



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA ST., N.W., SUITE 3100
ATLANTA, GEORGIA 30303

MAY 18 1979

In Reply Refer To:

RII:JPO

~~50-369, 50-370~~

~~50-269, 50-270~~

~~50-287~~

REGULATORY DOCUMENT FILE COPY

Duke Power Company
Attn: Mr. W. O. Parker, Jr.
Vice President, Steam Production
P. O. Box 33189
422 South Church Street
Charlotte, North Carolina 28242

Gentlemen:

The enclosed IE Circular 79-08, is forwarded to you for information.
If there are any questions related to the contents or intent of the
Circular or its attachments, please contact this office.

Sincerely,

for James P. O'Reilly
Director

Enclosures:
IE Circular No. 79-08
w/attachments

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cep

MAY 18 1979

Duke Power Company

-2-

cc w/encl:
M. D. McIntosh, Project Manager
Post Office Box 488
Cornelius, North Carolina 28031

J. C. Rogers, Project Manager
Post Office Box 33189
Charlotte, North Carolina 28242

J. E. Smith, Station Manager
Post Office Box 1175
Seneca, South Carolina 29678



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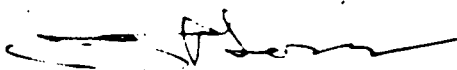
REGULATORY DOCKET FILE COPY

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
WASHINGTON, D.C. 20555

May 18, 1979

IE Circular No. 79-08

ATTEMPTED EXTORTION - LOW ENRICHED URANIUM

Background

In January 1979, a temporary contractor employee who was working at the General Electric plant in Wilmington, North Carolina, allegedly entered the plant and removed a drum containing two 5-gallon cans of low enriched uranium from the facility with the intention of extorting money for the return of the material. The Federal Bureau of Investigation conducted an intensive investigation leading to the arrest of the employee on February 1, 1979. All material was recovered and returned to the plant.

Discussion

Based on preliminary information provided the NRC, the theft was allegedly carried out in the following manner:

On Friday, January 26, 1979, the subject worked the day shift. At 10:50 p.m. the same day he drove back to the plant and entered with the night shift. He showed his Florida driver's license at the entrance gate instead of his yellow contractor badge because it had a blue background similar to that on the picture badge which he thought was required to gain access to the area of the plant that he wanted to penetrate. He had allegedly gained access using his driver's license on previous occasions.

Once inside the plant, the subject would have been guided by gates and fences into a parking area had it not been for the fact that one gate had been removed to allow installation of truck scales. He proceeded down the unprotected road to an area adjacent to the building he wanted to enter.

After the subject entered the building through a personnel door, he proceeded to his normal working station which was the Chem Tech Lab and entered, using his own key. In the lab he picked up his protective clothing, a two wheel cart used to move 55 gallon drums and a container used to ship chemicals. The container could hold two 5-gallon cans. He then proceeded to a door leading up a stairwell into the radiation

controlled area. The door was normally locked even though not required by regulations; however, at this time it was slightly ajar due to malfunction of the locking mechanism. Once inside the door, the subject put on his protective clothing and proceeded up the stairs to the Blend Queue Area. He removed two 5-gallon cans of UO₂, carried them down the stairs and put them in the shipping container. He then removed his protective clothing and retraced his steps on to the Chem Tech Lab. Once back in the lab he opened one can and removed some of the material which he intended to use to effect his blackmail scheme. Using the 2 wheel cart, he transported the remaining material to his car and loaded it in his trunk. He retraced his steps and left the plant just before midnight on Friday, January 26. Procedures require anyone leaving the plant after midnight to sign out. He had been in the plant approximately one hour. He had come in with the incoming plant change and had left with the outgoing shift.

Conclusion

The G. E. Wilmington plant had an industrial security system in operation at the time of the incident. This theft was facilitated by a failure of this system. The failure to check the subject's identification badge closely enough to distinguish a Florida driver's license from a General Electric badge authorizing access other than normal working hours and the failure to protect a disabled remotely operated gate which would have denied automobile access to the immediate area where material was stored were significant factors in the success of this theft. A third contributing factor was access to the material through an emergency exit which was normally closed and locked against access to the area where the material was stored.

Although the circumstances surrounding the possible occurrence of an event similar to this will vary according to each licensee's operation and safeguards system, the attached summary of this event clearly demonstrates the interrelationships of minor problems that seem insignificant if taken alone, but when combined, can allow a loss to occur. It also emphasizes that the possibility of an insider threat against a licensed facility does exist.

This Circular is issued for your information.

No action is requested of you and no written response to this Circular is required. If you desire additional information regarding this matter, contact the Director of the appropriate NRC Regional Office.

Attachments:

1. Sanitized Summary of
GE Wilmington Incident
2. List of IE Circulars Issued
in the Last Twelve Months.

Sanitized Summary of G.E. Wilmington Incident

I. Summary

On Monday, January 29, 1979, at 11:45 a.m., Region II was notified by telephone by the General Manager of the Wilmington, North Carolina, General Electric Company plant, that an extortion letter and a sample of UO2 powder were found at his office door when he came to work about 8:00 a.m. The letter stated that the writer had in his possession two 5-gallon containers of UO2 powder which he had taken from the plant. The containers were identified in the letter by serial numbers and by the gross weight (approximately 145 pounds total). The letter further stated that enough UO2 had been removed from one of the containers to furnish samples to newspaper editors, senators, anti-nuclear group leaders and others if his demand for \$100,000 in cash was not met by Thursday, February 1. The writer further stated that after the samples had been delivered, if he had not received the money, one container of UO2 powder would be dispersed through one unnamed large American City. The UO2 powder from the second container would be dispersed through another large city if an additional \$100,000 in cash was not provided at that time.

The General Manager verified the authenticity of the container numbers and the fact that the containers were not in their assigned locations.

Region II advised the Office of Inspection and Enforcement, NRC, Headquarters, and the Atlanta office of the FBI. The Atlanta FBI turned the case over to the Charlotte, North Carolina FBI office.

The FBI assumed investigative jurisdiction on Monday, January 29. It was decided not to send NRC investigators to the plant at that time, but that the NRC would wait for further developments and concentrate on planning and related safety evaluations. On Tuesday, January 30, two Region II investigators, knowledgeable in accountability and health physics, were sent to the plant to furnish technical expertise in the areas of material control and accountability and health physics, and to review GE activities to determine how the event occurred, without interfering with the FBI investigation.

A temporary employee of a General Electric Company subcontractor was subsequently arrested by the FBI on 2/1/79.

The containers and all the SNM were recovered by the FBI and returned to GE.

May 17, 1979

II Conclusions

The special inspection disclosed that: (a) the material control and accountability system functioned as designed and identified the missing containers in accordance with regulatory requirements; (b) health physics procedures were followed in accordance with regulatory requirements; (c) normal industrial security procedures were followed; and (d) no items of noncompliance with regulatory requirements were identified.

LISTING OF IE CIRCULARS ISSUED IN
LAST TWELVE MONTHS

Circular No.	Subject	Date of Issue	Issued To
78-03	Packaging Greater Than Type A Quantities of Low Specific Activity Radioactive Material for Transport	5/12/78	All Holders of Reactor OLS, CPs, Fuel Cycle, Priority I Material and Waste Disposal Licenses
78-04	Installation Error That Could Prevent Closing of Fire Doors	5/15/78	All Holders of Reactor OLS or CPs
78-05	Inadvertent Safety Injection During Cooldown	5/23/78	All Holders of Reactor OLS or CPs
78-06	Potential Common Mode Flooding of ECCS Equipment Rooms at BWR Facilities	5/23/78	All Holders of Reactor OLS or CPs
78-07	Damaged Components of a Bergen-Paterson Series 25000 Hydraulic Test Stand	5/31/78	All Holders of Reactor OLS or CPs
78-08	Environmental Qualification of Safety Related Equipment at Nuclear Power Plants	5/31/78	All Holders of Reactor OLS or CPs
78-09	Arcing of General Electric Company Size 2 Contactors	6/5/78	All Holders of CPs
78-10	Control of Sealed Sources Used in Radiation Therapy	6/14/78	All Medical Licensees in Categories G and G1
78-11	Recirculation M-G Set Overspeed Stops	6/15/78	All Holders of BWR OLS or CPs

LISTING OF IE CIRCULARS ISSUED IN
LAST TWELVE MONTHS

Circular No.	Subject	Date of Issue	Issued to
78-12	HPCI Turbine Control Valve Lift Rod Bending	6/30/78	All Holders of BWR OLS or CPs for plants with HPCI Terry Turbine
78-13	Inoperability of Multiple Service Water Pumps	7/10/78	All Holders of Reactor OLS and CPs except for plants located in: AL, AK, CA, FL, GA, LA, MS, SC
78-14	HPCI Turbine Reversing Chamber Hold Down Bolting	7/12/78	All Holders of BWR OLS or CPs for plants with a HPCI Terry Turbine excepting Duane Arnold and Monticello
78-15	Checkvalves Fail to Close In Vertical Position	7/20/78	All Holders of Reactor OLS or CPs
78-16	Limiter Valve Actuators	7/26/78	All Holders of Reactor OLS or CPs
78-17	Inadequate Guard Training/Qualification and Falsified Training Records	10/13/78	All Holders of and applicants for Reactor OLS
78-18	UL Fire Test	11/6/78	All Holders of Reactor OLS or CPs
78-19	Manual Override (Bypass) of Safety Actuation Signals	12/28/78	All Holders of CPs

LISTING OF IE CIRCULARS ISSUED IN
LAST TWELVE MONTHS

Circular No	Subject	Date of Issue	Issued To
79-01	Administration of Unauthorized Byproduct Material to Humans	1/12/79	All Medical Licensees except Teletherapy Medical Licensees and each Radiopharmaceutical Suppliers
79-02	Failure of 120 Volt Vital AC Power Supplies	2/16/79	All Holders of Reactor OLs and CPs
79-03	Inadequate Guard Training- Qualification and Falsified Training Records	2/23/79	All Holders of and applicants for Special Nuclear Material Licenses in Safeguards Group I
79-04	Loose Locking Nut On Limitorque Valve Operators	3/16/79	All Holders of Reactor OLs or CPs
79-05	Moisture Leakage In Stranded Wire Conductors	3/20/79	All Holders of Reactor OLs or CPs
79-06	Failure to Use Syringe and Battle Shields in Nuclear Medicine	4/19/79	All Holders of Medical Licensees except teletherapy licensees
79-07	Unexpected Speed Increase of Reactor Recirculation MG Set Resulted in Reactor Power Increase	5/2/79	All Holders of BWR OL's or CP's