

- A widespread belief that wrongdoing and/or misconduct was occurring, even without evidence of its existence.
- The failure of management to take prompt and effective action to investigate allegations of wrongdoing and misconduct and/or the failure to take prompt and effective measures to deal with identified acts of wrongdoing and misconduct.

Both the symptom of widespread, varied, allegations of wrongdoing and misconduct, and the presence of a widespread belief that acts of wrongdoing and misconduct were occurring at Watts Bar Nuclear Plant prior to 1986 are evidenced to a certain extent within the employee concerns comprising this category.

However, the investigation of the employee concerns which dealt with alleged acts of wrongdoing and misconduct revealed that very few of such allegations could be substantiated, and that in many cases, these acts had previously been identified and corrected by management. While the perception that a climate supporting acts of wrongdoing and/or misconduct may have existed, the conclusion that such a climate actually existed at Watts Bar Nuclear Plant prior to 1986 is not supported by this category investigation.

### 3.2.2 Discussion of Secondary Investigative Conclusions

1. The Majority of the Investigated Employee Concerns Were Not Substantiated.

Three hundred and eighty-nine of the 775 employee concerns within this category could be investigated by the Office of the Inspector General. Of these 389 employee concerns, 72 percent contained allegations that were either determined to be invalid or that could not be supported by evidence.

2. Many of the "Adverse Actions" Claimed by the Concerned Individuals Were Totally Unassociated with Their Submittal or expression of a Quality or Nonquality Concern of Opinion.

For example, the investigation of one employee concern claiming that the concerned individual was transferred for voicing a quality-related concern determined that not only was there no connection between the two events, but also that the concerned individual had requested and willingly accepted the transfer.

**3. The Employee Concern was Misstated or the Concerned Individual Did Not Intend for the Concern to be Investigated.**

In numerous cases (about 10 percent of the investigated concerns), when the Office of the Inspector General contacted the concerned individual (where he or she had released their confidentiality), the concerned individual indicated either (a) that they had never expressed their employee concern with the intent that it be investigated (i.e., the concerned individual did not consider this concern as being significant), (b) that the employee concern or opinion they expressed had been misstated, or improperly expanded in scope, or (c) that they had no knowledge of expressing the employee concern.

**3.3 Root Causes**

Four root causes were identified at the category level for the isolated incidents of intimidation, harassment, wrongdoing, and misconduct and for the perception by some TVA employees at Watts Bar Nuclear Plant that there was a pervasive environment of intimidation and harassment, and a pervasive climate supporting widespread acts of employee wrongdoing and/or misconduct.

These four identified root causes are not considered to have necessarily resulted in situations involving intimidation, harassment, wrongdoing, or misconduct (as defined in section 1.1 of this report). However, these root causes collectively resulted in many situations either in which managers failed to listen attentively to and address the concerns, opinions, and observations of their employees, or in which the actions or managerial style of some managers may have discouraged the submission of safety-, quality- and nonquality-related concerns, opinions, and observations.

One secondary cause was also identified at the category level for the relatively large number and nature of employee concerns received by the Employee Concerns Special Program at Watts Bar Nuclear Plant relating both to this category and to the Employee Concerns Special Program as a whole.

**3.3.1 The Lack of a Consistent, Well-Defined and Well-Understood, Integrated Organizational Structure**

In the various organizational structures used by TVA for its nuclear program before 1986, lines of responsibility and authority were seldom clearly defined, frequently shifted, and were often poorly communicated. In many cases, no one was clearly in charge and few managers, especially middle- and senior-level managers, could be held accountable for performance. The numerous reorganizations within TVA and within TVA's nuclear program further intensified the atmosphere of ambiguous

lines of authority, ill-defined responsibility, and often virtually no individual accountability.

Faced with these uncertainties, managers often did not clearly understand the scope of their own jobs, or how the work they performed related to or affected the mission of the nuclear organization as a whole. Since the necessary integration of the design, engineering, construction, maintenance, and operation functions was not present, each task was performed in relative isolation. Many managers became narrowly focused on only those tasks that they perceived as falling within the realm of their immediate responsibility and authority, and were seldom rewarded for, or encouraged to go beyond, those perceived "work boundaries." As a result, managers often failed to listen to, and may have actually discouraged employees from bringing concerns to their attention about tasks or issues outside of the manager's perceived job function.

### **3.3.2 The Shortage of Trained and Qualified Managers and Supervisors.**

TVA's ambitious nuclear program caused a rapid increase in the nuclear workforce and created the need for a greater number of experienced managers than was available from within TVA. The available, qualified managers with nuclear experience were spread thinly throughout the program, and many of the newly appointed managers had neither the managerial skills nor the nuclear power plant experience to effectively fill their new roles.

Because of this shortage, compounded by the effects of the organizational structure of TVA's nuclear program, these managers often became narrowly focused in their area of expertise, and were often driven by imposed schedules and production demands. As a result, these managers and supervisors sometimes became so busy trying to keep on schedule while meeting regulatory and procedural demands and obligations, that they failed to always listen to the concerns and opinions of their employees.

In addition, the lack of training led to the development of a perception by some employees that an environment of intimidation and harassment existed. Managers may have promised employees promotions, job reclassifications, personnel changes, or other special forms of treatment that were either inappropriate or impossible to provide. The lack of managerial training often led to the inconsistent or inappropriate application of disciplinary actions, veteran's rights, Equal Employment Opportunity requirements, etc.. Even though these managerial actions resulted from a lack of supervisory training, they were viewed by some

employees as forms of discrimination or harassment directly associated with raising issues in disagreement with supervision.

This lack of training in supervisory skills also resulted in managers who did not properly understand their responsibility to listen to their employee's concerns and opinions and to resolve such problems. Managing was not treated as a separate role distinct from that of a "super-engineer" or "super-craftsman." Many managers who were promoted to supervisory positions on the basis of their technical expertise may have viewed themselves as a "technical expert" rather than as a manager of people. Such managers may have falsely assumed that they could learn nothing from their subordinates since they had been selected for promotion only because of their technical expertise.

The attitude held by some managers within TVA's nuclear program that (1) they neither owed it to their employees to listen to their concerns and differing opinions, or (2) that they could not benefit from listening to their subordinates, stifled free interaction between such managers and their subordinates. While this was not a form of direct intimidation and harassment, the results were the same, i.e., employees perceived that they were discouraged from asking questions or from expressing opinions contrary to those held by management.

### **3.3.3 Ineffective Communications Between Management and Employees**

The lack of control in the management of TVA's nuclear program resulted in many cases in the pervasive breakdown in structured, internal communication, both horizontally and vertically within the organization. The autonomy of the various organizational functions such as design, construction, and operation that existed prior to 1986, and the hierarchical nature of TVA's organizational structure itself, contributed to this communication collapse. Many nuclear managers did not communicate effectively with their peers or higher-level managers, or with their employees. They often did not adequately communicate their expectations, the reasons for their actions, or those of higher-level managers. They also appear to have failed in many cases to adequately respond to the inquiries or concerns of employees or to put their objectives, goals, and plans or those of the Office of Nuclear Power in perspective for employees.

The most significant result of such ineffective communication between managers and their employees was that many managers failed to explain their actions to their employees. Managers within TVA's nuclear program, particularly first-line supervisors, often failed to discuss matters with their employees such as why an individual was selected for a job, how

overtime assignments were determined, how salaries were adjusted, or why disciplinary actions were warranted. This often resulted in situations where the employee experienced an adverse job action as a result of an unexplained or poorly defined managerial action. As a result, such employees may have erroneously attributed the adverse managerial decision to a previous disagreement with their supervisor, to their expression of a concern or differing opinion, or assumed that the decision was based on favoritism or discrimination. As such, many sound and justified managerial actions and decisions appear to have been erroneously perceived by the employees as forms of intimidation and harassment or as acts of wrongdoing or misconduct even though no such intent existed on the part of supervision.

The lack of adequate two-way communications between supervisors and their employees may have also resulted in situations where managers failed to provide "feedback" to employees about the status of reported concerns or problems. In such cases the employees would most likely assume that the supervisor did not listen, did not care, and did not act on their reported concerns. This may have led to the perception on the part of the employee that the supervisor did not care, or that the supervisor was not competent enough to handle the problems of his or her employees. Either perception would tend to discourage the further submittal of employee problems and concerns.

### **3.3.4 Managerial Style**

The final major root cause identified as contributing to the expression of employee concerns within this category relates to the poor management practices employed by some line management within the Office of Nuclear Power. Some managers simply did not know how to manage effectively.

While the majority of managers within the Office of Nuclear Power had risen from the ranks with adequate technical skills, many did not know how to manage people effectively. There is little evidence that the shortage of effective managers within the Office of Nuclear power was seen as a problem.

The complexity of managerial jobs, the necessity to "keep on schedule," the shortage of managers in absolute terms, and the lack of clearly understood lines of communication, authority and responsibility often resulted in the creation of an authoritarian management style in which management decisions were issued as "decrees." Employee input into management decisions and employee concerns and questions were often not solicited, and if received were not always acted upon.

A particular facet of this managerial style can be characterized as "managing with a stick instead of a carrot." Organizational goals were achieved by establishing inflexible, strict policies governing employee actions on the job. Employees who violated such rules for any reason were disciplined.

The validity of this root cause is best evidenced by the existence of the strict mandatory disciplinary policy for reported quality violations within the construction organization at Watts Bar Nuclear Plant (discussed in further detail in Section 2.2 of Part I of Appendix A to this report).

This policy resulted from pressure which was placed upon management at Watts Bar Nuclear Plant in the early 1980's to improve the compliance with quality assurance procedures and instructions. In keeping with the authoritarian managerial style prevalent at that time, policy was established which called for the suspension or termination of anyone who violated quality assurance procedures.

The most damaging aspect of this policy was that it applied "blindly" to all reported quality assurance violations. The policy made no distinction between reported incidents where the employee intentionally and knowingly violated quality assurance procedures and instructions, and those incidents where an employee voluntarily reported a quality assurance violation which arose from an honest mistake or resulted from conditions beyond the employee's control.

Due to the poor communications among supervisors and between supervisors and their own employees, this policy and the ramifications of this policy quickly generated the legend that anyone who reported a mistake would be disciplined. This legend further developed over time, particularly among the craft laborers at Watts Bar Nuclear Plant, to the widely-held belief that even the reporting of a quality assurance concern could result in suspension or termination. This belief led directly to the perception that retaliation often followed the reporting of employee concerns and differing opinions.

The other aspect of this authoritarian managerial style which contributed to the perception that an environment of intimidation, harassment, wrongdoing, and mismanagement existed was the belief that a "good" manager had only "team players" working for him. A "team player" was understood to be an employee who did not ask questions or challenge the way in which things were done, and one who certainly did not report problems to anyone outside of the "team."

Employees who questioned managerial actions or decisions were often viewed by such managers as a threat both to their control and to their stature as a good manager. Differing views and opinions expressed by such "problem" employees were not appreciated, and were frequently viewed by such managers as threatening. This situation may have led to actions by some such managers to retaliate against such "boat rockers" in the full belief that such actions were justified to create a good "team."

Even if such extreme measures were not attempted, the end result of such a "team player" concept was that neither the "team players" or those seen by the manager as being outside of the "team" felt comfortable in reporting concerns and differing opinions to such managers.

### **3.3.5 The Lack of an Effective Mechanism for Receiving Employee Concerns**

This cause developed secondary to, and as a result of, the collective impact of the above causes. While this cause was identified as a result of the investigation of this category, it has generic applicability to all categories within the Employee Concerns Special Program.

During the time period covered by the over 5,800 employee concerns received by the Employee Concerns Special Program at Watts Bar Nuclear Plant the existing, established avenues of employee expression within the Office of Nuclear Power frequently failed to work as intended. Line managers, who represent the best, most effective means of resolving employee concerns and complaints, appear to have often neglected or failed to adequately perform this important job function. In addition, some employees, perceiving that there was a climate of intimidation and harassment and that managers and employees alike were committing actions that appeared to constitute wrongdoing or misconduct, were often reluctant to take their concerns and opinions to their immediate supervisor or to higher-level management.

Although other means existed for the reporting of employee concerns and questions within TVA's nuclear program, such as the Division Personnel Officer, or the Equal Employment Opportunity Staff, there is little evidence that employees routinely utilized these additional avenues to resolve their concerns.

Since some employees felt that they could not effectively express their concerns to line management or to other existing organizations within TVA's nuclear program, either because of their reluctance to do so, or due to their perception that some line managers had no interest in hearing or resolving employee complaints or concerns, many employees simply remained silent.

### 3.4 Collective Significance

The most significant aspect developed from investigating the employee concerns within this category is that the workplace environment within TVA's nuclear program prior to 1986 led to the creation of a fairly widespread perception at Watts Bar Nuclear Plant that a climate condoning acts of intimidation and harassment and one supporting acts of wrongdoing and misconduct existed.

Although the conclusion was not reached that an actual climate supporting acts of intimidation, harassment, wrongdoing and misconduct existed within TVA's nuclear program before 1986, this perception had the same effect of suppressing reports of employee observations and concerns about both quality and nonquality aspects of TVA's nuclear program. Additionally, it is significant that TVA failed to recognize and take steps to correct these perceptions.



## **4.0 CORRECTIVE ACTION**

This section discusses the management actions already taken or being taken to address the conclusions and to resolve the root causes presented in section 3.0 of this report.

### **4.1 Specific Corrective Actions**

#### **4.1.1 Substantiated Incidents of Intimidation, Harassment, Wrongdoing, or Misconduct**

All substantiated incidents of intimidation, harassment, wrongdoing, or misconduct by TVA employees within the Office of Nuclear Power identified by this category investigation have either been or will be reviewed by the Manager of Nuclear Power. In those incidents where disciplinary action is identified as appropriate by the Office of Nuclear Power, such corrective actions will be developed and implemented in coordination with the Manager of Nuclear Power, the Office of the Inspector General, and with top-level managers within the affected organization. Fair, consistent, and equitable disciplinary action, up to and including termination, has and will continue to be taken in all such identified cases.

### **4.2 Category Level Programmatic Corrective Actions**

#### **4.2.1 The Lack of a Consistent, Integrated Organizational Structure**

TVA has restructured its nuclear organization to centralize the responsibility and authority under the Manager of Nuclear Power.

TVA's Corporate Nuclear Performance Plan, dated November 1, 1985, contains a commitment to update and integrate the managerial organization within the Office of Nuclear Power. Revision 4 to the Nuclear Performance Plan, dated April 8, 1987, contains the following excerpts from a message from the Board of Directors:

The Board has taken steps to re-establish effective management of TVA's nuclear program. These steps are reflected in this revised Corporate Nuclear Performance Plan.

We concluded that a strong and experienced Manager of Nuclear Power was needed with the direct responsibility for the total management, control, and supervision of TVA's entire nuclear power program.

We have given the Manager of Nuclear Power a strong charter. The powers entrusted to him are broad and far-reaching. (He) is responsible for the daily management of the nuclear power program and will report to the TVA General Manager and to the TVA Board for oversight, direction, and support.

Section IV of this revision (RESTRUCTURING OF TVA'S ORGANIZATION) contains the following statements:

Until recently, TVA's organization did not provide for effective centralized management of its nuclear activities. Instead, TVA's organization was divided among power operations, design and construction, and the balance of TVA's activities, each of which was responsible for both nuclear and non-nuclear activities. Consequently, TVA had no upper level management personnel who were devoted exclusively to managing nuclear activities, and the responsibility for the nuclear activities was divided among several departments, which did not report to a single senior below manager. Furthermore, each of TVA's nuclear plants acted autonomously, for the most part developing its own programs and systems to control plant activities . . . .

Beginning in 1985, TVA started to consolidate responsibility for its nuclear activities within one central organization and to divest that organization of virtually all responsibility for non-nuclear activities. That process was significantly advanced through the approval by the Manager of Nuclear Power of the organizational structure through the fourth reporting level [the top four managerial levels directly below the Manager of Nuclear Power] within the Office of Nuclear Power on May 23, 1986.

Corrective Action Tracking Document 700-NPS-01, which was issued by the Management and Personnel Category to address this same root cause, asked what progress was made towards the commitment to update the managerial organization within the Office of Nuclear Power. The status of implementation is as follows (taken from the Management and Category final report, Employee Concerns Special Program Report Number 70000):

Responsibility for all of TVA's nuclear activities has been consolidated within a single organization. The top tier of the nuclear organization was restructured to provide effective centralized management of nuclear activities. This structure was approved March 30, 1987. Primary responsibility for each functional area within the Office of Nuclear Power has been assigned to the appropriate director or staff

manager, each with the responsibility for single, discrete types of functional activities, such as engineering, licensing, quality assurance, and training. Each director or manager is accountable for the technical adequacy of all activities within the department's assigned areas, including support activities provided at TVA's nuclear plants.

Position descriptions will be revised to reflect responsibilities and accountabilities of all positions within the new organization. The position descriptions will reflect the specific responsibilities of the individual.

#### **4.2.2 The Lack of Adequate Numbers of Trained and Qualified Managers**

This has been recognized as a major contributing factor in many of the problems experienced in TVA's nuclear program during the last several years. Beginning in 1986, TVA initiated actions to resolve the short-term aspects of this problem by hiring new experienced managers as permanent TVA employees, by better utilizing existing experienced managers, and by contracting for experienced managers to serve as loaned managers. At the same time, TVA acknowledged that its nuclear program possessed a large staff of technically competent employees, and embarked on a multi-level program to identify and train promising individuals to become a long-term, experienced source of future managers.

Section III of Revision 4 to the TVA Corporate Nuclear Performance Plan contains the following statement addressing this cause:

In general, the problems in TVA's nuclear program during the last several years are attributable to a lack of a sufficient number of experienced nuclear managers. TVA's first priority has been to obtain experienced managers for its nuclear activities. TVA's approach was to gain management talent through a combination of utilizing existing experienced TVA managers, hiring new managers as permanent TVA employees, and contracting for experienced nuclear managers to serve as loaned managers. These managers have been assembled to provide the leadership and expertise which are essential to correct TVA's remaining nuclear problems and to ensure the safe operation of TVA's nuclear plants.

The need for a sufficient number of experienced nuclear managers represents both a short-term and long-term problem for TVA. As a result, TVA has taken and will be taking actions to address both of these concerns...

This section of the plan continues, outlining objectives for the recruitment of experienced nuclear managers, and for the development and training of existing TVA managers, and contains the following statement:

TVA has a large staff of technically competent individuals, many of whom possess the potential for developing into excellent nuclear managers. TVA intends to develop the managerial potential of the best of these individuals by placing them in responsible positions under the direction and guidance of TVA's senior nuclear management and by implementing a Management Development and Training program . . . .

The essential elements of this program include the following:

- Identification of managerial skill and staffing needs for effective management of the Office of Nuclear Power.
- Training and development activities to provide managers at all levels with the skills needed to provide leadership and meet the challenges of managing in the Office of Nuclear Power.
- Implementation of Management Development Planning as needed to meet job performance and competency requirements.
- Programmatic changes in the personnel management and performance appraisal processes that support the effective selection, retention and promotion of competent supervisors and managers.

The Management and Personnel Category issued a Corrective Action Tracking Document (700-NPS-02), addressing this cause which asked for a status report on the implementation of the Management Development and Training program as committed to by the Corporate Nuclear Performance Plan. The status of implementation is as follows (taken from the Management and Personnel Category final report, Employee Concerns Special Program Report Number 70000):

1. A three day course entitled Orientation to Nuclear Supervision, for all supervisors in the Office of Nuclear Power, addresses the role of the supervisor, performance requirements and expectations, the prevention of intimidation and harassment, and good management/supervisor practices. Out of a 2,215 target audience, 523 M-schedule employees have received this training.
2. A three-day course entitled Basic Supervisory Development, required for all supervisors M-5 and below, introduces the skills needed to

establish employee trust and confidence, to set goals, and to manage effectively. Out of a 2,134 target audience, 549 individuals have received this training as of September 30, 1987.

3. An extended (three 2-day sessions) program entitled Managing for Excellence for all M-6 through M-8 managers, addresses managing in cultural change, motivation, teamwork, planning and goal setting, and integration across organization lines.

All of the above programs include training in communication, i.e., effective listening and oral communication.

Other elements of the management development program are scheduled to be in place and functioning by December 1988. A management assessment and promotability program will identify, provide development opportunities, and eventually place in leadership roles those employees in the Office of Nuclear Power who possess managerial leadership qualities.

#### **4.2.3 The Lack of Adequate Communications**

The communication problem identified by this category evaluation as existing before 1986 is being resolved through several interrelated actions.

First, the restructuring of the Office of Nuclear Power into an integrated, centralized organization has and will continue to improve communications within and between the Office of Nuclear Power's various functional entities and with TVA's nuclear plant sites.

Second, the multi-level management training program referenced above is designed to improve the training of all managers within the Office of Nuclear Power. An integral part of this training will be the goal of improving the communication skills of these managers. Managers are being taught how to effectively listen to their employees, how to initiate and maintain effective and necessary levels of communication with their peers, superiors, and subordinates, and how to establish and maintain employee trust and confidence through open two-way communications.

Finally, since 1986, the Manager of Nuclear Power has emphasized the need for rapid, accurate communications throughout all levels of the organization. The importance of open, nonadversarial, management-employee communications has been stressed. Employees are being informed of major business proceedings within the Office of Nuclear Power and within TVA as a whole; messages concerning teamwork, management philosophy and goals, and the prevention of intimidation and harassment in the workplace are being presented

through poster and media campaigns and through videotaped messages from the Manager of Nuclear Power.

#### **4.2.4 Managerial Style**

The long-term corrective action necessary to resolve this cause is tied to the management training and development programs being implemented within the Office of Nuclear Power. These training programs (summarized in Section 4.2.2) should improve the managerial skills of all nuclear program managers.

#### **4.2.5 The Lack of an Effective Mechanism for the Reporting of Employee Concerns**

The long-term corrective actions necessary to resolve this cause are tied to the effective completion of the corrective actions underway to increase the number of qualified, experienced managers, and to improve the basic management skills of all managers within the Office of Nuclear Power.

In addition, the following actions have been taken to provide employees within the Office of Nuclear Power with additional avenues for the expression of employee concerns and opinions about TVA's nuclear program.

##### **1. The Employee Concern Program**

Due in part to the numerous employee concerns received through the Employee Concerns Special Program at Watts Bar Nuclear Plant, TVA recognized the importance of assuring that future employee concerns with respect to quality and nuclear safety are fully and effectively addressed throughout the Office of Nuclear Power.

The Employee Concern Program was created in order to assure that employees throughout the Office of Nuclear Power who have quality or nuclear safety-related concerns are free to express those or any other concerns related to TVA's nuclear program. Its primary function is to assist and mediate both with and between employees and line management in the effective and timely resolution of employee concerns.

This program, which has been fully accepted by the Nuclear Regulatory Commission, consists of a program manager, and full-time site representatives at each nuclear site and major corporate nuclear location. Site representatives are responsible for receiving, investigating, and resolving employee concerns, providing feedback to

the employees, and for documenting this process. Employees can express concerns to site representatives through the use of mail-in forms, phone calls, walk-in interviews, and through mandatory exit interviews for transferring or terminating employees. Confidentiality is offered to all employees who express concerns through this program.

## 2. The Office of the Inspector General

The TVA Board formally approved the creation of the Office of the Inspector General on October 18, 1985. This corporate-level office is responsible for conducting and supervising audits and investigations of all TVA activities, detecting and preventing waste, fraud, and abuse, and informing the TVA Board and Congress of problems and necessary corrective actions.

The responsibilities of the Office of the Inspector General include the promotion of employee confidence in the management of TVA's nuclear program by serving as an additional avenue for the expression of employee concerns. Any employee who has allegations of violations of law or regulation, waste, fraud, abuse, harassment, intimidation, or other forms of misconduct or wrongdoing may take such concerns to the Office of the Inspector General for resolution.

Any employee concern or complaint made or referred to the Office of the Inspector General will be held in confidentiality, will be investigated independent of the Office of Nuclear Power management, and the results will be provided to the Manager of Nuclear Power. In those cases where corrective action is deemed necessary by the Office of the Inspector General, timeframes will be established within which the corrective action must be completed. In addition, failure to make necessary corrections in a timely manner will be reported by the Office of the Inspector General to the TVA Board and to Congress.

## 3. The Conditions Adverse To Quality Program

In order to further promote the reporting of quality-related issues, the Office of Nuclear Power established the Conditions Adverse to Quality program. This program, which is found in Section 2.16 of Part I of the Nuclear Quality Assurance Manual, has the following purpose (section 1.0, Purpose, revision 3, dated July 1, 1987):

This procedure establishes measures which ensure that conditions adverse to quality (CAQs) are corrected and reported to management in a manner consistent with their importance to

safety, and that, when appropriate, actions are taken to prevent their recurrence.

Section 4.2 of this revision defines conditions adverse to quality as those concerns involving nonconforming materials, parts, or components; malfunctions, hardware deficiencies, deviations, noncompliance with licensing commitments, specifications or drawings, etc.; non-hardware problems such as failure to comply with operating license, technical specifications, procedures, instructions, etc.

The Conditions Adverse to Quality program is an extensive quality assurance program that is designed to address and resolve technical, quality-related issues, and to identify root causes and prevent recurrence.

The category-level corrective actions contained within this report are adequate to correct those broad problems identified through the investigation of the employee concerns comprising this category.

While the identification and resolution of specific wrongdoings was not possible for each employee concern within this category, these category-level corrective actions were derived with the assumption that all remaining employee concerns within this category that could not be investigated were valid.



## 5.0 CONCLUSIONS

Although there were verified cases of intimidation and harassment (including two incidents of violations of Section 210, and one incident where an organizational policy was in violation of the intent of Section 210), the absolute number of substantiated incidents of intimidation and harassment and of substantiated incidents of wrongdoing or misconduct was small in respect to both the total population of concerns within this category and to the total number of employee concerns being addressed by the Employee Concerns Special Program.

There was no indication that the intimidation and harassment of TVA employees, or that acts of wrongdoing or misconduct on the part of Office of Nuclear Power employees, occurred on a widespread basis. Also, there was no evidence that management in general conducted, directed, or approved intimidation and/or harassment with the intent of covering up adverse conditions or preventing the reporting of safety- or quality-related issues. In fact, most of the substantiated incidents of intimidation, harassment, wrongdoing, and misconduct identified by this category investigation had been identified and resolved by line management before this investigative effort.

Despite the conclusion that TVA management did not support acts of intimidation, harassment, wrongdoing, or misconduct within TVA's nuclear program, it is concluded that the cumulative impact of the root causes identified by this category report resulted in a workplace environment where in some employees perceived that such a climate existed. Even though no actual climate of intimidation, harassment, wrongdoing, or misconduct was proven, this perception had the effect of suppressing the reporting of employee concerns, observations, and opinions about both quality and nonquality aspects of the nuclear program.

The major identified problems and root causes which gave rise to the employee concerns within this category have, for the most part, already been identified by the Office of Nuclear Power, and corrective actions designed to resolve these problems and eliminate their root causes are contained within the Corporate Nuclear Performance Plan.

The course of action currently being pursued by the Office of Nuclear Power is a suitable means of addressing most issues within this category. Problems and concerns similar to those addressed by the Employee Concerns Special Program can be handled effectively if employees perceive the avenues for voicing problems and concerns to be freely accessible and adequately responsive. However, until these various corrective action activities and programs have been tested over a period of time, their effectiveness cannot be judged.

## **APPENDIX A**

### **INVESTIGATION SUMMARY**

This appendix is part of the Employee Concerns Task Group category report on Intimidation, Harassment, Wrongdoing, and Misconduct. It is composed of four parts as follows:

- PART I**      **INTIMIDATION AND HARASSMENT FINDINGS** (Possible violations of Section 210 of the Energy Reorganization Act of 1974, as amended)
  
- PART II**      **INTIMIDATION AND HARASSMENT - OTHER FINDINGS** (Other possible cases of intimidation and harassment)
  
- PART III**     **WRONGDOING FINDINGS** (Possible cases of wrongdoing including, but not limited to, forgery, falsification of records, drug abuse, and theft)
  
- PART IV**     **MISCONDUCT FINDINGS** (Possible cases involving actions in violation of the TVA Code of Conduct Standards)

## PART I

### INTIMIDATION AND HARASSMENT FINDINGS

#### 1.0 INTRODUCTION

This part of the appendix addresses 113 employees concerns which involved or potentially involved a violation of Section 210 of the Energy Reorganization Act of 1974, as amended (42 United States Code 5851). Section 210 of this Act, which is known as the "Employee Protection Provision," states that:

No employer, including a Commission [Nuclear Regulatory Commission] licensee, an applicant for a Commission license, or a contractor or a subcontractor of a Commission licensee or applicant, may discharge any employee or otherwise discriminate against an employee with respect to his compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee):

- (1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act or the Atomic Energy Act of 1954, as amended;
- (2) testified or is about to testify in any such proceeding or;
- (3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other manner in such a proceeding or in any other action to carry out the purposes of this Act or the Atomic Energy Act of 1954, as amended.

This section of the Federal code (referred to herein as "Section 210") protects employees who report, are reporting, or are contemplating reporting a quality- or safety-related concern from any form of retribution as a result of such actions.

Employee concerns within this class can be subdivided into three identifiable areas of concern as follows:

- A. **Adverse Action** - Those concerns which clearly state that the concerned individual or a TVA employee submitted a quality- or safety-related concern and received an adverse action related to that submittal. There are 70 employee concerns which are characterized as falling in this area.
- B. **Threat of Punishment** - Those concerns which involve the perception that employees are discouraged from submitting quality- or safety-related concerns due to a policy or practice which inflexibly disciplines employees who report or commit quality defects. There are 23 employee concerns within this area.

- C. **Undefined** - Those concerns which involve wrongdoing associated with undefined activities having a high potential of being quality or safety-related. There are 20 employee concerns within this class that are characterized as falling within this area.

## **2.0 DISCUSSION OF INVESTIGATION FINDINGS**

This section presents a description of the findings for the investigated employee concerns within this class for each of the three above areas.

### **2.1 Adverse Action**

The 70 employee concerns within this area are characterized by the concerned individual's statement that he or she "submitted a quality concern and received an adverse action." The adverse actions referred to within the concern varied in nature and severity and included, but were not limited to, oral reprimands, suspensions, shift transfers, and denial of leave and promotions.

#### **Findings**

The Office of the Inspector General had sufficient information to permit the investigation of 53 of the 70 employee concerns within this area. Of those 53 only four are considered to represent violations of the provisions of Section 210. Three of these employee concerns were submitted by one individual and involved a single incident in which the an individual was wrongfully terminated through a reduction in force for submitting a quality-related concern. The remaining employee concern involved a known incident in which an employee was harassed for talking to a Nuclear Regulatory Commission Inspector. The investigation of all four of these potential Section 210 employee concerns found a "preponderance of evidence" linking the submittal, or acts by the employee leading to the submittal of a quality-related concern, and the adverse action suffered by the concerned individual.

Four additional employee concerns within this area were also found to represent three valid incidents of intimidation and harassment. However, none of these three incidents involved violations of Section 210. In one incident a supervisor lightly "struck" an employee for failing to follow directions. The incident was not a display of force, or intended as a threat, but was perceived by the employee as such. One incident involved a case of discrimination for reporting a nonquality concern. The remaining valid incident (addressed by two concerns from the same concerned individual) involved an incident where an employee was denied a job reclassification hearing and was subsequently harassed for seeking assistance from the Equal Employment Opportunity Staff.

The investigation of the remainder of the employee concerns within this area revealed little factual evidence supporting the specific allegations of intimidation or harassment. There were, however, 24 employee concerns within this area that contained factual issue-level allegations concerning the existence of an "automatic" disciplinary policy in place within the construction organization at Watts Bar Nuclear Plant. This factual issue is discussed in greater detail in section 2.2 below.

## **2.2 Threat of Punishment**

The 23 employee concerns within this area all relate to the perception that an "unwritten" policy was in place at Watts Bar Nuclear Plant, specifically within the Division of Nuclear Construction, that automatically disciplined employees for committing or reporting quality violations. This "policy" was viewed by the concerned individuals as inflexibly penalizing employees who report quality-related mistakes, as counterproductive to the quality program, and was perceived as intimidation and harassment.

### **Findings**

The Office of the Inspector General had sufficient information to permit the investigation of 22 of the 23 employee concerns within this area. None of these 22 employee concerns contained specific verifiable incidents of intimidation and harassment taken against an individual for reporting a quality concern or defect. There were incidents where an employee was suspended for committing a quality violation, but these disciplinary actions arose from the violation itself. There were no incidents found where an employee was disciplined for simply reporting a quality violation.

While none of the specific incidents addressed by these employee concerns were substantiated, the collective issue of a perception of the existence of intimidation and harassment raised by these concerns was determined to be substantiated. The investigation of the employee concerns within this area revealed that a memorandum was issued on February 4, 1982, from the General Construction Superintendent concerning the quality assurance program at Watts Bar Nuclear Plant containing the following mandatory disciplinary actions for a quality assurance violation:

- 1st Offense - Two Week's Suspension\*
- 2nd Offense - Discharge.

\*Exception: If the offense appears or is a wilful and belligerent (sic) act, it will mean an immediate discharge from the job.

This memorandum was superseded by a memorandum with the same title from the same General Construction Superintendent on November 9, 1982. This memorandum contained the following disciplinary provisions:

**First Offense - Suspension or Discharge, depending on the circumstances.**

**Second Offense - Discharge.**

This disciplinary policy, while intended to improve adherence to the quality assurance program, tended instead to suppress the reporting of such quality-related defects and concerns about such quality-related defects. In addition, it appears that not all managers and supervisors within the Division of Nuclear Construction at Watts Bar Nuclear Plant clearly understood this policy. This is evidenced by the fact that many employees and some supervisors considered this as an "unwritten" disciplinary policy.

The most significant aspects of this policy were:

- (1) This authoritarian policy treated all reported nonconformances to the existing quality assurance program as "intentional violations" warranting a proscribed disciplinary action regardless of the nature of the incident, the circumstances surrounding the incident, or the cause of the nonconformance itself. Since the commission of a quality assurance defect was seen as being within the full control of the employee, this policy wrongfully assumed that increased adherence to the quality assurance program was simply a matter of strictly punishing the responsible employee for each and every violation of this program. The fallacy of this approach is that the cause and circumstances leading to the commission of a quality defect are seldom totally within the control of the employee.

In addition, little effort appeared to have been made by management to distinguish between that level of discipline proper for reported quality defects or nonconformances that were the result of human error, mistakes, etc., and that level of discipline appropriate for intentional violations of quality assurance standards;

- (2) The policy itself, while not considered a direct violation of Section 210, constituted, and was viewed by many craft employees and by some line managers as constituting, a barrier to the free expression of quality- and safety-related concerns within the construction organization at Watts Bar Nuclear Plant and could have led to Section 210 violations; and
- (3) That this policy was allowed to exist and be enforced within the nuclear construction organization at Watts Bar Nuclear Plant from 1982 until 1986.

This policy was withdrawn in 1986, as a result of investigations conducted on the employee concerns within this area, and associated work rules were revised to correct this identified problem. Disciplinary action against the responsible manager was also pursued.

Management now in place within the Office of Nuclear Power and within the nuclear construction organization at Watts Bar Nuclear Plant has clearly stated that employees making or reporting honest mistakes would not receive automatic disciplinary action.

### **2.3 Undefined**

This area contains 20 employee concerns which dealt with various situations possibly involving violations of Section 210 of the Energy Reorganization Act.

#### **Findings**

None of the 15 employee concerns within this area that could be investigated contained valid, factual allegations of intimidation and harassment. However, one concern contained a valid issue-level allegation concerning the "automatic" disciplinary policy discussed in section 2.2 above.

## PART II

### INTIMIDATION AND HARASSMENT - OTHER FINDINGS

#### 1.0 INTRODUCTION

This part of the appendix addresses the findings developed on 136 employee concerns within the Intimidation, Harassment, Wrongdoing, and Misconduct category which dealt with forms of intimidation and harassment other than those directly related to possible violations of Section 210.

The employee concerns within this class contained general allegations of harassment and/or intimidation, allegations potentially related to the reporting of nonquality-related concerns by employees, and allegations associated with medical-related work restrictions. Employee concerns within this class are subdivided into four identifiable areas as follows:

- A. **Adverse Actions** - Those employee concerns which contain allegations of intimidation and harassment occurring as the result of, or in connection with the submittal of a nonquality concern. There are 104 employee concerns within this area.
- B. **Threat of Punishment** - Those concerns which involve the perception that employees are discouraged from submitting non quality-related concerns, or that employees are afraid to submit such concerns for fear of retribution. There are seven employee concerns within this area.
- C. **Work or Medical Restrictions** - Those employee concerns which allege that employees on medical or work restrictions are intimidated and harassed. There are 13 employee concerns within this area.
- D. **General** - Twelve employee concerns which dealt with allegations of intimidation and harassment incurred by employees for various reasons.

#### 2.0 DISCUSSION OF INVESTIGATION FINDINGS

This section presents a description of the findings for the investigated employee concerns within this class for each of the four above areas or issues.

##### 2.1 Adverse Actions

The Office of the Inspector General had sufficient information to permit the investigation of 28 of the 104 employee concerns within this area. Only one of the specific allegations contained within these 28 employee concerns could be



substantiated. The valid incident involved a supervisor who threatened and harassed his employees following the submittal of an Equal Employment Opportunity complaint. Two other employee concerns within this area are considered to raise valid issue-level allegations involving the selling of insurance and other products by TVA employees. This valid issue is addressed in greater detail in section 2.5 of Part IV of this appendix.

## **2.2 Threat of Punishment**

Sufficient information was available to the Office of the Inspector General to permit the investigation of two of the seven employee concerns within this area. Neither of the specific allegations contained within these two employee concerns could be substantiated, although one employee concern is considered to relate to the valid issue-level allegations involving the selling of insurance and other products by TVA employees. This valid issue is addressed in greater detail in section 2.5 of Part IV of this appendix.

## **2.3 Work or Medical Restrictions**

Sufficient information was available to the Office of the Inspector General to permit the investigation of five of the 13 employee concerns within this area. None of the specific allegations contained within these five employee concerns could be substantiated.

## **2.4 General**

The Office of the Inspector General had sufficient information to permit the investigation of four of the 12 employee concerns within this area. None of the allegations contained within these four employee concerns could be substantiated, although one employee concern is considered to relate to the valid issue-level allegations involving the selling of insurance and other products by TVA employees. This valid issue is addressed in greater detail in section 2.5 of Part IV of this appendix.

## **PART III**

### **WRONGDOING - FINDINGS**

#### **1.0 INTRODUCTION**

This part of the appendix addresses the findings developed on 259 employee concerns within the Intimidation, Harassment, Wrongdoing, and Misconduct category which dealt with allegations involving various forms of wrongdoing, such as falsification of records, forms of discrimination in violation of Federal law, the possession of controlled substances or alcohol, and theft.

#### **2.0 DISCUSSION OF INVESTIGATION FINDINGS**

The employee concerns within this class are divided into ten areas. The following is a description of each of these areas, and a summary of the findings for each such area.

##### **2.1 Falsification of Quality Records - Those employee concerns that contain allegations that quality records were falsified or forged.**

The Office of the Inspector General had sufficient information to permit the investigation of 39 of the 67 employee concerns within this area. Of these 39, seven employee concerns contained allegations that were determined to be substantiated.

Two employee concerns, submitted by one individual, contained valid allegations that a workplan contained forged signatures. Handwriting analysis tentatively identified the individual who was suspected in this incident. This individual subsequently resigned. Although the incident did involve a workplan, no safety- or quality-related issue was determined to be involved or affected by the forged signature.

One valid employee concern addressed an incident where the concerned individual submitted a computer card verifying the completion of a test inspection of a piece of equipment to a quality surveillance inspector. Acting on the dare of a second inspector, this inspector destroyed the card in the presence of the concerned individual. This act was intended as a joke, since the card could be replaced, however, the concerned individual refused to submit a second card. The two inspectors then replaced the card without the concerned individual's verifying signature as a "transfer of documents" action. While not strictly a falsification of a quality record, the actions of the inspectors were in variance with quality procedures. This incident was also raised by a separate valid employee concern in section 2.4 of Part IV of this appendix.

The remaining four employee concerns contained allegations that on-the-job training records for non-destructive test inspectors at Sequoyah Nuclear Plant had been falsified. The investigation of this issue revealed the allegation to be true, and three individuals were implicated in knowingly falsifying such qualification records.

- 2.2 Falsification of Other Records** - Those employee concerns that contain allegations that personnel records, medical records, time sheets, etc., have been falsified or forged.

The Office of the Inspector General had sufficient information to permit the investigation of 26 of the 50 employee concerns within this area. None of the allegations contained within these 26 employee concerns were substantiated.

- 2.3 Falsification of Weld Records** - Those employee concerns that contain allegations that weld records were falsified, or that the Weld Information Management System was compromised.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 13 of the 20 employee concerns within this area. Of these thirteen concerns, 10 contained valid allegations involving a single incident in which an individual used the access code of a weld inspector to gain unauthorized access to the Weld Information Management System at Watts Bar Nuclear Plant. The individual had no intent to falsify or alter weld records, but was simply trying to update the system information. This computerized database is used as a means of tracking weld status information and is not considered or intended to be a safety- or quality-related system. One additional valid concern involved an incident in which a weld inspector falsified weld rod control records.

- 2.4 Falsification of Welder Certification** - Those employee concerns which contain allegations that welder certification cards were falsified, backdated, or inaccurate.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 19 of the 25 employee concerns within this area. Of those employee concerns investigated, ten were determined to relate to the valid issue-level allegation that welder recertification cards were falsified or backdated.

Welds are required to comply with specific engineering standards or codes which impose a vast array of requirements that must be met for a particular weld to meet the code. Included within these requirements is the condition that welders must undergo qualification or certification proving that they can perform the various welding processes covered by the code. Once certified, the welder must maintain the certification by being retested (recertified) at regular intervals. At Watts Bar Nuclear Plant this recertification required only verification that the welder had welded during the required recertification interval. The applicable procedure

required that verification be in the form of (a) quality assurance records, (b) field observations of in-plant welding, or (c) weld tests.

The investigation of this issue revealed that, in some incidents, welders had been recertified without adequate verification that the welder had indeed successfully completed a process weld during the required recertification period. It was further concluded that the individuals responsible for this weld verification process had knowingly falsified such welder recertifications. Those individuals implicated in knowingly falsifying welder recertifications were identified and received appropriate disciplinary action.

Some of the employee concerns that related to this valid issue included allegations that welder recertification cards had been wrongfully backdated. While it is true that some welders were recertified after the recertification period had expired, these "backdated" recertifications were based on quality-related welding records, and the practice was in accordance with procedures. This aspect of the issue is not considered to constitute falsification.

- 2.5 General Falsification** - Those employee concerns that dealt with various incidents of falsification not clearly addressed in the other areas of this report.

The Office of the Inspector General had sufficient information to permit the investigation of three of the seven employee concerns within this area. None of these investigated employee concerns contained substantiated allegations.

- 2.6 Controlled Substances or Alcohol** - Those employee concerns that contained allegations of the possession and/or use of alcohol, or the possession, use, and/or sale of controlled substances on TVA property.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 13 of the 18 employee concerns within this area. Of these 13 investigated concerns, none contained specific allegations that were proven to be substantiated. However, two employee concerns were considered to be related to the valid issue-level allegation involving the selling of insurance and other products and services by TVA employees (see section 2.5 of Part IV of this appendix for a further discussion of this issue).

- 2.7 Theft** - Those employee concerns that contained allegations of the theft of TVA property.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 11 of the 15 employee concerns within this area. Of the 11 investigated concerns, none were proven to be substantiated. However, three employee concerns were considered to be related to the valid issue-level allegation involving the selling of insurance and other products and services by

TVA employees (see section 2.5 of Part IV of this appendix for a further discussion of this issue).

**2.8 Job Discrimination -** Those employee concerns containing allegations of various forms of undefined job discrimination.

Sufficient information was available to permit the investigation of four of the 11 employee concerns within this area. None of these investigated employee concerns were proven to be substantiated. However, one of the concerns within this area alluded to the valid issue-level allegation of the selling of insurance and other products and services by Office of Nuclear Power employees (see section 2.5 of Part IV of this appendix for a further discussion of this issue).

**2.9 Discrimination -** Those employee concerns that contain allegations of age, sexual, racial, or religious discrimination.

Sufficient information was available to the Office of the Inspector General to permit the investigation of four of the 16 employee concerns within this area. Of these four, none were proven to be substantiated.

**2.10 Other Wrongdoing -** Those employee concerns that contain allegations of various forms of wrongdoing, such as the improper use of TVA phones, the abuse of authority, or charges of illegal wiretapping.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 22 of the 30 employee concerns within this area. None of these 22 employee concerns contained valid allegations of wrongdoing.

Six other employee concerns within this section were also considered to allude to the valid issue-level allegation involving the selling of insurance and other products and services by Office of Nuclear Power employees (see section 2.5 of Part IV of this appendix for a further discussion of this issue).

## **PART IV**

### **MISCONDUCT - FINDINGS**

#### **1.0 INTRODUCTION**

This part of the appendix addresses the findings developed on 267 employee concerns within the Intimidation, Harassment, Wrongdoing, and Misconduct category which dealt with allegations involving various forms of misconduct or violations of TVA's Code of Conduct by TVA employees.

#### **2.0 DISCUSSION OF INVESTIGATION FINDINGS**

The employee concerns within this class are divided into eight areas. The following is a description of each of these areas, and a summary of the findings for each area.

- 2.1 Sexual Discrimination** - Those employee concerns which contained allegations of sexual discrimination or other forms of sexual misconduct.

Sufficient information was available to the Office of the Inspector General to permit the investigation of 10 of the 14 employee concerns within this area. Only one of these 14 employee concerns was considered to represent a valid incident. The substantiated concern involved the offensive conduct of a supervisor towards certain female employees. This incident was known to and resolved by management prior to this investigative effort.

- 2.2 Favoritism** - Those employee concerns containing allegations of favoritism in the hiring and firing of TVA employees, in the application of disciplinary actions, and in the selection of employees for promotion.

The Office of the Inspector General had sufficient information about 13 of the 48 employee concerns within this area to permit investigations to be conducted. None of the specific allegations contained within these investigated employee concerns was substantiated. However, three employee concerns within this area related to the valid issue-level allegation of the improper selling of goods and services by the Office of Nuclear Power employees. This valid issue is discussed in greater detail in section 2.5 below.

- 2.3 Unjust Termination or Action** - Those employee concerns containing allegations of unjust or unfair disciplinary action, improper termination, or inconsistent disciplinary actions.

Sufficient information was known about the allegations contained within seven of the 37 employee concerns within this area to permit the investigation by the Office of the Inspector General. None of these investigated employee concerns were determined to contain valid allegations of misconduct.

- 2.4 General Mismanagement** - Those employee concerns containing allegations of various forms of poor or improper management practices. Such allegations include, but are not limited to, the acceptance of gratuities, the denial of prompt medical attention, the ordered violation of medical/work restrictions, and improper or inconsistent disciplinary actions.

The Office of the Inspector General had sufficient information to permit the investigation of 54 of the 135 employee concerns within this area. Of these, only five specific allegations could be substantiated by evidence.

One employee concern reported a factual, specific case involving an incident of nepotism. The incident involved a situation where an individual, where acting as an alternate in his supervisor's absence, indirectly supervised his wife. The situation was known to the parties involved, and was resolved when the individual transferred out of the affected organization. While the incident was known to all involved parties, it did not constitute the direct supervision of a relative, and was well documented, the supervisor did not obtain prior written authorization to permit such supervision.

The second substantiated employee concern within this area involved an incident in which a supervisor told workers to "look busy" even if they had to do unnecessary work. In this incident a supervisor told his assistant supervisor to put his crew to work even if it required that they "make work." This was relayed to a foreman who in turn told two crew members to "get busy" without specifying what they were to do. These crew members then drilled 33 shallow holes in a turbine building wall spelling out the word "HOLE." As a result of this incident, all five involved employees were suspended for two weeks.

The third substantiated employee concern involved an incident where the concerned individual submitted a computer card verifying the completion of a test inspection of a piece of equipment to a quality surveillance inspector. Acting on the dare of a second inspector, this individual destroyed the card in the presence of the concerned individual. This act was intended as a joke, since the card could be replaced; however, the concerned individual refused to submit a second card. The two inspectors then replaced the card without the concerned individual's verifying signature as a "transfer of documents" action. Both quality surveillance inspectors received oral warnings concerning this incident, and a note concerning the incident was placed in the initiating inspector's file.

The fourth substantiated employee concern involved an incident in which an employee was wrongfully disciplined for committing a quality violation when the employee was following the direct instructions of a supervisor. The investigation of this concern revealed that the instructions received by the employee were inadequate.

The final substantiated employee concern within this area involved an incident in which an employee reported to his supervisor that a piece of heavy equipment could not be operated safely. The supervisor had the equipment serviced, but failed to ensure that the repair had been completed prior to ordering the employee to operate the equipment.

In addition to the above five substantiated incidents, seven employee concerns within this area are considered to relate to the valid issue-level allegation of the improper selling of goods and services by Office of Nuclear Power employees. This valid issue is discussed in greater detail in section 2.5 below.

- 2.5 Improper Selling of Goods and Services** - Those employee concerns which contain allegations that management or employees are selling insurance or other goods and services without approval to do so, or on TVA time.

All of the 19 employee concerns within this area have been investigated by the Office of the Inspector General. Of these 19 employee concerns, 18 contain valid, issue-level allegations involving the selling of insurance by Office of Nuclear Power employees. In addition, 26 other employee concerns outside of this specific area contain, or are thought to contain references to the selling of insurance by TVA employees.

The investigation of these employee concerns and related employee concerns revealed that certain Office of Nuclear Power employees at Watts Bar Nuclear Plant and Sequoyah Nuclear Plant were engaged in the selling of insurance and related products for an insurance agency based in Atlanta, Georgia, which hires fully employed individuals to sell insurance on a part-time basis. The agency's insurance representatives work in a multilevel sales organization within which they advance as they make sales and recruit others to sell in the same marketing group.

The investigation revealed the existence of four such marketing groups; three at Watts Bar Nuclear Plant, and one at Sequoyah Nuclear Plant. This investigation identified and interviewed 25 Office of Nuclear Power employees who sold insurance products. Of these identified sales representatives, 22 had made sales. Fifty Office of Nuclear Power employees who had purchased insurance from these sales representatives were also interviewed. Of these employees who had purchased insurance, 20 had previously agreed to sell insurance.



No incidents were found in which Office of Nuclear Power employees sold or purchased insurance during TVA working hours or on TVA property. In addition, no incidents were identified in which employees who sold insurance were favored over those who did not, or any incidents in which reprisals were taken against Office of Nuclear Power employees who refused to sell or purchase insurance.

The investigation did reveal that a number of the Office of Nuclear Power employees who sold insurance did not have the appropriate prior approvals from TVA management to engage in outside part-time employment as required by TVA regulations in Part I, Subpart B, III CONDUCT, Regulations, PM Section 7, Administrative Release System, and other written instructions to all employees. In addition, one Office of Nuclear Power supervisor sold a policy to a subordinate, and several others solicited the purchase of insurance and/or participation in selling insurance from subordinates in violation of TVA's standards of conduct (as outlined above).

Identified employees who failed to obtain approval for a second job, or violated the provisions of such approvals have been identified and will receive appropriate disciplinary actions.

**2.6 Use of Alcohol or Controlled Substances** - Those employee concerns containing allegations that Office of Nuclear Power employees report for duty drunk or under the influence of controlled substances.

Sufficient information was available to permit the investigation of four of the six employee concerns within this area. Of these four investigated concerns, none could be substantiated. In one case, a concern alleged that an inspector frequently came to work drunk. The investigation of this concern determined that none of the inspectors within the specific inspection group identified by the concern were involved in the allegation or came to work drunk. Based on this investigation, it is highly probable that the concerned individual confused the identity of the individual with another employee (non-inspector) within the group who was sent to a substance abuse program by the Office of Nuclear Power management and subsequently quit.

**2.7 General Discrimination** - Those employee concerns which contain broad allegations involving various forms of discrimination.

Sufficient information was known about the specific allegations contained within two of the eight employee concerns within this area to permit their investigation by the Office of the Inspector General. None of the specific allegations contained within these two employee concerns could be supported by evidence.