-Besse through SAIC in October 1987. BAILEY said that [redacted] returned to Davis-Besse on November 2, 1987. BAILEY further said that [redacted] returned to the plant on June 1, 1987 (Exhibit 20).

BAILEY said that the following SAIC consultants either were laid off after 1986 or were offered direct employment by TECo (Exhibit 20):

SAIC QC INSPECTOR	QC DISCIPLINE CERTIFIED	EMPLOYMENT STATUS WITH DAVIS-BESSE
[redacted]		Went direct with TECo
		Went direct with TECo
		Laid off 03/87
		Went direct with TECo
		Laid off 05/88, resumed 08/88
		Resigned 02/88
		Went direct with TECo
		Resigned 03/88
		Resigned 09/87
		Went direct with TECo
		Resigned 05/87
		Resigned 02/88, resumed 08/88
		Resigned 08/87

1C

BAILEY stated that on October 21 and again on December 2, 1987, SAIC forwarded [redacted] application package, along with other SAIC consultants' packages, to Davis-Besse for [redacted] positions. BAILEY stated the packages were sent directly to WADE, QC supervisor, Davis-Besse. BAILEY said that according to her records, [redacted] was not offered a position at Davis-Besse in response to his application (Exhibit 20). BAILEY said that included in the October 21, 1987, package were seven consultants, including [redacted], who applied for positions at Davis-Besse. Of these, one inspector, HENDRIX, was hired for a maintenance position (Exhibit 20). BAILEY further stated that in the December 2, 1987, package, six consultants, including [redacted] applied for positions. BAILEY said that two QC inspectors, [redacted] were offered employment, but only after they signed on with a different consulting firm (Exhibit 20).

Willfulness/Intent

On [redacted] found an unsatisfactory condition while conducting an inspection on electrical connections and wrote a PCAQ. The PCAQ was subsequently invalidated by HARRIS at the request of an unknown supervisor in QC (Exhibit 4, p. 26; Exhibit 5; Exhibit 6; Exhibit 14, p. 14). The QA Director, former QC supervisor, I&C lead QC inspector, and the former electrical lead QC inspector stated that [redacted] was correct and justified to write the PCAQ (Exhibit 11, p. 14; Exhibit 12, p. 24; Exhibit 13, p. 10; Exhibit 17).

1C

WADE replaced RHODES as QC supervisor in September 1986 and met with [redacted] to try and resolve the unsatisfactory condition cited in QC Checklist No. 86-E-421. WADE requested [redacted] to respond in writing to clarify his concerns. [redacted] wrote a memorandum outlining his concerns and sent copies to RAMSETT, the QA Director, and WILLIAMS, TECo Senior Vice President, Nuclear (Exhibit 3; Exhibit 4, pp. 34-36; Exhibit 8; Exhibit 9).

[redacted] memorandum documented that in July 1986, WADE discussed the PCAQ with RHODES and [redacted], took the PCAQ to have it reviewed, and then informed [redacted] that the PCAQ was not going to be issued (Exhibit 9). WADE did not refute this information; rather, he said he did not recall this discussion (Exhibit 16, p. 32).

Sometime after July 1986 and prior to approximately October 20, 1986, WADE had asked the lead QC inspectors for a layoff list. WADE had requested the leads to recommend the order of layoffs for the contract personnel and which QC inspectors should be kept for additional work. WALLACE submitted a layoff list to WADE and indicate[redacted] was one of the inspectors he wanted to retain (Exhibit 11, pp. 22-25; Exhibit 13, p. 17).

On or about October 15, 1986, [redacted] memorandum was placed on [redacted] desk with a note that said, [redacted] did you really send this to the Admiral? (signed) Lou" (Exhibit 4, p. 42; Exhibit 9). Also at about this time, WADE instructed WALLACE that he wanted [redacted] to be laid off as soon as feasible (Exhibit 11, p. 25; Exhibit 13, p. 16). On or about October 29, 1986, [redacted] met with RAMSETT and RAMSETT provided a copy of a memorandum, No. HE 86-100, from RAMSETT to WADE stating that [redacted] was correct in attempting to write a PCAQ on [redacted] and that WADE had responded t[redacted] inadequately and erroneously regarding [redacted] concerns (Exhibit 4, pp. 48-49; Exhibit 17; Exhibit 18, p. 19).

On [redacted] was laid off from his position at Davis-Besse. Contrary to information received from TECo [redacted] was the first SAIC employee laid off (Exhibit 10; Exhibit 19; Exhibit 20). [redacted] were not SAIC employees, and [redacted] resigned. Within 18 days after [redacted] was laid off in a reduction in force, his position in the QC electrical group was filled by another [redacted] (Exhibit 3; Exhibit 19; Exhibit 20).

On October 21 and again on December 2, 1987, [redacted] applied to return to Davis-Besse as a [redacted] This application was sent directly to WADE and [redacted] was not offered a position (Exhibit 20). All of the other SAIC QC inspectors in the QC electrical group with [redacted] at the time of [redacted] lay off were laid off at a later date and subsequently rehired as consultants or hired as direct employees of TECo (Exhibit 20).

Agent's Conclusion

The NRC:OI investigation concluded that [redacted] was improperly terminated after WADE implemented a "one man" reduction in force against [redacted]

Evidence developed during this investigation was not sufficient to demonstrate any management involvement regarding the improper termination of [redacted] extended beyond [redacted], a second line supervisor.

THIS PAGE LEFT BLANK INTENTIONALLY

LIST OF EXHIBITS

Exhibit No.	Description
1	NRC memorandum from A. Bert DAVIS to Eugene T. Pawlik dated June 21, 1988.
2	NRC memorandum from J. W. McCORMICK-BARGER to File dated June 19, 1988.
3	Organization Charts of Davis-Besse QA/QC Department.
4	Statement of [redacted] dated July 12, 1988.
5	QC Checklist No. 86-E-421 dated July 10, 1986.
6	PCAQ signed by [redacted] dated [redacted]
7	TECo QC Surveillance/Inspection Report No. 86-E-1023 dated October 8, 1986.
8	TECo memorandum No. HB 860835 from L. WADE to [redacted] dated October 9, 1986.
9	Memorandum from [redacted] to L. WADE dated [redacted]
10	Letter from Louis R. WADE to To Whom It May Concern dated October 28, 1986.
11	Statement of Robert W. WALLACE dated July 13, 1988.
12	Statement of Donald L. RHODES dated July 13, 1988.
13	Statement of Richard JAROSI dated July 14, 1988.
14	Statement of Donald J. HARRIS dated July 21, 1988.
15	Statement of Charles DAFT dated July 21, 1988.
16	Statement of Louis WADE dated July 21, 1988.
17	TECo memorandum No. HE 86-100 from L. O. RAMSETT to L. R. WADE dated October 29, 1986.
18	Statement of Loren O. RAMSETT dated July 27, 1988.
19	Memo from S. M. ZUNK to M. E. O'REILLY dated July 21, 1988, containing a list of SAIC employees laid off or who resigned from Davis-Besse between September and December 1986.
20	Report of Interview with Susan BAILEY dated August 4, 1988.

Exhibit No.	Description
21	Report of Interview with [redacted] dated August 25, 1988.
22	PCAQ No. Q-86-0492 dated October 12, 1986.