



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

September 11, 2012

EA-12-134

Robert Van Namen
Senior Vice President, Uranium Enrichment
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

**SUBJECT: NUCLEAR REGULATORY COMMISSION OFFICE OF INVESTIGATIONS
REPORT NO. 2-2012-010**

Dear Mr. Van Namen:

This refers to an investigation completed on June 12, 2012, by the U.S. Nuclear Regulatory Commission's (NRC) Office of Investigations (OI) regarding activities at the United States Enrichment Corporation's (USEC) Paducah Gaseous Diffusion Plant in Paducah, KY. The purpose of the investigation was to determine whether a contract laborer willfully falsified signatures on required training forms. A Factual Summary, included as Enclosure 1 to this letter, provides additional details of the OI investigation.

Based on the OI investigation, an apparent violation was identified and is being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is located on the NRC's Web site at www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html. In summary, the apparent violation involved the requirements of 10 CFR 76.9, Completeness and Accuracy of Information, in that USEC maintained incomplete and inaccurate information. In this case, a laborer employed by a contractor for USEC signed and submitted training acknowledgement documents for at least five other contractor employees without their consent. The training acknowledgement documents indicated that these individuals had completed refresher training for security procedures, when in fact they had not. The training acknowledgement documents are required by 10 CFR 95.33, and are material to the NRC because the documents provide the requisite assurance that individuals have been appropriately trained on the requirements for handling classified information and other sensitive materials. The apparent violation is described in Enclosure 2 to this letter.

In addition, since you identified the issue, and based on our understanding of your corrective actions in response to this incident, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. The final decision will be based on your confirming on the license docket that the corrective actions previously described to the staff have been or are being taken.

Before the NRC makes its enforcement decision, we are providing you an opportunity to: (1) provide a written response to the apparent violation within 30 days of the date of this letter, (2) request a Pre-decisional Enforcement Conference (PEC), or (3) request Alternative Dispute Resolution (ADR). If a PEC is held, it will be closed to public observation in accordance with the NRC Enforcement Policy because the findings are based on an NRC Office of Investigations report that has not been publicly disclosed.

The NRC notes that a previous Confirmatory Order was issued to USEC on August 17, 2011 (EA-11-056). This Confirmatory Order, Section V, paragraphs a, b, and c, described corrective actions that may be relevant to the above falsification issue. Accordingly, in your response (i.e., written response, PEC, or ADR) to the above falsification issue, the NRC requests that USEC also address whether the individual who willfully falsified the training documents received or attended any of the training or briefing sessions documented in the referenced sections of the previous Confirmatory Order.

Please contact Mr. Joselito Calle, Chief, Fuel Facility Inspection Branch 2, Division of Fuel Facility Inspection, at (404) 997-4418, within 10 days of the date of this letter to notify the NRC of your intended response.

If you choose to provide a written response, it should be clearly marked as a "Response to An Apparent Violation in EA-12-134" and should include for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance will be achieved. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation.

In lieu of a predecisional enforcement conference, you may also request Alternative Dispute Resolution (ADR) with the NRC in an attempt to resolve this issue. Alternative Dispute Resolution is a general term encompassing various techniques for resolving conflicts outside of court using a neutral third party. The technique that the NRC has decided to employ is mediation. Additional information concerning the NRC's ADR program is described in the enclosed brochure (NUREG/BR-0317) and can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact ICR at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," after completion of enforcement related activities in this matter, a copy of this letter and enclosures will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). To the extent possible, if you choose to respond, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions concerning this letter, please contact me at (404) 997-4700 or Mr. Joselito O. Calle.

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

Docket No. 70-7001
Certificate No. GDP-1

Enclosures:

1. Factual Summary NRC Office of Investigations Report No. 2-2012-010
2. Apparent Violation

cc w/encls: (See page 4)

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ADAMS: X Yes ACCESSION NUMBER: ML12255A109 X SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	RII:EICS				
SIGNATURE	/RA/	/RA/	/RA/				
NAME	NPeterka	JCalle	CEvans				
DATE	9/6/2012	9/6/2012	9/6/2012	9/ /2012	9/ /2012	9/ /2012	9/ /2012
E-MAIL COPY?	YES NO						

R. Van Namen

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cc w/encls:

S. Penrod

Vice President and General Manager
Paducah Gaseous Diffusion Plant
United States Enrichment Corporation
Electronic Mail Distribution

S. A. Toelle

Director

Nuclear Regulatory Affairs
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Letter to Robert Van Namen from Anthony T. Gody dated September 11, 2012

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REPORT NO. 2-2012-010

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FACTUAL SUMMARY
OFFICE OF INVESTIGATIONS REPORT NO. 2-2012-010

On January 26, 2012, an investigation was initiated by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI), Region II (RII), to determine whether a contractor working for the United States Enrichment Corporation (USEC) at the Paducah Gaseous Diffusion Plant (Paducah), willfully falsified signatures on required training documents.

In December 2011, a USEC Engineering Services employee was reviewing contractor training documentation and noted that an individual employed by their contractor, Murtco, was delinquent in completing several self-study training modules. Through inquiry with the Murtco Site Superintendent, the USEC employee was informed the individual was no longer employed by Murtco and should be removed from the applicable training codes.

On January 10, 2012, a USEC Administrative Assistant received a stack of signed acknowledgement forms for Murtco employees which documented their completion of self-study training modules. The forms had been signed on the previous day, January 9, 2012, and included documentation for the former Murtco employee who was removed from the training system in December 2011. The documentation for this individual indicated his completion of required training. The USEC Administrative Assistant brought this discrepancy to a USEC Engineering Services employee who then called the Murtco Site Superintendent to confirm that the individual who was removed from the training system in December 2011 was no longer working for them. The Murtco Site Superintendent re-affirmed the individual was no longer employed by Murtco and contacted the individual (a laborer) who had turned in the training records about the discrepancy. The laborer stated he had signed the forms because he was told by a USEC employee it was acceptable to sign for other employees under the USEC "per telecom" process. The laborer was removed from the site. USEC staff began a review of Murtco training records and identified additional discrepancies.

A separate investigation by Murtco revealed a total of 15 instances where their employee improperly signed for other individuals.

During transcribed interviews with OI, the contract employee for Murtco acknowledged that he had signed the names of several individuals indicating they had completed required training even though they had never authorized him to sign their names, and they had not actually taken the training.

APPARENT VIOLATION

10 CFR 76.9, Completeness and Accuracy of Information, states, in part, that information provided to the Commission or information required by statute or by the Commission's rules, regulations, standards, orders, or other conditions to be maintained by the Corporation must be complete and accurate in all material respects.

10 CFR 95.33, states that all cleared employees must be provided with security training and briefings commensurate with their involvement with classified information. The facility may obtain defensive security, threat awareness, and other education and training information and material from their CSA or other sources. 10 CFR 95.33(h) states that records reflecting an individual's initial and refresher security orientations and security termination must be maintained for three years after termination of the individual's access authorization.

On January 9, 2012, the certificate holder maintained information that was not complete and accurate in all material respects. Specifically, a laborer employed by Murtco, an Approved Supplier List (ASL) contractor for USEC, signed and submitted training acknowledgement documents for at least five other Murtco employees without their consent, indicating that these individuals had completed refresher training for security procedures when in fact they had not. This information is material to the NRC because it provides the requisite assurance that individuals have been appropriately trained on the requirements for handling classified information and other sensitive materials.