

September 12, 2006

IA-06-046

Mr. Nicholas A. Chaimov
[Home Address Deleted
Under 10 CFR 2.390(a)]

SUBJECT: ORDER (EFFECTIVE IMMEDIATELY) PROHIBITING INVOLVEMENT IN
NRC-LICENSED ACTIVITIES (NRC SPECIAL INSPECTION REPORT
NO. 50-288/2005-201) (NRC OFFICE OF INVESTIGATIONS REPORT
NO. 4-2005-019)

Dear Mr. Chaimov:

The enclosed Order prohibiting involvement in U.S. Nuclear Regulatory Commission (NRC) licensed activities (Order) is being issued because you engaged in deliberate misconduct as defined in Section 50.5, "Deliberate misconduct," of Title 10 of the *Code of Federal Regulations* (10 CFR) by deliberately modifying the Reed College Reactor control rod circuit that is described in the Safety Analysis Report (as updated) (SAR).

The matter was investigated by the NRC's Office of Investigations (OI) and the results were documented in OI Report No. 4-2005-019.

The OI investigation report substantiated that on May 10, 2005, you deliberately removed a jumper on the control rod drive circuit of the Reed College Reactor without authorization or approval by the licensee. That jumper had been properly installed, in accordance with the Reed College Reactor SAR, until it was deliberately removed by you.

Although this unauthorized facility modification did not adversely impact reactor safety nor was the health and safety of the public affected because the facility's startup checklist detected a malfunction in the rod control system and the problem was corrected by the licensee before operation was allowed, you knowingly and deliberately caused the licensee to be in violation of 10. CFR 50.59, "Changes, tests, and experiments," and caused you to be in violation of 10 CFR 50.5. Your deliberate actions raise serious doubts as to whether you can be relied upon to comply with NRC requirements. Consequently, the NRC staff determined an Order prohibiting your involvement in NRC-licensed activities for a period of three years is appropriate.

The enclosed Order is effective immediately. In accordance with 10 CFR 2.202, "Orders," you must file a written answer to this Order within 20 days of its date. Your answer may request a hearing. However, any request for hearing should consider your September 23, 2005, Agreement for Pretrial Diversion with the Department of Justice.

The Order requires you to immediately cease your involvement in NRC-licensed activities. If you are involved with an NRC licensee on the date of the Order, you must provide a copy of the Order to that NRC licensee and inform the NRC of the name, address, and telephone number of that licensee.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of this Order may also subject the person to a civil monetary penalty.

A copy of this letter and its enclosure is being sent to the Director of the Reed College Reactor.

Questions concerning this Order should be addressed to the Director of the Office of Enforcement, who can be reached at 301-415-2741.

This letter will be maintained by the Office of Enforcement in an NRC Privacy Act system of records, NRC-3, "Enforcement Actions Against Individuals." The NRC-3 system notice, which provides detailed information about this system of records, can be accessed from our Web site at <http://www.nrc.gov/reading-rm/foia/privacy-systems.html>.

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," copy of this letter, its enclosure, and your response will be made available for public inspection in the NRC Public Document Room and from the NRC's Agencywide Documents Access and Management System accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguard's information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21, "Requirements for the protection of safeguards information."

The NRC also includes significant enforcement actions on its Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Significant Enforcement Actions**.

Sincerely,

/RA/

Martin J. Virgilio
Deputy Executive Director for Materials,
Research, State, and Compliance Programs
Office of the Executive Director for Operations

Enclosure: As stated

cc w/encl: Stephen G. Frantz, Director
Reed College Reactor
3203 S.E. Woodstock Boulevard
Portland, OR 97202-8199

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 Martin J. Virgilio
 Deputy Executive Director for Materials,
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 3203 S.E. Woodstock Boulevard
 Portland, OR 97202-8199

DISTRIBUTION: See attached page

ADAMS Accession No. ML061930228

*see previous concurrence **Concurred via email

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NRC-LICENSED ACTIVITIES (NRC SPECIAL INSPECTION REPORT NO. 50-288/2005-201)
(NRC OFFICE OF INVESTIGATIONS REPORT NO. 4-2005-019):

Dated: September 12, 2006

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Mr. Nicholas A. Chaimov) IA-06-046
)

ORDER PROHIBITING INVOLVEMENT IN
NRC-LICENSED ACTIVITIES
(EFFECTIVE IMMEDIATELY)

I

Mr. Nicholas A. Chaimov was employed as a Senior Reactor Operator at the Reed College Reactor (the facility). Reed College (the licensee) is the holder of License No. R-112 issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Part 50 of Title 10 of the *Code of Federal Regulations* (10 CFR) on July 2, 1968, for the facility. The license authorizes the operation of the facility in accordance with the conditions specified therein. The facility is located on the licensee's site in Portland, Oregon.

II

On May 31, 2005, an inspection of licensed activities was initiated at the licensee's facility in response to allegations received at the NRC Headquarters on May 19, 2005, that Mr. Nicholas A. Chaimov had engaged in deliberate misconduct. Specifically, it was alleged that Mr. Nicholas A. Chaimov had deliberately removed a jumper on the control rod drive circuit of the reactor without the licensee's authorization or approval. Removal of that jumper prevented the shim rod from being withdrawn, so that the reactor could not be taken to the critical startup condition. That jumper had been properly installed, in accordance with the Reed College Reactor Safety Analysis Report (SAR), until Mr. Nicholas A. Chaimov deliberately removed it. The allegation was unresolved by the inspection and was subsequently referred to the NRC Office of Investigations (OI). OI completed its investigation and substantiated that on

May 10, 2005, Mr. Nicholas A. Chaimov deliberately removed a jumper on the control rod drive circuit of the reactor without the licensee's authorization or approval. Although this unauthorized facility modification did not adversely impact reactor safety nor was the health and safety of the public affected because the facility's startup checklist detected a malfunction in the rod control system and the problem was corrected by the licensee before operation was allowed, conduct of this nature by an individual raises serious doubt as to whether the individual can be relied upon to comply with NRC requirements.

III

Based on the information obtained during the OI investigation, the NRC concludes that Mr. Nicholas A. Chaimov, an employee of the licensee, made changes to the facility so that it was not as described in the SAR. These changes caused the licensee to be in violation of 10 CFR 50.59, "Changes, test, and experiments." It was further found that Mr. Chaimov's actions were willful such that he had engaged in deliberate misconduct in violation of 10 CFR 50.5, "Deliberate misconduct." The NRC must be able to rely on the licensee and its employees to comply with NRC requirements in all material respects. Mr. Nicholas A. Chaimov's action has raised serious doubt as to whether he can be relied upon to comply with NRC requirements.

Consequently, I lack the requisite reasonable assurance that licensed activities can be conducted in compliance with the Commission's requirements and that the health and safety of the public will be protected if Mr. Nicholas A. Chaimov is permitted at this time to be involved in NRC-licensed activities. Therefore, the public's health, safety, and interest require that Mr. Nicholas A. Chaimov be prohibited from any involvement in NRC-licensed activities for a period of three years from the date of this Order. Furthermore, pursuant to 10 CFR 2.202, "Orders," the NRC finds that the significance of Mr. Nicholas A. Chaimov's conduct described above is such that the public's health, safety, and interest require that this Order be immediately effective.

IV

Accordingly, pursuant to Sections 104c, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202, 10 CFR 50.5, and 10 CFR 150.20, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT:

1. Mr. Nicholas A. Chaimov is prohibited for three years from the date of this Order from engaging in NRC-licensed activities. NRC-licensed activities are those activities that are conducted pursuant to a specific or general license issued by the NRC, including, but not limited to, those activities of Agreement State licensees conducted pursuant to the authority granted by 10 CFR 150.20.
2. If Mr. Nicholas A. Chaimov is currently involved with another licensee in NRC-licensed activities, he must immediately cease those activities, and inform the NRC of the name, address, and telephone number of that licensee, and provide a copy of this Order to that licensee.

The Director, Office of Enforcement, may, in writing, relax or rescind any of the above conditions upon demonstration by Mr. Nicholas A. Chaimov of good cause.

V

In accordance with 10 CFR 2.202, Mr. Nicholas A. Chaimov must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically admit or deny each allegation or

charge made in this Order and shall set forth the matters of fact and law on which Mr. Nicholas A. Chaimov or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Attn: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, the Assistant General Counsel for Materials Litigation and Enforcement at the same address, and Mr. Nicholas A. Chaimov, if the answer or hearing request is by a person other than Mr. Nicholas A. Chaimov. Because of continuing disruptions in delivery of mail to United States Government offices, it is requested that answers and requests for hearing be transmitted to the Secretary of the Commission either by means of facsimile transmission to 301-415-1101 or by e-mail to hearingdocket@nrc.gov and also to the Office of the General Counsel either by means of facsimile transmission to 301-415-3725 or by e-mail to OGCMailCenter@nrc.gov. If a person other than the licensee requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.309(d).

If a hearing is requested by Mr. Nicholas A. Chaimov or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR 2.202(c)(2)(i), Mr. Nicholas A. Chaimov may, in addition to demanding a hearing, at the time the answer is filed or sooner, move the Presiding Officer to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for

requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Martin J. Virgilio
Deputy Executive Director for Materials,
Research, State, and Compliance Programs
Office of the Executive Director for Operations

Dated this 12th day of September 2006.