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SUBJECT: Forwards synopsis of NRC OI Rept 3-90-012 which covered I
three areas. Two of which author addressed in 910802 ltr D
discussing results of two investigations by NRC OIG repts S
91-24G & 91-28G. /

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JAN 28 1993

Docket Nos. 50-528, 50-529, 50-530
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Arizona Public Service Company
Attn: Mr. W. F. Conway
Executive Vice President, Nuclear
P.O. Box 53999, Station 9012
Phoenix, Arizona 85027-3999


SUBJECT: CLOSURE OF NRC INVESTIGATION NO. 3-90-012

Enclosed for your information is the Synopsis of NRC Office of Investigations (OI) Report No. 3-90-012. This investigation covered three areas, two of which I addressed in an August 2, 1991, letter to you discussing the results of two investigations by NRC's Office of the Inspector General (OIG Reports 91-24G and 91-28G).

In Report No. 3-90-012, dated January 16, 1992, OI detailed its agreement with the OIG conclusions in the above referenced reports, and also addressed an allegation that a comment by a former APS employee was intended as a threat to the safety of an alleged to the NRC, and that the former employee's alleged threat was either fostered, sanctioned or tolerated by APS management (this third concern was also addressed in OIG Report 91-02G). The OI and OIG investigations did not substantiate that the former employee intended his comment as a threat. While the NRC investigations did not conclude that this episode constituted discrimination or intimidation by itself, we noted in our letter, Notice of Violation, and Proposed Imposition of Civil Penalty, issued on September 30, 1992, that the circumstances surrounding this incident, taken in context, demonstrated the existence of a hostile environment toward the alleged.

No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

Sincerely,


John B. Martin
For Regional Administrator

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PDR ADOCK 05000528
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SYNOPSIS

Based on a Request for Investigation originated by James Y. Vorse, Field Office Director, Office of Investigations (OI), Region II (RII), U.S. Nuclear Regulatory Commission (NRC), OI Region III participated with the NRC Office of the Inspector General (OIG) in a joint investigation of the ARIZONA PUBLIC SERVICE COMPANY (APS), licensee operator of the PALO VERDE NUCLEAR GENERATING STATION (PVNGS). The OI:RII investigative request was based on both allegations and a 10 CFR 2.206 Petition filed by an employee of the licensee claiming widespread incidence of wrongdoing on the part of the employees, supervisors, and management of PVNGS. Between August 1990 and July 1991, OI and OIG conducted an in-depth investigation into three of the alleged's more significant concerns.

First, it was alleged that a PVNGS co-worker made certain remarks to a colleague and friend of the alleged which were construed by the alleged as a graphic threat to her safety and personal well-being as a result of her "whistle blowing" activities. The alleged also believed that this threat was either fostered, sanctioned, or tolerated by PVNGS management. Investigation of the matter did not substantiate that the perpetrator personally intended to physically harm or intimidate the alleged or that he did so in complicity with PVNGS or APS management. Evidence was uncovered indicating that the perpetrator made deliberate material false statements during three official interviews regarding the incident. These potential violations of Title 18 United State Code, Section 1001, were referred to the appropriate U.S. Department of Justice authorities who declined to prosecute the matter. Details and findings of this inquiry were documented in OIG Report of Investigation No. 91-02G.

The second matter investigated by OI and OIG was an allegation that documents legitimately collected by an NRC inspector during official inspection activities at PVNGS were subsequently deliberately withheld by APS personnel to prevent any negative impact the reports might have on NRC inspection findings. Although the evidence did not substantiate a deliberate attempt to impede the inspection, the investigation did demonstrate that involved PVNGS personnel were negligent in adequately controlling the documents and ensuring their return to the NRC inspector. Details and findings of this inquiry were documented in OIG Report of Investigation No. 91-24G.

OI and OIG investigation of a third allegation did not substantiate the claim that a PVNGS vice president ordered the destruction or withholding of an internal report that was extremely critical of the plant's emergency lighting system. The investigation did uncover the fact that the alleged's supervisor misled his staff by attributing untrue statements to the vice president regarding the internal report. The supervisor's actions thus gave rise to a baseless allegation to the NRC. Details and findings of this inquiry were documented in OIG Report of Investigation No. 91-28G.

9301201

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Allegation File RV-90-A-015

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