

March 24, 2005

Mr. Nick DiMascio
President of Operations
Bartlett Nuclear, Inc.
60 Industrial Park Road
Plymouth, MA 02360

SUBJECT: NRC INSPECTION REPORT 99901352/2005-201

Dear Mr. DiMascio:

This letter addresses the inspection of your facility at Plymouth, Massachusetts, conducted by Bill Rogers of this office and Brad Baxter and Douglas Hase of the Office of Nuclear Security and Incident Response on January 11 through January 13, 2005. Mr. Rogers held an exit meeting and discussed his conclusions with you and other persons on your staff at the conclusion of the inspection.

Areas examined during the inspection are discussed in the enclosed report. This inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspectors.

During this inspection, it was found that the Bartlett procedures contained adequate guidance in the area of performing background investigations on Bartlett employees supplied to the NRC licensees for on-site work. Review of records and discussion with Bartlett personnel indicated that the Bartlett program was being effectively implemented with no discrepancies identified. Two areas which were determined to contain minor weaknesses, related to Corrective Action Reports and associated terminology, are discussed in the attached inspection report.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR).

Sincerely,

/RA/

Theodore Quay, Chief
Plant Support Branch
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

Docket No. 99901352

Enclosure: (1) Inspection Report 99901352/2005-201

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IPSB R/F
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| NAME | BRogers | | GWest | DThatcher | TQuay | | | |
| DATE | 02/23/05 | | 03/16/05 | 03/22/05 | 03/24/05 | | | |

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U.S. NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION

COMPANY: Bartlett Nuclear, Inc.
60 Industrial Park Rd.
Plymouth, MA

CONTACT: Mr. Nick DiMascio
President of Operations
(508) 746-6464

NUCLEAR ACTIVITY: Provides Bartlett contract personnel to NRC licensees for work on site. Bartlett performs background investigations on the employees provided to NRC licensees. Bartlett employees are skilled in several areas with the majority working in the area of radiation protection and decontamination.

DATES: January 11-14, 2005

REPORT NO: 99901352/2005-201

INSPECTORS: Bill Rogers
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

Bradley Baxter
Division of Nuclear Security
Office of Nuclear Security and Incident Response

Douglas Hase
Division of Nuclear Security
Office of Nuclear Security and Incident Response

APPROVED BY: */RA/*
Dale Thatcher, Chief
Quality and Maintenance Section
Plant Support Branch
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

1. INSPECTION SUMMARY

On January 11 - January 13, 2005, the U.S. Nuclear Regulatory Commission (NRC) performed an inspection at the Bartlett Nuclear, Inc. (Bartlett) facility in Plymouth, Massachusetts.

The scope of the inspection focused on selected portions of Bartlett's Access Authorization program, and implementation of the program to determine trustworthiness and reliability of contractor employees used for on-site work at NRC licensed facilities.

The inspection reviewed Bartlett's Access Authorization (AA) Program for compliance with the NRC orders issued in January 7, 2003, and Nuclear Energy Institute (NEI) 03-01 [rev. 1] which provides an acceptable method for implementing the issued orders and which the NRC has endorsed.

In addition, the inspection reviewed the Bartlett quality assurance program and its implementation to verify that it established the required quality of work to support meeting the requirements of 10 CFR 73.56.

The inspection basis was:

- C 10 CFR 73.56, "Personnel Access Authorization Requirements for Nuclear Power Plants."

2. STATUS OF PREVIOUS INSPECTION FINDINGS

There were no previous inspection findings. This was the initial NRC inspection of Bartlett.

3. INSPECTION FINDINGS AND OTHER COMMENTS

3.1 Bartlett Quality Assurance Program

a. Scope

Review the Bartlett quality assurance (QA) program used in performing background investigations of Bartlett employees supplied to NRC licensees to perform on-site work.

b. Observations and Findings

Quality Assurance Program Basis

The inspectors reviewed the Bartlett QA program which was documented in the procedure titled "Quality Assurance Manual," dated August 14, 2004 (QAM). The QAM stated that the Bartlett QA program was established to implement the QA requirements of 10 CFR 830.120, "Subpart A Quality Assurance Requirements -

Scope,” which is contained in 10 CFR Chapter III. This portion of the CFR is applicable to Department of Energy activities not NRC activities. However, Exhibit 1 of the QAM correlated the portions of the Bartlett QAM which met the applicable requirements of 10 CFR Part 50, Appendix B (an NRC regulation which establishes quality assurance requirements and defines basic components/safety related). The inspectors reviewed the contracts supplied to Bartlett by NRC licensees and determined that 10 CFR Part 50, Appendix B was not applicable to the services provided by Bartlett to NRC licensees in that the contracts had not imposed the requirements of 10 CFR Part 50, Appendix B. In addition, the applicable NRC regulation, 10 CFR 73.56, “Personnel Access Authorization Requirements for Nuclear Power Plants” is a 10 CFR Part 73 activity, as opposed to a 10 CFR Part 50 activity, and therefore the requirements of 10 CFR Part 50, Appendix B are not applicable.

Discussion with Bartlett management indicated that although Bartlett had addressed the correlation between the QAM and 10 CFR Part 50, Appendix B, in support of potential contracts which may specify certain portions of 10 CFR Part 50, Appendix B, no such contracts had yet been received at the time of the inspection. The inspectors reviewed a sampling of Bartlett contracts and did not find any contracts which specified 10 CFR Part 50, Appendix B, 10 CFR Part 21, or used the term “safety related.” Therefore the NRC inspectors, reviewed the Bartlett QAM and its implementation to verify that it established the required quality of work to support meeting the requirements of 10 CFR 73.56.

Quality Assurance Program Requirements

The QAM established and described the responsibilities, authorities, and policies that were required for work performed under the Bartlett QA program. The QAM also established the requirements for the management and assessment of Bartlett activities. The QAM applied to all work reviewed during the NRC inspection.

Bartlett required that all personnel performing or verifying quality activities would have the authority and organizational freedom to identify QA problems and recommend solutions, verify implementation of solutions, verify that non-conforming conditions were identified and dispositioned, and have direct access to the levels of management required to meet these goals.

The QAM covered various aspects of the Bartlett QA program such as personnel training and qualification, quality improvement, documents and records, work processes, design, procurement, inspections and acceptance testing, and assessment. The inspectors determined the QAM to be a well written document adequate to support the quality assurance aspects of the Bartlett program.

Quality Assurance Audit Program

The inspectors reviewed the Bartlett procedure BNI-QA-NEI-03-01, “Quality Assurance Audit Program to NEI 03-01,” which provided the requirements and guidance for the performance of internal audits to verify compliance with NEI 03-01. The Director of Quality Assurance (QA Director) performed audits of security

background investigations (individual security files). The information in the security files was compared against the required information by the Bartlett program and the applicable licensee's unescorted access authorization program.

The QA Director also performed weekly audits of the verbal contacts made by security analysts during the course of a background investigation (verbal audits). The purpose of the verbal audits was to provide assurance that the verbal contacts had been made as documented in the security folder and had been accurately documented.

The QA Director also reviewed all "request for access letters" to ensure accuracy. The QA Director stamped all access letters determined to be accurate and maintained a log of the letters reviewed. Letters containing inaccuracies were returned to the Security Department for corrections and re-reviewed after any corrections had been made.

Discrepancies discovered during the security file audits, verbal audits, and access letter audits were noted as either findings or observations and reported based on the nature of the discrepancy. Discrepancies that must be corrected but that did not impact eligibility for unescorted access were reported to the Security Manager and the responsible security analyst. A negative trend in the performance of an analyst was reported to the security manager. A negative trend in the overall quality of the Security Department or a discrepancy that directly impacted the eligibility for unescorted access was immediately reported to the Security Manager, the President of Operations, and the President of Bartlett Nuclear. For discrepancies that directly impacted the eligibility for unescorted access the Security Manger was responsible for notifying the licensee if the personnel had been assigned to the site at the time the discrepancy is discovered.

The inspectors reviewed a sample of the various audits and discussed the documents with both the QA Director and security personnel and concluded that the audits were well organized, thoroughly documented and effective.

Reporting of Discrepancies and Negative Trends

The inspectors reviewed the Bartlett procedure BNI-QA-NEI-03-01, "Quality Assurance Audit Program to NEI 03-01," Section 5.0 "Corrective Action," and Section 6.0, "Reporting." Section 5.0 uses the terms "finding" - a discrepancy that is in violation of a requirement of the quality program or procedure [and does not impact eligibility], and "significant finding" - a discrepancy that impacts the eligibility for unescorted access and must follow the reporting requirements of Section 6.0. However Section 6.0, uses the terms "discrepancy" (further identified as either one that does or does not impact eligibility) and "negative trend" and does not use the terms "finding" or "significant finding." Although Section 6.0 does describe the nature of the discrepancies and negative trends and the appropriate reporting requirements, the inspectors determined this to be an inconsistent use of terminology and identified this a weakness in the Bartlett QA program.

Corrective Action Requests

The inspectors reviewed the Bartlett Quality Assurance Corrective Action Request (CAR) log to determine that non-conforming condition or observations were being adequately dispositioned. The inspectors determined that the CAR #01-01, had been used twice, for two unrelated issues. The first record identified as CAR #01-01 was dated February 9, 2001, and documented a finding which indicated that forty-one security files had been placed in the fileroom without being provided to the Quality Assurance Director for review and had an attached list of highlighted names which corresponded to the files discussed in the CAR. The finding stated that the issue had been brought to the attention of the Vice President of Security, however the corrective action portion of the CAR stated that the Vice President of Security had chosen not to respond or address the issue with a corrective action response. The inspectors noted that there were no signatures related to corrective action to properly close the CAR. The inspectors determined that the QA Director would have had access to the files when they had been placed in the fileroom even though they had not been provided to QA for review as required. The inspectors reviewed a sampling of the listed files and determined that the QA Director had performed and documented the required review of the files subsequent to their placement in the fileroom and no inadequacies with the file documentation currently existed. The second record identified as CAR #01-01 was dated August 13, 2001, documented an unrelated issue and had been properly dispositioned.

The inspectors concluded that the record number #01-01 had been inappropriately used twice for two unrelated CARs. In addition the initial CAR #01-01 dated February 9, 2001, had not been properly dispositioned by Bartlett management in that there was no corrective action, or a basis for not requiring corrective action, identified and the CAR did not contain the appropriate signatures for closeout. The inspectors identified this a weakness in the implementation of the Bartlett QA program.

c. Conclusion

The inspectors, based on review of procedures, documents, and records, and discussion with personnel concluded that Bartlett had established and implemented a quality assurance program to ensure the required quality of work in support of meeting the requirements of 10 CFR 73.56.

3.2 Bartlett Program for Performing Background Investigations and Associated Activities

a. Inspection Scope

Review the Bartlett program for performing background investigations and clearing personnel for work at NRC licensed commercial nuclear power plant and associated activities. Verify the program implementation through document review and discussion with Bartlett management and staff.

b. Observations and Findings

Bartlett Access Authorization Program

The inspectors reviewed Bartlett's Access Authorization (AA) Program for compliance with the NRC orders issued on January 7, 2003, and the Nuclear Energy Institute (NEI) 03-01 [rev. 1] guidance which provide an acceptable method for implementation of the orders. Bartlett's AA Program proceduralized the industry's guidance to include program manuals and internal Administrative Guidelines which provided direction as to the acceptability criteria and methodology for establishing and documenting compliance with the requirements.

Approximately two dozen records were evaluated for compliance to the January 7, 2003, orders and the implementing guidance. Special attention was directed to initial, reinstated and updated personnel access. The inspectors determined the files adequately supported the industry guidance and followed Bartlett's internal procedures.

The inspectors identified one file which did not comply with an internal Bartlett policy which required files of applicants with fitness-for-duty issues to be filed in yellow folders in lieu of the normally used blue folders. The inspectors found one instance of an incorrect blue folder being used for the file of an applicant with a fitness-for-duty issue which Bartlett took immediate corrective action to resolve. The inspectors identified no other discrepancies and concluded that the use of the incorrect folder was an isolated occurrence.

Bartlett maintained extensive record retention on its employees at NRC licensed facilities. Analysts and screeners were able to demonstrate compliance to internal policies and procedures in response to inquiries by the inspectors. The inspectors determined that all records were maintained in accordance with the QA and administrative requirements established by Bartlett. The inspectors concluded that the records reviewed were in compliance with issued orders and industry guidelines. Personnel interviewed for the Access Authorization portion of the inspection demonstrated an extensive knowledge of the requirements and their activities related to the performance, and documentation of background investigations were determined to be in compliance with the Bartlett QA program and administrative procedures.

Program and Investigation Elements (Random Selection for Evaluation)

The inspectors reviewed documentation and interviewed personnel to determine whether Bartlett reported errors concerning individual's access review which were identified subsequent to the individual's access having been cleared to the licensee. This item was discussed with the QA Director who indicated that Bartlett has a policy which requires a Bartlett employee at a licensee facility to self-report certain items such as arrests.

As a supplier of short-term staff to licensees, Bartlett maintained a site coordinator to handle the interface between the corporate office and each site. Bartlett's applicable

administrative guide stated that a licensee would be informed immediately if derogatory information is discovered after access has been granted. Actual notification of the licensee is made via a Bartlett developed form designed for this purpose. Based on a review of records, concentrating on the period following the NRC issued orders of January 2003, the inspectors did not identify any occurrences where Bartlett did not meet its requirements on reporting and concluded that Bartlett had met the regulatory requirements.

The inspectors reviewed the process used by Bartlett for developed references. In all records reviewed, the sources developed references were either from a reference on the Personnel History Questionnaire (PHQ) or came from another developed reference which is an acceptable method as discussed in industry guidance. The QA Director periodically reviewed this by matching phone logs against the reference sheet. Several of the reference sheets reviewed had multiple entries indicating several attempts had been necessary to contact the reference. The inspectors reviewed selected records, concentrating on the period following the NRC issued orders of January 2003. All developed references met the eligibility requirements to be a valid reference. The inspectors did not identify any discrepancies and determined that all activities related to developed references were in accordance with the regulations and Bartlett internal procedures.

The inspectors reviewed the process for proctoring the Minnesota Multiphasic Personality Inventory (MMPI) exams. Bartlett Administrative Guide #3 detailed the policy for proctoring exams. The guide required that proctors, usually site coordinators, read the guide and sign a form indicating that they understand the proctoring requirements. Recent changes to the guide removed personal recognition as a valid form of identification and prohibit someone from proctoring their own exam. The inspectors noted that the policy did not explicitly state the proctor must be in the room the entire time (but does require the exam to be controlled) or state that when not being administered, the exams should be controlled to preclude access. It was noted that these two points could be areas for improvement. The inspectors concluded that the policies and procedures for administering MMPI exams were adequate.

c. Conclusion

The inspectors concluded based on reviews of procedures and records and discussion with Bartlett personnel, that the Bartlett's Access Authorization Program for performing background investigations and clearing personnel for work at NRC licensed commercial nuclear power plants and associated activities was adequate and was in compliance with the NRC issued orders and the endorsed industry guidance.

4. PERSONS CONTACTED

Bill Nevelos, Chief Executive Officer
Nick DiMascio, President, Operations
Kevin Fahey, Director of Quality Assurance
Randy Corbett, Site Administrator