



UNITED STATES
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 REGION II
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Report Nos: 50-413/95-23, 50-414/95-23, 50-369/95-26, 50-370/95-26,
 50-269/95-24, 50-270/95-24 and 50-287/95-24

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Docket Nos.: 50-413, 50-414, 50-369
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 and 50-287

License Nos.: NPF-35 and NPF-52
 NPF-9, NPF-17,
 DPR-38, DPR-47
 and DPR-55

Facility Names: Catawba, McGuire, and Oconee Nuclear Power Stations

Inspection Conducted: November 13-17, 1995

Inspector: David Thompson 12-22-95
 David Thompson, Safeguards Inspector, DRS Date Signed

Accompanying Personnel: Lori Stratton, Safeguards Inspector, DRS

Approved by: Paul E. Fredrickson 12/22/95
 Paul E. Fredrickson, Chief Date Signed
 Special Inspection Branch
 Division of Reactor Safety

SUMMARY

Scope:

This announced inspection was conducted at the Catawba, McGuire, and Oconee Nuclear Stations, as well as at the Corporate Office in Charlotte, North Carolina. The licensee's Access Authorization Program, as required by 10 CFR 73.56, was inspected. Specifically, background investigations, psychological evaluations, and the training of supervisors were evaluated. The inspectors also reviewed the licensee's appeal process, and the protection afforded personal information. In addition, audits of contractors were reviewed.

Results:

Two violations were identified. First, the licensee was granting unescorted access before all required elements of the Access Authorization Program were satisfied. This is noted as Non-Cited Violation 95-23-01, 95-26-01, and 95-24-01 (paragraph 2.b.). Secondly, the licensee allowed a vendor to continue to grant unescorted access after the program had been found unacceptable during a licensee audit. This is noted as Violation 95-23-02,

95-26-02, and 95-24-02 (paragraph 2.h.) Two strengths were noted in the areas of appeals (paragraph 2.g.) and record control (paragraph 2.e.). The licensee has an excellent appeal process which was evidenced by the licensee's detailed form documenting the appeal hearing. In addition, the licensee was providing excellent control of access authorization records. Records are secured and access limited to those individuals with direct responsibility for implement the Access Authorization Program. As noted in the Non-Cited Violation and the Violation, problems were identified with the process of granting unescorted access and with ensuring that vendor audit findings were promptly resolved.

REPORT DETAILS

1. Persons Contacted

Licensee Employees

- *A. Barnette, Human Resources Specialist, Organization Effectiveness, Duke Power Company (DPC)
- *S. Copp, Manager, Regulatory Affairs, DPC
- *R. Cross, Technical Specialist, Regulatory Compliance, McGuire Nuclear Station
- *C. Edwards, Human Resources Associate, DPC
- *R. Eller, Nuclear Security, DPC
- *S. Francis, Quality Assurance Specialist, DPC
- *F. Johnson, Human Resources Consultant, DPC
- *J. Jones, Human Resources Associate, DPC
- *D. Myers, Organization Effectiveness, DPC
- *D. Rogers, Human Resources Associate, DPC
- *I. Rose, Manager, Workforce Processing, DPC
- *J. Winn, Human Resources Manager, DPC

*Attended exit interview

The NRC inspectors also interviewed 36 randomly chosen licensee and contractor personnel, to include supervisors, at the Corporate Office and at the three nuclear stations.

2. Access Authorization Program (AAP) (TI 2515/127)

On April 25, 1991, the Commission published 10 CFR 73.56, Personnel Access Authorization Requirements for Nuclear Power Plants, which required licensees to fully implement their AAP by April 27, 1992. By letter dated July 1, 1994, the licensee submitted Revision 0 to the Catawba, McGuire and Oconee Physical Security Plans committing to the requirements of 10 CFR 73.56 and NRC Regulatory Guide 5.66, Access Authorization Program for Nuclear Power Plants.

The Nuclear Management and Resources Council (NUMARC) has published NUMARC 89-01, "Industry Guidelines for Nuclear Power Plant Access Authorization Programs," dated August 1989, which was adopted by NRC's Regulatory Guide 5.66 as an Appendix.

a. AAP Administration

The licensee's AAP is solely managed and implemented at the Corporate level by the Manager of Workforce Processing. All AAP functions, procedures and records are found at the Corporate Office. Site/Location Security has primary responsibility for implementing and administration of the program for authorizing unescorted access into the protected areas at the respective stations. Site Organization Effectiveness (OE) personnel are responsible for processing all incoming and outgoing workers of

Duke Power Company, its subsidiaries, and non-licensee (vendor/contractor, NRC, and INPO). There are no AAP personnel, procedures, or records at the nuclear stations.

Contractors which provide screening of their own employees are required to furnish the licensee with any derogatory information. The Manager of Workforce Processing or the designee makes the determination as to the suitability of the applicant. Appeals (see paragraph 2.g.) are the responsibility of the Manager of Workforce Processing.

The licensee's AAP administration appeared to be adequate and effective. There were no violations of regulatory requirements identified in this area.

b. Background Investigations

The Manager of Workforce Processing is responsible for the Duke Power Company Access Authorization Program. The seven nuclear access specialists who report to this supervisor are responsible for processing the applications for authorization of access. The background investigations for the licensee are conducted by a contractor or corporate personnel. Self-screening contractors perform their own background investigations or utilize a subcontractor.

The human resources specialist and associates who prepare the access authorization documentation were interviewed and found knowledgeable of the licensee's and NRC's AAP requirements.

Records of adjudication of unfavorable termination were reviewed and the documentation was found to be in accordance with NRC and the licensee's requirements. Background investigations appeared to be thorough and well documented. The licensee follows "Access Authorization Program," Revision 7, dated October 16, 1995, a procedure which clearly delineates the process of obtaining and processing fingerprints and the review of resulting information. The procedure provides a matrix for adjudicating unfavorable information. The procedure was adequate, except for Paragraph 6, which stated that "when temporary unescorted access authorization is granted, a "T" will be added to the "clearance authorization" field on the Security Training System (STS). After the five-year background investigation has been completed the "T" will be changed to a "Y." The "T" designates temporary unescorted access. The "Y" designates final unescorted access. The inspectors determined that the five-year background investigation is completed before the fingerprints were returned from the Federal Bureau of Investigation (FBI). Therefore, the personnel who were granted temporary unescorted access were being granted final unescorted before the criminal history check was complete.

Paragraph 6.4 of NUMARC 89-01 states in part that prior to granting temporary unescorted access, the licensee must show evidence that a request (fingerprint card) for a criminal history check has been submitted to the NRC. Paragraph 7.1, states in part that prior to granting unescorted access the following must be considered, "a criminal history without adequate evidence of rehabilitation which establishes untrustworthiness or unreliability."

10 CFR 73.57, states in part, "the criminal history records check shall be used prior to making a determination for granting unescorted access."

Contrary to the above, the licensee was granting individuals who only met the criteria for temporary unescorted access, final unescorted access by changing the "T," temporary unescorted access to a "Y", final unescorted access, prior to the criminal history check being returned from the FBI.

The inspectors, in a sample review of the unescorted access records, did not identify any individuals who were transferred with a final unescorted access authorization prior to the criminal history check being completed. Prior to the inspectors' departure the licensee took immediate corrective action to discontinue granting unescorted access prior to the criminal history check being returned. This NRC identified violation is not being cited because criteria specified in Section V.A of the NRC Enforcement Policy were satisfied (NCV 95-23-01, 95-26-01, and 95-24-01).

c. Behavioral Observation Program (BOP)

Paragraph 9.0 of NUMARC No. 89-01, Continual Behavior Observation Program, requires that supervisors be given training in the detection of aberrant behavior, to include signs of drug and alcohol abuse as well as observing personnel for changing behavioral traits and patterns indicative of an adverse trend of their trustworthiness and reliability. Additionally, Paragraph 9.0 also requires that individuals with unescorted access authorization must be notified of their responsibility to report any arrest that may impact upon their trustworthiness.

The inspectors reviewed the licensee's test for training supervisors in detecting aberrant behavior. The inspectors verified that aberrant behavior training is provided to supervisors when they are appointed to a supervisory position and annually during the site nuclear employee training. The inspectors noted during this review (and substantiated during interviews of supervisors) that the training for detecting aberrant behavior was largely based upon detecting the signs of drug and alcohol abuse. There appeared to be little training relative to the behavioral changes indicative of a lack of trustworthiness and reliability of personnel. The licensee

acknowledged the inspectors' observation and were considering adding questions to the site access training test to re-enforce the need to apply aberrant behavior as part of the Access Authorization Program.

Additionally, the individuals were interviewed as to their understanding of personnel reliability and their responsibility to report any arrest. The individuals appeared to have a recall of this responsibility but were confused as to the extent necessary to report any arrest. The inspectors reviewed the nuclear employee test and again did not find a test question to re-enforce the trainees need to remember what arrest to report. Overall, the personnel interviewed recalled that their responsibility for reporting any arrest varied from any contact with law enforcement personnel to the need to report only felony convictions. The licensee acknowledged the inspectors' observation and stated that they would consider adding questions on arrest requirements to the site access test.

There were no violations of regulatory requirements noted in this area.

d. Psychological Testing

The licensee and the contractors administer the Minnesota Multiphasic Personality Inventory 2 (MMPI) which, if warranted, is followed by a clinical interview. The inspectors reviewed testing procedures and visited facilities at the licensee's Corporate Office, and at the McGuire, Catawba, and Oconee stations. All personnel responsible for testing required positive identification from the applicant. Facilities accommodated the proctoring of the tests, were appropriately secure, and test materials were secured when not in use, except at Catawba where the inspector found that the cabinet in which the tests are stored was not locked because the key to the cabinet was missing. The licensee took immediate corrective action to secure the cabinet.

Required certification of successful completion of the MMPI was present in all records reviewed. The licensee's practice of psychological testing was determined to be adequate.

There were no violations of regulatory requirements noted in this area.

e. Records and Privacy Information

Review of records, discussion with licensee and contractor personnel, and review of records storage facilities and methods disclosed that information was safeguarded against unauthorized disclosure and accessible only to those involved in the access authorization process or those auditing the program.

The records did not appear well organized and for the inspectors to determine the actual date that elements of the AAP had been completed, required the licensee to search other supporting documentation. The licensee stated that they would consider adding documentation to the records to reflect the dates each element of the AAP is completed, in the form such as a checklist. The records contained adequate documentation to support the AAP.

There were no violations of regulatory requirements noted in this area.

f. Clearances

Prior to the onsite portions of this inspection, the NRC's Resident Inspectors provided randomly chosen names of 36 individuals (licensees and contractors) who had authorized unescorted access to each of the licensee's nuclear stations. The clearance files for these individuals were reviewed at the Corporate Office.

The inspectors reviewed clearance records for personnel who had been grandfathered, transferred, reinstated, newly hired, updated, and temporarily authorized access. Records were accurate and supported a decision to authorize or deny authorization.

Duke Power Company can accept the results of the entire unescorted AAP or any part thereof conducted by a contractor or vendor provided that the contractor or vendor meets the requirements of this program and that it makes its records available for auditing by Duke Power Company or its designated representative.

Clearances were well documented and supported with appropriate documentation. There were no violations of regulatory requirements noted in this area.

g. Revocations/Denials and Appeals

The inspectors reviewed several revocations or denial of access requests issued in 1994 and 1995. It was noted that in all occasions the reasons were explained to the applicant, and the review process for appeal was clearly stated. Examples of appeals being upheld were reviewed. It was noted that Corporate Organization Effectiveness is responsible for the appeals process and psychological assessment. The licensee has established an Appeals Panel which is made up of other designated managers of Duke Power Company who are equivalent or senior to, and independent of the Manager of Workforce Processing who made the initial decision to deny or revoke unescorted access. The determination from the Appeals Panel is final. The inspectors noted that members on the Appeals Panel are trained. Also noted by the inspectors was a new practice of documenting supporting appeal panel results. Most of the 36 individuals interviewed on a

random basis knew of the appeal process; several of the contractors did not know that there was an appeal process. The inspectors further determined that there were no test questions of the appeal process during nuclear employee training. The licensee advised the inspectors (and it was verified in various documents) that at the time a person is informed of the denial or revocation the licensee provides in writing the right to appeal.

The appeal process was noted as a strength. There were no violations of regulatory requirements noted in this area.

h. Audits

The inspectors randomly reviewed four audits of contractors' AAPs; one was a small local vendor, and the others were major industry-wide contractors. For major contractors, the auditors utilized audit procedures furnished by the Nuclear Energy Institute (NEI). The three audits of the licensee's AAP for major contractors were reviewed by the inspectors and found to be acceptable.

The inspectors noted that the Duke Power auditors from the Quality Assurance, Supplier Verification Section, had conducted an audit of the small local vendor's program in 1992 and 1993. During those two audits the auditors used a locally developed checklist. The auditors found minor access authorization records discrepancies and noted during the 1992 audit the vendor had failed to establish a method for adjudication of derogatory information. During the 1993 audit, the auditors found the vendor did not have Continual Behavior Observation forms in the individuals' records, as required by their procedure. The audit findings for both of these audits were forwarded to the vendor for corrective action. The vendor responded to the audit findings and the corrective action was deemed, by the auditors, as appropriate to correct the deficiencies.

On August 5, 1994, while conducting the annual audit, the auditors noted that the vendor records contained numerous inaccuracies concerning the background information program, reference checks, and criminal history checks. Additionally, the auditors found that the two findings noted above continued to exist and that the previous corrective action had not been effective.

Based on the auditors' findings, the audit was terminated and the vendor informed that records needed to be corrected and that the auditors would return to complete the audit in one to three months. The inspectors noted that the auditors also informed the Manager of Workforce Processing, who is responsible for the vendor program of their findings. The inspectors noted that the auditors did not provide the vendor a written report of the findings from the August 1994 audit. The inspectors further determined that the auditors had not followed up on the audit until eight months later and when the audit was conducted in April 1995, the auditors

determined that the vendor continued to have many of the same concerns as noted in the August 1994 audit. Again the auditors terminated the audit, without providing a report to the vendor. On July 13, 1995, 11 months after the original audit, the auditors returned and re-audited the vendor program, which was determined to be satisfactory.

During discussion with the auditors the inspectors determined that the licensee did not have a procedure for conducting audits of vendor programs. The licensee indicated that they were in the process of developing a procedure for auditing vendors and that they would use the NEI checklist during future audits. They further stated that they would conduct a 100 percent audit of the small vendor's records starting on December 5, 1995.

10 CFR 73.56, "Personnel Access Authorization Requirements for Nuclear Power Plants," requires licensees to establish and implement a program for granting unescorted access to protected and vital areas, with a program objective of providing high assurance that individuals granted unescorted access are trustworthy and reliable.

NUMARC 89-01, Attachment A, establishes the guidelines for auditors to use to meet the minimum audit criteria to provide a high assurance that individuals granted unescorted access are trustworthy and reliable.

Contrary to the above, although the licensee had conducted audits of the small vendor program the licensee had not provided the vendor with the results of the audit and had allowed the vendor to continue to implement the AAP after determining that the vendor's program failed to assure that individuals who were granted access by the vendor were trustworthy and reliable. This is noted as a violation of regulatory requirements (VIO 95-23-02, 95-26-02, and 95-24-02).

Exit Interview

The Exit Interview was held at the Corporate Office on November 17, 1995, with those so noted in paragraph 1 in attendance. The licensee was advised of the results of the inspection and the findings concerning the inadequate procedure guidance and the inadequate vendor program. The licensee was informed that these two issues were potential violations of regulatory requirements. The licensee was also informed that the records security and their appeals process were strengths. The licensee was notified on December 7, 1995, that there would be one non-cited violation concerning background investigations, and a Severity Level IV violation concerning the audit program. Dissenting comments were not received from the licensee.