



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 2, 2018

Mr. J. A. Gresham, Regulatory Compliance Manager
Westinghouse Electric Company
Nuclear Services
1000 Westinghouse Drive
Cranberry Township, PA 16066

SUBJECT: NRC OFFICE OF INVESTIGATIONS REPORT NOS. 1-2015-020 AND 2-2016-001

Dear Mr. Gresham:

This letter refers to investigations conducted by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI). The investigations were conducted as follows:

Report of Investigation (ROI) 1-2015-020 was initiated to determine the following:

1. Whether L&S Machine Company (L&S) and Westinghouse (WEC) Supplier Quality Oversight employees engaged in deliberate misconduct that would have caused, if not detected, a licensee to be in violation of a regulation or condition of a license issued by the Commission.
2. Whether L&S employees deliberately falsified the first piece inspection record of the top nozzle casting after the nonconforming top nozzle was delivered to WEC customer Indian Point 2 in an effort to cover up that the machine coordinates for the top nozzle were incorrect.
3. Whether WEC employees deliberately failed to issue a full-scope stop work order to L&S and WEC due to the identification at Indian Point 2 of the nonconforming top nozzle and a previous WEC audit of L&S conducted in 2011 that identified a wide range of potential non-conformances. (It was alleged that only minor issues were addressed from the findings in the audit and that the more significant issues were deliberately not processed.)

ROI 2-2016-001 was initiated to determine the following:

1. Whether WEC employees engaged in deliberate misconduct that would have caused, if not detected, a licensee to be in violation of a regulation or condition of a license that is issued by the Commission (specifically, that WEC employees deliberately issued safety-related purchase orders to Tyco Electronics without performing an adequate evaluation of their qualifications prior to issuing the purchase order.
2. Whether ITT Veam was inappropriately classified on the Qualified Suppliers List (QSL) as a 10 CFR 50 Appendix B supplier by WEC employees who willfully disregarded ITT Veam's qualification status.
3. Whether WEC employees deliberately issues safety-related purchase orders to Chicago Bridge and Iron (CB&I), despite CB&I not being on the WEC QSL.
4. Whether WEC employees deliberately failed to promptly correct or prevent recurrence of a significant condition adverse to quality (specifically, that a WEC manager deliberately did not issue SCARS to L&S Machine Company in order to prevent the issuance of a Full Stop Work Order).

5. Whether WEC Supply Quality Leadership employees deliberately continued to request L&S Machine Company to perform Commercial Grade Dedication over a period of seven years (prior to 2011) despite knowing the supplier was not qualified to perform this function.
6. Whether, during a November 30, 2011, NRC public meeting, WEC managers deliberately provided false and misleading information regarding the status of their suppliers.

Based on the evidence developed during both investigations, the NRC could not substantiate that wrongdoing occurred.

Please note that the complete ROIs, including supporting documentation, may be obtained by you and the public under the Freedom of Information Act (FOIA), subject to redaction of information pursuant to the FOIA. Requests under the FOIA should be made in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 9.23, "Requests for Records." The instructions for making a request of information under the FOIA are accessible at <http://www.nrc.gov/reading-rm/foia/foia-privacy.html>.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, and your response, if any, will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions or comments regarding this matter, please contact Ms. Dori Willis, Senior Allegations Coordinator of NRC's Headquarters Allegation Team in the Office of Enforcement, at 301-287-9423.

Sincerely,

(/RA by Paul G. Krohn)

Paul G. Krohn, Deputy Director
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Mr. J. Gresham

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