



Memorandum

Robert L. Kilbride
Vice President &
Division Counsel
The Wackenhut Corporation
4200 Wackenhut Drive
Palm Beach Gardens, FL 33410

Telephone: 561 691-6597
Fax: 561 691-6680
rkilbride@wackenhut.g4s.com

To: Nuclear Clients

Copy: Eric Wilson, Shawn Kirven, Frank Finch, Regional Managers, Directors
and WNS Project Managers

From: Robert L. Kilbride V.P. and Division Counsel, WNS

Date: October 15, 2007

Subject: NRC AIT Exit Briefing at Peach Bottom Nuclear

On October 9, 2007 the Nuclear Regulatory Commission, Augmented Inspection Team held an exit briefing concerning its investigation into the issue of inattentiveness by certain Wackenhut security officers at the Peach Bottom Nuclear facility operated by Exelon. In an effort to keep you updated on significant issues, WNS has included highlights of several topics which were discussed that we believe are important for you to be aware of. We encourage you to obtain a full transcript of the hearing when available for your own independent review.

Inattention by Officers -- The NRC concluded that officers seen in the videos were inattentive and that supervisors failed to correct inattentive behavior. However, after reviewing videos, interviewing officers on the team in question and officers from other teams, the NRC concluded that the problem with inattention was limited to the incidents and the officers seen in the videos. Further, the NRC determined that the problem of inattention was limited only to the team in question. The NRC was satisfied that there was no evidence of this problem on the other teams.

Security Significance of the Events -- After reviewing the matter and consulting a subject matter expert, the NRC determined that the overall security at the Peach Bottom facility was not significantly degraded by the incidents in the ready room. The NRC also stated that "Security at the plant provided high assurance that the health and safety of the public was adequately protected at all times". Based on the input the NRC received from the industry expert, the NRC concluded that since the officers in the ready room incident had no immediate response requirement, they would have been capable of responding to contingency events in a timely fashion. Therefore, the performance of their duties was not compromised.

10/15/07



Corrective Actions. The NRC evaluated and reviewed the corrective action taken in response to the investigation. The NRC determined that the corrective actions taken to date have been prompt and appropriate to address the problem.

Wackenhut's Performance in the Industry. During a discussion of Exelon's intention to assume the security duties at Peach Bottom, the NRC addressed Wackenhut's security performance at other nuclear sites. The NRC commented that Wackenhut has a significant presence in the nuclear security industry and that the overall performance of security forces within the industry was good. The NRC noted that Wackenhut performance within Region 1 is generally good.

It should be noted that the NRC has reviewed and is aware that WNS is currently evaluating the acceleration of several key enhancement programs, including its Leadership Assessment program, Certified Security Specialist program and the Ideal Facility Indicator. The Ideal Facility Indicator is designed to gauge and measure overall security effectiveness at each site. The Ideal Facility Indicator measures SCWE, employee satisfaction, client satisfaction, reportable events, attrition rates and other important performance indicators. WNS has already implemented several corrective actions at the Peach Bottom site

If you have any questions, please feel free to contact me directly.