

~~PRELIMINARY INFORMATION – NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION~~

September 23, 2014
EN 14-035

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

VENDOR: Chicago Bridge and Iron Company EA-13-196

SUBJECT: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)

This is to inform the Commission that a publicly-available Confirmatory Order (CO) will be issued on or about September 25, 2014, to Chicago Bridge and Iron (CB&I). The CO will confirm commitments reached as part of an alternative dispute resolution (ADR) mediation settlement agreement between CB&I and the Nuclear Regulatory Commission (NRC).

An investigation was completed by the NRC Office of Investigations on August 7, 2013, to determine whether or not an employee at the Shaw Modular Solutions (SMS) Lake Charles, Louisiana, fabrication facility (now owned and operated by CB&I) willfully took welding qualifications tests for another employee, and if signatures on testing qualifications documents were not their own. The investigation also assessed whether or not welders were willfully using incorrect welding procedures, and if welders were asked (or strongly encouraged) to backdate documents relating to training certifications. The investigation concluded that three employees deliberately subverted SMS welder qualifications requirements when: (1) a welder took welding qualifications tests for another coworker; (2) the coworker allowed the welder to take the qualifications tests on his behalf; and (3) the weld test administrator certified that the coworker passed his welder qualifications tests when he knew that the tests were performed by another person. The actions on the part of the three SMS employees caused the company to be in violation of Title 10 of the *Code of Federal Regulations*, Section 52.4, "Deliberate misconduct."

In response to the NRC's letter dated February 20, 2014, CB&I requested to engage in ADR to resolve the matter through mediation. A mediation session was held on May 30, 2014, in Rockville, Maryland (the Commission was previously informed in a one-week look-ahead note). As the result of the mediation, CB&I agreed to take a number of actions for all persons employed by CB&I including contractors and subcontractors, excluding short term employees, who are engaged in work associated with NRC-regulated activities at various locations. Those actions, as discussed in the CO include: (1) revising CB&I's safety culture monitoring program to include issues relating to willful violations and deliberate misconduct; (2) adding willful violations and deliberate misconduct in CB&I's Employee Concerns Program effectiveness reports and assessments; (3) developing and/or revising the company's employee protection, nuclear safety culture and safety conscious work environment training by adding willful violation of NRC requirements to the scope of the training; and (4) reinforcing company expectations regarding wrongdoing, and compliance with CB&I procedures and NRC requirements through various forms of communications. In consideration of the corrective actions and commitments outlined in the CO, the NRC agreed to not pursue the issuance of a Notice of Violation (NOV) or civil penalty.

CONTACTS: Robert Fretz, OE/EB
(301) 415-1980

Timothy Frye, NRO
(301) 415-3900

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The schedule of issuance and notification is:

Mailing of Confirmatory Order	September 25, 2014
Telephone Notification of Company	September 25, 2014

The State of Texas will be notified.

Distribution: EN-14-035, September 23, 2014

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