

Williams Industrial Services Group, L.L.C.



A Global Power Equipment Group Company

Direct Dial (770) 879-4034
Fax (770) 879-4570
E-mail: ddaniels@wisgrp.com

July 14, 2006

Michael R. Johnson
Director, Office of Enforcement
United States Nuclear Regulatory Commission
11555 Rockville Pike
Mail Stop MS014E1
Rockville, MD 20852

Re: Confirmatory Order (EA-01-082, EA-04-172)

Dear Mr. Johnson,

On November 15, 2005, the Nuclear Regulatory Commission ("NRC") issued a Confirmatory Order ("Order") to Williams Industrial Services Group, LLC ("Williams") to confirm commitments that Williams made to the NRC concerning violations issued by the NRC on February 24, 2005. The Order required Williams to provide the NRC with a letter summarizing its actions within eight months from the date of that Order.

In the Order, Williams agreed to take a number of actions including: comparing its Safety Conscious Work Environment ("SCWE") program with industry SCWE "best practices" to ensure that the Williams' program incorporated industry trends and developments; conducting periodic audits of their SCWE program to ensure its effectiveness; and modifying its existing "Ethics Policy" to include explicit reference to the necessity for complete and candid communications with government agencies.

I believe that Williams has satisfied its commitments to the NRC that was set forth in that Order, but I also want to assure you that I expect the SCWE to continue to evolve and improve as the measures that we have implemented take effect. A summary of our actions with supporting documentation is attached. Please feel free to contact me at the number shown above, or Mr. Ken Robuck, President of Williams Plant Services, LLC or Mr. Doug Page, President of Williams Specialty Services, LLC, at any time concerning any of these issues.

Sincerely,

A handwritten signature in black ink that reads "Luther C. Daniels, Jr." The signature is written in a cursive, flowing style.

Luther C. Daniels, Jr.

President

Attachment to Williams letter to NRC dated July 14, 2006.

On November 15, 2005, the Nuclear Regulatory Commission ("NRC") issued a Confirmatory Order ("Order") to Williams Industrial Services Group, LLC ("Williams") to confirm commitments that Williams made to the NRC concerning violations issued by the NRC on February 24, 2005. The Order required Williams to provide the NRC with a letter summarizing the actions taken to comply with those commitments within eight months from the date of that Order. The following is a summary of those actions with supporting documentation attached:

1. Broadly communicate the false statement issue and its consequences, including consequences to the involved WPS Site Supervisor.

This has been completed. A copy of the letter from Williams' President to its employees is attached as Exhibit 1.

2. Modify its existing "Ethics Policy" to include an explicit reference to the necessity for complete and candid communications with government agencies.

This has been completed. At the time of the incident, Williams' existing ethics policy issued as Standards of Conduct expressly prohibited lying or dishonesty. To support Williams' Standards of Conduct and in response to this commitment, Williams issued a separate policy emphasizing honesty. This policy applies to all communications including those with government agencies. This policy is attached as **Exhibit 3, WISG Policy 7.2.12 - Honesty.**

3. Incorporate the revised Ethics Policy into all future SCWE training.

This has been completed. The current training presentation for managers, supervisors and craft employees includes the revised policies and is a part of the on-going training program. **A copy of the presentation for supervisors is attached as Exhibit 4, SCWE Presentation to Supervisors.** Williams has established an SCWE area on its extranet site for our employees to supplement their formal training. **A copy of this web page is attached as Exhibit 5.**

4. Require its General Counsel to conduct a comprehensive review of industry SCWE "best practices," and compare these practices with the existing Williams program in order to ensure that the Williams program incorporates industry trends and developments.

The review is complete. Williams has incorporated practices from the NRC's "Guidance for Establishing and Maintaining a Safety Conscious Work Environment"; NEI's "Nuclear Power Plant Employee Concerns Program Process Tools in a Safety Conscious Work Environment"; and INPO's "Principles for a Strong Nuclear Safety Culture" into its SCWE program. **Williams has revised its SCWE policy incorporating these practices. A copy is attached as Exhibit 2, WISG Policy 7.2.11 - Work Quality and Safety Conscious Work Environment.**

5. Continue its existing SCWE training program and train all Williams group supervisory and management level employees involved in nuclear work. The training program will incorporate both 10 CFR 50.5, and 10 CFR 50.7 awareness. Additionally, Williams will ensure that on-site employees are provided SCWE training either from the licensee or from the Williams Group site project manager upon badging at a licensed facility.

The current training presentation for managers, supervisors and craft employees includes the revised policy, and has been made a part of the on-going training program (see Exhibit 4).

6. Engage an independent auditor to perform an audit of Williams Group's SCWE training, within 12 months of issuance of the Confirmatory Order and every year thereafter for a total of three years, in order to ensure the effectiveness of the SCWE program. At the conclusion of the three years independent audit cycle, Williams will institute internal audits, as described in item #7 below.

Williams has engaged NJN Associates LLC and J. R. Clark Associates LLC jointly to conduct the audit in November 2006. The principals of NJN Associates LLC (Neil J. Newman) and J R Clark Associates LLC (James R. Clark) each have over 35 years of experience in NRC nuclear regulatory issues. They have worked with NRC licensees as well for US DOE contractors in related activities to achieve and maintain regulatory compliance and have recently conducted SCWE training for an NRC licensee.

7. Require that Williams internal auditing function conduct annual audits of the SCWE training program in order to ensure and verify that all Williams Group managers, supervisors and contractor employees receive and acknowledge SCWE, 10 CFR 50.5 and 10 CFR 50.7 training.

Williams has included this requirement into its revised SCWE policy (see Exhibit 2). Williams' QA Manager has integrated these requirements into his auditing schedule.

8. Ensure that the results of each audit are provided to senior Williams' management for appropriate action, and that the results of both the independent audit and subsequent Williams analysis and/or actions are made available to the Commission for review upon request. Towards this end, Williams will notify the Commission when the audits and management responses are complete and documented.

Williams' QA Manager has integrated these requirements into his auditing schedule.

9. Designate a manager whose responsibilities include overall administration of the SCWE program. This manager will be responsible for ensuring that the program is being communicated to all Williams Group site and contract employees, the program is up-to-date and incorporates best practices, the audits described above take place as scheduled, results of audits are communicated to senior management, and appropriate follow-up is performed

and corrective actions are taken based upon the audit findings. This manager will report directly to the Williams president for these SCWE activities.

This has been accomplished. Williams has included this requirement into its revised SCWE policy to ensure continued compliance (see Exhibit 2).

10. Requires its General Counsel to review employment practices as they relate to SCWE policy, in order to ensure that all Williams Group employment practices are consistent with 10 CFR 50.7.

This has been accomplished. Williams has included in its revised SCWE policy a requirement that the General Counsel will review all adverse employment actions involving employees that have raised safety concerns (see Exhibit 2).

11. Modify its performance appraisal system to ensure that the performance appraisal for Williams Group site supervisors/project managers at NRC-licensed facilities include a rating factor that addresses implementation of the SCWE program.

Williams has included this requirement into its revised SCWE and performance appraisal policies. The revised performance appraisal policy is attached as Exhibit 6, WISG Policy 7.3.4 - Performance Reviews.



EXHIBIT 1

“WISG PRESIDENT’S LETTER TO EMPLOYEES”



MEMORANDUM

DATE: January 20, 2006

TO: All Employees

FROM: Dan Daniels
President

SUBJECT: Lesson Learned – Honesty With Government Agencies

1. In March 2000, three craft painters employed by Williams on a project at a nuclear plant filed a complaint alleging that they were laid off because they raised a safety concern. It is a violation of Nuclear Regulatory Commission (NRC) regulations for a contractor working on a nuclear facility to discriminate against an employee because he engages in a protected activity, namely, raising a safety concern.
2. While Williams aggressively denied that any discrimination had taken place, the company's position was severely undercut when it was discovered that the Williams supervisor had provided false information first, to NRC officials investigating the alleged violation, and subsequently to the NRC members at the pre-enforcement conference held in September 2001.
3. Once Williams management became aware of the supervisor's false statements, we immediately made the NRC aware of this fact.
4. We do not know why the supervisor chose to be untruthful since we have always believed that the truth supported our position that we, in fact, did not engage in any discrimination.
5. As a result of his false testimony, the supervisor's employment with Williams was terminated soon thereafter. The supervisor was convicted of a felony offense and prohibited from working in a nuclear facility for three years. However, the problems he caused for Williams lasted longer. Over the last 5 years we have been forced to spend thousands of dollars to defend our good name. And while the NRC has allowed us to submit a plan in order to have our violations reduced in severity, the amount of damage caused Williams over the last 5 years in terms of lost opportunity and legal expenses has been significant.
6. Fortunately, this is behind us now as we have worked diligently with the NRC to prove to them that we are a quality organization who places the utmost priority on employing quality people with integrity.
7. As part of our agreement with the NRC, Williams will improve our Safety Conscious Work Environment (SCWE) Program, and that will be the topic of future communications.

In closing, I want to take this opportunity to say that I firmly believe that we are an organization with great people of character and integrity and that this episode does not represent Williams. But, as much as it hurts to admit it.....it did happen, and we all need to understand that we ALL represent Williams. The actions of any one of us can have serious implications for the livelihood of everyone else in the organization. All employees are expected to act with integrity in all their actions with the NRC as well as any other governmental agency. Ethical behavior is fundamental to our business and violations will not be tolerated.



EXHIBIT 2

**“WISG POLICY 7.2.11 WORK QUALITY AND SAFETY CONSCIOUS
WORK ENVIRONMENT”**

7.2.11 WORK QUALITY AND SAFETY CONSCIOUS WORK ENVIRONMENT

1. **Policy** - The Company strives to provide the best, highest quality work and to maintain a safety conscious work environment. It is the responsibility of all Company employees and Company subcontractors to promptly raise safety concerns. The Company's Safety Conscious Work Environment is an environment in which employees are encouraged to raise safety concerns, and are free to raise concerns both to their own management, to the Company's customer or to regulatory agencies without fear of retaliation. It is an environment where concerns are promptly reviewed, given proper priority, appropriately resolved with timely feedback provided to those raising concerns.
2. **Open Door Communications** - The Company maintains an open door policy for communication of workplace quality and safety concerns. Every employee is encouraged to first report any such concerns to his immediate supervisor. Each employee also has other alternatives for reporting such concerns including, Company management, the Company Legal or Human Resources Department, the Site Manager for the project to which the employee may be assigned, the customer, and/or government authorities with regulatory control over the project, if applicable. Where appropriate, the Company will promptly raise safety and compliance concerns to its customer who has primary responsibility for the safe operation of the involved facility.
3. **Harassment or Retaliation** - The Company does not condone and will not tolerate any harassment towards or retaliation against an employee who raises a workplace quality or safety concern. Adverse employment actions (such as an adverse change to the employee's compensation or other privileges of employment) may be necessary on nondiscriminatory grounds. However, such actions may be considered retaliatory if the actions are taken at least in part because the individual raised a concern or engaged in other activities that are considered protected. Any such action is a violation of the Company's Code of Conduct and any employee participating in such action will be subject to discipline in accordance with applicable policies and procedures.

Company senior management will direct the Company's General Counsel to review adverse employment actions involving management level employees and all other employees in situations where employees had previously raised a safety concern, issues of management or Company wrongdoing, or where there had been a previous disagreement between the employee or supervisor involving work methods or processes.

4. **Confidentiality** - In certain workplace settings, the employee has the right, under applicable law, to raise quality concerns confidentially. The Company will provide specific information about such rights and obligations to those employees who will be assigned to such projects. In such cases, the supervisor, Company

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management, the project owner/operator, and/or the authorized government authority, will all maintain the employee's confidence regarding any such concern, and will not release any such information to an employee's co-workers regarding the fact that the employee raised a concern.

5. **Management Behavior** – Managers and employees are encouraged to use an open and questioning attitude: (i) to help ensure that concerns are promptly identified; (ii) to promptly resolve the concerns; and (iii) to provide timely feedback to the concerned individual. Performance appraisals of site supervisors and managers will include a rating factor that addresses implementation of the Company's Safety Conscious Work Environment Policy.

The Company's Quality Assurance Manager will conduct annual audits of the of the Safety Conscious Work Environment training program to ensure and verify that all Company managers, supervisors and employees receive and acknowledge the training. The Quality Assurance Manager will ensure the results of each audit are provided to Company senior management for appropriate action.

The Company's Director of Compliance's duties include the overall administration of the Company's Safety Conscious Work Environment Policy. The Director of Compliance: (i) reports directly to the Company President; (ii) is responsible for ensuring that the program is being communicated to all employees; (iii) maintains the program up-to-date by incorporating industry best practices; and (iv) ensures program audits are conducted, are reported to management and corrective actions are promptly performed.

6. **Training** - The Company will conduct periodic training for managers, supervisors and employees to reinforce the principles of the Company's Safety Conscious Work Environment Policy. This training will include topics such as the applicable laws, regulations and this and other policies underlying the Company's expectations including what constitutes a protected activity, retaliation, harassment, and discriminatory adverse employment actions including the consequences for violation of such laws, regulations and policies. The training will also include the various processes involved as well as expectations for employee and management behavior.

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EXHIBIT 3
“WISG POLICY 7.2.12 HONESTY”

7.2.12 HONESTY

1. **General Guidelines** – As stated in Policy 7.2.1, by accepting employment, each employee incurs a responsibility to the Company and to his/her fellow employees to adhere to certain rules of behavior and conduct during work hours and while off-duty if the actions affect the Company, its employees, or its business. The Company expects its employees to act in a mature and responsible way at all times. Falsification, misrepresentation or alteration of Company records or documents; or any other form of lying or dishonesty is strictly prohibited.
2. **Honesty with Public Agencies** – It is the Company's policy that all disclosures to the public, or to public agencies will be complete and candid. Depending on their position with the Company, an employee, officer or director may be called upon to assist or provide necessary information to assure that the Company's public reports and disclosures are complete, fair, accurate, timely, and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.
3. **Prohibition on Retaliation** - Any employee who in good faith reports instances of illegal or unethical conduct, complaints, or concerns regarding questionable matters, as well as any violation of any applicable law, rule, or regulation, instance of corporate fraud, or any actual or potential danger to the employee's or public's health and safety will be protected from threats of retaliation, discharge, or other types of discrimination. This prohibition on retaliation and discrimination shall include, but not be limited to, matters relating to compensation and terms and conditions of employment, that are directly related to making such report. In addition, no employee will be adversely affected because the employee refused to carry out a directive which, in fact, constitutes corporate fraud, a safety violation, or is a violation of any applicable law, rule, or regulation.

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EXHIBIT 4
“SCWE PRESENTATION TO SUPERVISORS”

Safety Conscious Work Environment

Supervisor Training

Williams Industrial Services Group

**Williams Industrial Services Group
Policy and Practices for a
Safety Conscious Work Environment**



Work Quality and Safety Conscious Work Environment

(SCWE)

WHAT IS A SCWE?

The Company's Safety Conscious Work Environment is an environment in which employees are encouraged to raise safety concerns, and are free to raise concerns both to their own management, to the Company's customer or to regulatory agencies without fear of retaliation. It is an environment where concerns are promptly reviewed, given proper priority, appropriately resolved with timely feedback provided to those raising concerns.

What Does This Mean?

- Concerns from employees must be addressed in a timely manner
 - All employee concerns are to be taken seriously
 - Your opinion of an individual cannot be the basis for determining if a concern is valid
 - ***"Even a fool is right sometimes."***
 - ***Winston Churchill***

Work Quality and Safety Conscious Work Environment

Company Policy (7.2.11)

The Company strives to provide the best, highest quality work and to maintain a safety conscious work environment. It is the responsibility of all Company employees and Company subcontractors to promptly raise safety concerns.

Open Doors Are Best

- We want to create a workplace atmosphere where employees feel safe in reporting issues and concerns to their front line management.
 - The way supervision, individually or collectively, responds sets the tone.
 - The employee is still free to use other means of reporting

WISG's OBLIGATIONS UNDER THE SCWE

- **MUST IMMEDIATELY NOTIFY CUSTOMER OF:**
 - **NUCLEAR SAFETY CONCERNS RAISED BY EMPLOYEES OR SUBCONTRACTORS**

Or when

- **EMPLOYEE CLAIMS OF HARASSMENT OR DISCRIMINATION ASSOCIATED WITH RAISING SAFETY CONCERN**

Regulatory Enforcement of SCWE

- Operative Statutes
 - Atomic Energy Act
 - Energy Reorganization Act

- Operative Regulations
 - 10 C.F.R. § 50.7
 - 10 C.F.R. § 50.5

- Regulatory Agencies with Overview Authority
 - Nuclear Regulatory Commission (NRC)
 - Occupational Safety & Health Administration (OSHA)

WHAT THE LAW SAYS

Section 50.7 of Title 10 of the Code of Federal Regulations Prohibits a NRC Licensee *or Contractor* at a nuclear power plant from discharging or otherwise discriminating against an employee because the employee engages in a "Protected Activity."

Work Quality and Safety Conscious Work Environment

WHAT IS A "PROTECTED ACTIVITY"?

- **Raising a Nuclear Safety Concern with the Company, the Customer, or the NRC**
- **Refusing to Engage in an Illegal Activity After Identifying the Alleged Illegal Activity to the Employer**
- **Testifying in a NRC, state or other federal proceedings or in Congress about nuclear safety requirements**
- **Requesting the Enforcement of any NRC Requirement, or *making a complaint to the U.S. Department of Labor (DOL)* about alleged unlawful discrimination**
- **Testifying about the enforcement of any NRC Requirements, including as a witness or a complainant in NRC or DOL proceedings**

Work Quality and Safety Conscious Work Environment In the Nuclear Power Plant Setting

What Are Nuclear Safety Issues?

1. Maintenance/Operation of the Reactor and Associated Safety Systems and Components;
2. Radiological Exposure (public and occupational);
3. Plant Security Issues (e.g. barrier and access requirements);
4. Appropriate Safeguard Controls

Multiple Avenues for Raising Concerns

- The Supervisor: "An employee's immediate supervisor can usually bring to bear the resources necessary to timely address the employee's concern."
- Licensee Condition Reports: Low Threshold for reporting conditions with potential safety significance.
- The Licensee's Management
- The NRC
- Corporate Liaison: Designated management within the Company to discuss and address concerns as "Open Door Policy".
- Employee Concerns Program (Policy 7.2.8)

Supervisor Expectations:

- You cannot be too busy to listen to a concern
 - Attitude matters
 - Respect their opinion and their right to confidentiality
- Condition Reports are a part of the job
 - Writing CR's
 - Resolving CR's
- When in doubt, use your chain of command
 - Your manager
 - Williams' SCWE Program Manager
 - Williams' QA Manager

Confidentiality

**The Employee has the Right to Raise
Concerns in Confidential Manner When
Appropriate**

Company Policy on Harassment/Retaliation

Harassment/Retaliation Against Employee
Raising Safety Concern WILL NOT be
tolerated.

Such Action is Violation of Company Code of
Conduct

Grounds for Immediate Discipline, up to and
including TERMINATION

HARRASSMENT

- WISG does not condone or tolerate harassment in any of its forms
- Everyone has the right to be comfortable in their workplace
 - Be aware of language and attitude, both yours and your employees
 - These issues are best dealt with immediately
 - Job Stewards, fellow supervisors can be a big help

Work Quality and Safety Conscious Work Environment

The Customer's and the Contractor's Obligations

1. **QUALITY ASSURANCE: Identify and Resolve Conditions Adverse to Safety**
2. **Retaliation Against Employees Raising Nuclear Safety Concerns Will Not Be Tolerated**

Work Quality and Safety Conscious Work Environment

NRC and OSHA Expectations

1. Employees should feel free to raise concerns directly to their supervisor
2. No Method of Raising Concerns Should be Discouraged by Licensee/Contractor
3. Retaliation Against Employees Raising Nuclear Safety Concerns Will Not Be Tolerated

Key Components of Supervisor SCWE Role

- Know and Understand the Customer's Program
- Know and Communicate How Concerns are Identified and Resolved
 - Drop Box; Walk-in; Phone Call; Alert Line
 - Awareness of Possible Employee Reluctance and Desire for Identity Protection
 - Formal Documentation of Safety Concerns
 - Prioritization and Reporting
 - Professional and Thorough Investigation
 - Corrective Action Taken
 - **FEEDBACK AND CLOSURE**
- **NO RETALIATION/DISCRIMINATION FOR USE OF THE CONCERNS PROGRAM!**

EMPLOYEE RESPONSIBILITIES

SUPERVISORS ENSURE EMPLOYEES UNDERSTAND:

- **INDIVIDUAL RESPONSIBILITY FOR REPORTING CONCERNS**
- **CLEARLY AND HONESTLY REPORTING THE CONCERN**
- **WILLINGNESS TO SUGGEST RESOLUTIONS**
- **FOLLOWING UP TO ENSURE CONCERN IS ADDRESSED**
- **RESPECT FOR OTHERS WHO EXPRESS A CONCERN**

Lessons Learned

- Honesty is the best policy, and it is **Company Policy!**
- There are severe legal repercussions for non-compliance, both for the company and the supervisor.
- As a supervisor, you represent the company.

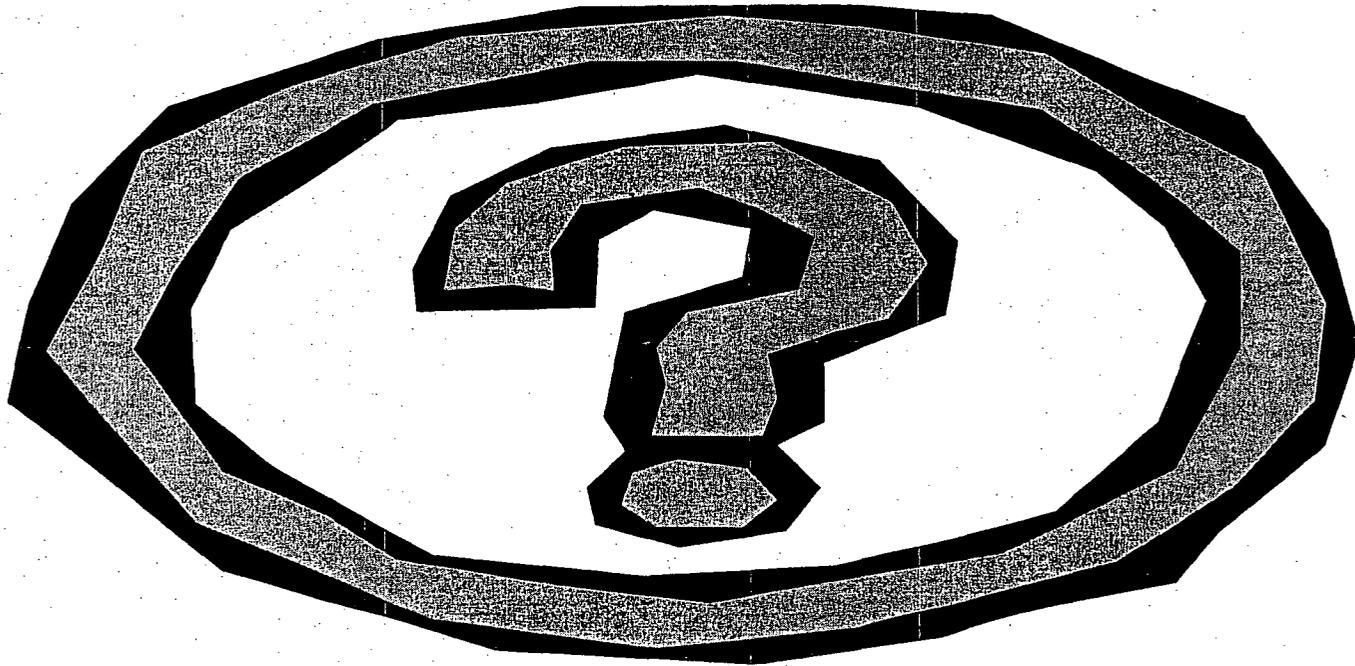
Honesty Policy 7.2.12

- **General Guidelines:**
 - When you accept employment, you accept the obligation to be honest in your conduct.
- **Honesty with Public Agencies**
 - All disclosures to the public or to public agencies will be complete and candid. This is a company expectation.
- **No Retaliation for Reporting or Disclosure**

SUMMARY: EMPLOYEE CONCERNS ISSUES

- MULTIPLE AVENUES FOR RAISING CONCERNS
- OPERATIVE EMPLOYEE CONCERNS PROGRAM
- KEEP AN OPEN MIND – LISTEN, ASK, EXPLAIN
- KNOW AND USE ESTABLISHED PROCEDURES
- REVIEW THE MATTER FAIRLY AND HONESTLY
- OFFER TIMELY FEEDBACK AND RESOLUTION

QUESTIONS



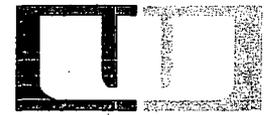


EXHIBIT 5
“WISG SCWE WEB PAGE”



Williams Industrial Services Group

2076 West Park Place Blvd.
Stone Mountain, GA 30087

Front Desk: 770-879-4400

Emergency Hotline: 770-879-4003

IS/Phone Helpdesk: 770-879-4441

Your IP Address: 10.1.200.136

Extranet

[Internet](#) | [Extranet](#) | [Check E-Mail](#) | [File Transfer](#) | [Contacts](#) | [Help](#)

Logged in as: HJOHNSON

Friday, July 14, 2006

Safety Conscious Work Environment

- [Policy 7.2.11 Work Quality and Safety Conscious Work Environment](#)
- [Policy 7.2.12 Honesty](#)
- [Policy 7.2.8 Employee Complaints](#)
- [Lessons Learned](#)
- [Training Presentation for Managers, Supervisors, and Staff](#)



EXHIBIT 6
“WISG POLICY 7.3.4 PERFORMANCE REVIEWS”

7.3.4 PERFORMANCE REVIEWS

1. Staff Reviews

- a. **Full-Time Regular and Part-Time Regular** – Each supervisor shall prepare a written performance appraisals of all of his or her Full-Time Regular and Part-Time Regular (regardless of the number of hours that a Part-Time Regular employee may work per week) employees on an annual basis on or before January 1st. See Form 7.3.4.1.a. (Supervisors may, at their discretion, conduct appraisals more frequently, depending on the employee's situation. For example, a new employee or one who is in a new position may receive appraisals on a more frequent basis.) All appraisals shall be reviewed with the employee and the employee shall be provided with a copy of the appraisal during this review. All appraisals shall be sent to, and maintained by, Company's Human Resources Department. See Policy 7.1.1. A completed performance appraisal form, signed by both the appraiser and the employee, must be sent to Company's Human Resources Department for the employee to be eligible for any salary increase.
 - b. **All Other Staff** – Annual performance appraisals of all other staff employees are not required. Supervisors shall comply with Policy 7.7.1, however.
 - c. Performance reviews of staff site supervisors and project managers at NRC-licensed facilities shall include a rating factor that addresses implementation of the Company's Safety Conscious Work Environment Policy (Policy 7.2.11).
2. **Craft Reviews** – Annual performance appraisals of craft employees are not required. Supervisors shall comply with Policy 7.7.1, however.

Revision: 1

Policy 7.3.4

Date: 05/01/06

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