



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
789 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

OCT 19 1989

Docket No. 50-461

AMS No. RIII-B5-A-0006

Illinois Power Company
ATTN: Mr. D. P. Hall
Senior Vice President
Clinton Power Station
Mail Code V-275
P. O. Box 678
Clinton, IL 61727

Gentlemen:

SUBJECT: NRC OFFICE OF INVESTIGATIONS (OI) REPORT NO. 3-85-004

This refers to the NRC Office of Investigations (OI) Report No. 3-85-004 conducted during the period January 25, 1985 through April 18, 1989, of eight separate allegations concerning discrimination against inspectors, falsification of documents, cheating on certification examinations, intimidation of inspectors and falsification of records at the Clinton Power Station. The synopsis of the report of that investigation is enclosed for your information.

Region III review of the OI report determined that Allegation 1 (discriminatory threat against inspectors) occurred in 1984 and constituted a violation as described below. Review of the remaining seven allegations determined that no further NRC or licensee action was necessary.

We have concluded that the Field Services Vice President, National Inspection and Consultants (NIC), discriminated against NIC quality control (QC) inspectors in the summer of 1984 when the NIC Vice President threatened to terminate any NIC QC inspector who brought safety concerns to the NRC. A violation is being issued to Illinois Power because the NIC Vice President threatened NIC QC inspectors for engaging in protected activities and Illinois Power is considered responsible for the actions of its contractor, NIC. The NRC staff determined that the threat of adverse action against an employee engaging in protected activities can be characterized as a "condition" of employment and therefore constituted a violation of 10 CFR 50.7.

In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1988) the violation described in the enclosed Notice has been classified at a Severity Level IV. Normally a 10 CFR 50.7 violation committed by management would be classified at a Severity Level III. However, the OI case concluded that the NIC Vice President's threat did not affect the QC inspectors ability to identify and report Clinton quality discrepancies to the NRC. Therefore, a lower Severity Level was assigned to the violation.

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Your actions taken in response to an earlier Region III letter dated June 15, 1989 (Allegation RIII-88-A-0076) and described in IP letter U-60156 dated August 14, 1989, are considered adequate to prevent recurrence and no response is required.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

We will gladly discuss any questions you have concerning this investigation.

Sincerely,

Edward G. Greenman)

Edward G. Greenman, Director
Division of Reactor Projects

Enclosures:

1. Notice of Violation
 2. OI Report No. 3-85-004
- Synopsis

See Attached Distribution

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Distribution:

cc w/enclosures:

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SYNOPSIS

On January 25, 1985, the NRC Region III (NRC:RIII) Administrator requested that the Office of Investigations (OI:RIII) conduct an investigation to determine whether National Inspection and Consultants (NIC) discriminated against its employees working at the Clinton Power Station (Clinton) for contacting the NRC with quality concerns. NIC was a company providing manpower to Baldwin Associates (BA), the firm contracted to construct Clinton.

Additionally, the NRC:RIII Administrator had requested on March 29, 1984, that OI:RIII conduct an investigation to determine if BA Quality Control (QC) management had attempted to intimidate QC inspectors in violation of the Energy Reorganization Act of 1974.

These two investigations were initially pursued as separate matters. Since they ultimately involved the same individuals of BA:QC and Quality and Technical Service (Q&TS) management and occurred in approximately the same timeframe of 1984-1985, they are both detailed in this report.

As both of these matters were investigated, six additional allegations were received by OI:RIII. The scope of the investigation included the BA Quality Control Electrical (QCE), Quality Control Piping Mechanical (QCPM), QC, and Q&TS management. The investigation encompassed 65 interviews of 60 individuals. As a result of these interviews, eight allegations are detailed in this report.

In Allegation 1, a former BA:QC inspector contracted through NIC alleged that in the summer of 1984, he attended an NIC meeting at which the NIC Field Service Vice President threatened to terminate NIC employees if they went to the NRC with a quality concern. An additional eight NIC employees who attended the meeting confirmed the NIC Field Service Vice President's threat. The NIC Field Service Vice President denied threatening the employees with termination for going to the NRC with a quality concern. The Vice President said that the employees probably misunderstood his "alligator policy," which requires the NIC:QC inspectors to use the client's (BA's) procedures in reporting deficiencies. The OI:RIII investigation determined that although the NIC Field Service Vice President threatened the employees with termination for going to the NRC, the threat was never carried out. No evidence was found that the threat affected the NIC employees' performance in identifying and reporting deficiencies.

The second allegation involved an allegation made by a BA:QCE inspector that he was terminated as a result of writing nonconformance reports (NCRs). From May until July 1984, a BA:QCE inspector wrote a series of NCRs, some of which resulted in work being stopped. This was a period of high construction activity in the electrical area at Clinton. The inspector claimed he was called into the QCE Supervisor's and the QC Manager's office as a result of his NCRs, and received threats from these supervisors over the NCRs. The BA:QCE inspector also claimed he was transferred to a remote location, "the cut shop," to prevent his writing NCRs. The QCE said after he wrote one NCR, he attempted unsuccessfully to contact the NRC about the problem. The QCE's supervisors denied that any actions were taken because of his NCRs, but rather because he had interpersonal problems in dealing with craft. In late July

1984, the BA:QCE inspector was terminated after an altercation with a QCE lead inspector. BA:QC management stated he was terminated for insubordination. The investigation confirmed that the inspector was terminated for insubordination. Additionally, it was also determined that his transfer to the "cut shop" was because of the NCRs.

The third allegation dealt with an allegation that two BA:QCE inspectors provided false information on their experience/education to BA. This false information was utilized by BA to certify them as QC inspectors. The first QCE inspector stated he had obtained a high school equivalency degree (GED) while in the military in 1971 and provided BA with a military record stating he had received a GED score of 86. This inspector claimed he had worked at other nuclear plants before Clinton and assumed they had verified his GED. A company official of the contract firm employing the first inspector became suspicious of a notation on the individual's military record and subsequent inquiries failed to verify the GED. The inspector was terminated as a result of this. An inquiry by OI:RIII into the inspector's military record reflected that he had taken the GED examination, but received an unsatisfactory score. The individual admitted to typing the GED score on his military record, but claimed he obtained the information from the Army. The OI:RIII investigation found that this individual falsified his background information.

The second individual was found to have a QC welding certificate from a previous nuclear site in his BA personnel folder that the document author claimed was fraudulent. The individual was confronted with the evidence by his employer, but denied altering it. The investigation determined that the individual falsified the document.

Allegation 4 details an allegation that a BA:QCE lead inspector cheated on a QC certification examination, in that he had obtained copies of the test questions before taking the test. On June 22, 1984, two QC inspectors found papers which contained several of the questions contained on a QC certification test administered that day in a QCE lead's desk. The lead had taken the test that day, along with nine others, and was one of three who received a score of over 70%. BA and Illinois Power Company (IP) management investigated the incident and determined that the test was inadvertently placed there by a QC inspector detailed to write the test. The QCE lead offered to resign over the incident, but the Senior Quality Electrical Engineer (SQEE) said he did not feel any deliberate wrongdoing had occurred.

In interviews conducted by OI:RIII, the QCE lead said he was initially detailed in April/May 1984 to write the test, and after preparing several questions, he realized that the situation was improper, since he had not yet been certified in that area. After notifying the QCE Supervisor, another QC inspector was detailed to write the examination, and the QCE lead gave the inspector the questions he had already prepared. The QCE lead said the inspector must have placed these questions back in his (the QCE lead's) desk. The lead claimed he did not know they were in his desk until the questions were found a month later. The SQEE denied assigning the lead to write questions for that particular test.

The QC inspector assigned to write the certification test was interviewed twice by OI:RIII. The inspector claimed that the lead never gave him any questions. The inspector gave two different versions of how the questions

ultimately got into the QCE lead's desk. In the first version, the inspector said he put the questions in the lead's desk on two different occasions and forgot about them after the second time. In the second version, the inspector said he only placed the questions in the lead's desk once for two or three days and they were then turned into Training. The inspector identified the writing on the questions found in June in the lead's desk as his, but said the questions contained notations placed on them by the Training Department. The investigation concluded that the QCE lead violated the integrity of the BA:QC certification testing program by knowingly possessing test questions prior to taking the examination.

The fifth allegation dealt with an allegation that in 1984, the BA:QC Manager intimidated QC inspectors by calling them into his office over the writing of NCRs. One inspector alleged that the QC Manager threatened to terminate him if he continued to write NCRs. A QCE inspector claimed the SQEE intimidated him by ordering him to close out another inspector's NCR. Interviews of other inspectors working in QC failed to corroborate the incidents or uncover similar incidents. None of the inspectors making the allegations said that the incidents affected their job performance. The original aleger threatened with termination said he voluntarily resigned from Clinton. The SQEE said on occasion he would discuss NCRs with inspectors, but never attempted to dissuade inspectors from writing NCRs. The QC Manager denied making threats or taking actions against inspectors for writing NCRs. The Q&TS Manager said he was unaware of the allegation against the QC Manager. The investigation found that the inspectors were intimidated, but not to a point where it affected their job performance.

Allegation 6 dealt with several allegations that related to the independence of the BA quality program from cost and schedule. The allegations center around two areas of concern; the use of quotas in QC, termed the "bean count" by QC personnel, and requiring the QC inspectors to work excessive overtime. During the course of the investigation, it was alleged BA management, in 1984, hired a new SQEE and brought in an IP employee as the Assistant Q&TS Manager to get the BA:QA/QC program to respond to the project schedule.

After the Assistant Q&TS Manager was in place, two upper level QC supervisors terminated their employment at Clinton. One of the two, the QC Manager, claimed his firing in mid-1984, which was termed a layoff, occurred after he told the Assistant Q&TS Manager that his (the Assistant Q&TS Manager's) pressures interfered with his ability to perform in a quality manner. The other, the SQEE, said that although he did not consider the schedule pressures excessive, he resigned because the Assistant Q&TS Manager did not give him the freedom he felt he needed to do the job.

The investigation documented that the BA Assistant Q&TS Manager instituted a statistical tracking system in mid-1984 and set goals within QC based on these statistics. The SQEE, the Q&TS Manager, and the QC Manager said the Assistant Q&TS Manager attempted to use these statistics as a quota on the inspectors, but they interceded and prevented this from happening. The Assistant Q&TS Manager denied the allegation. Interviews conducted of QC inspectors failed to uncover any incidents where job actions were taken against inspectors over the "bean count." No instance of the "bean count" affecting QC inspector performance was documented in the investigation.

In mid-1984 several QC inspectors, corroborated by available BA:QC documentation, indicated that QC inspectors were required to work mandatory overtime, which on occasion exceeded 70 hours per week. The QCE Assistant Supervisor said the work hours were instituted because QC had developed an inspection backlog and was under considerable pressure to support the schedule. Several inspectors said the work hours affected their performance. QC management acknowledged the long hours and mandatory overtime, but said that they informed the inspectors that if the hours were affecting their performance to notify supervision and they would be permitted to go home.

An IP consultant investigated the overtime situation in BA:QC and recommended it be reduced. As a result, the Q&TS Manager placed a 60 hour limit on an inspector's work week. The SQEE said that he notified QC and Q&TS management of the work hours affecting inspectors' performance and was told to "support the schedule." After the 60 hour limit was instituted, the SQEE said he asked the Q&TS Manager for guidance when his inspectors reached the limit, and was told to support construction. The Q&TS Manager denied the SQEE discussed the situation with him. The investigation found that schedule pressures were exerted on the BA:QC program did not lead to a breakdown in the independence of the quality program.

In Allegation 7, it was alleged that in January 1986, the Senior Quality Piping/Mechanical Engineer (SQPME) had falsified quality reports in that he had failed to document deficiencies discovered on the suppression pool downcomers on NCRs or had closed out NCRs improperly. Several QCPM inspectors discovered that welders had damaged the downcomers and notified the SQPME of the problem. These inspectors claimed that the SQPME personally handled the problem and failed to process the deficiencies per BA:QC procedures. The inspectors said they notified the Assistant Q&TS Manager of the problem and the SQPME was laid off because of the incident. The SQPME denied the allegation and said he was laid off per a normal reduction in force. The Assistant Q&TS Manager said he was unaware of this allegation and confirmed the SQPME was laid off per a normal reduction in force. A review of the documentation related to the allegation determined that the SQPME wrote NCRs and they were processed by BA Technical Services. The investigation found that there was no falsification of records by the SQPME.

Allegation 8 dealt with an allegation that in December 1984, a QCPM inspector documented on a BA inspection report that he used a particular gauge that was not available at the time the inspector claimed he used it. A QCPM lead inspector reviewing the questioned inspection report realized that the gauge referred to in the report was locked up in the tool crib at the time the QCPM inspector claimed he used it. The QCPM lead said he had another inspector examine the location of the questioned inspection which revealed physical evidence that the inspection had not been performed. The QCPM lead verified that the questioned gauge was not available to the inspector. BA:QC management was notified and the inspector was terminated the next day. The BA:QC Manager said that the inspector admitted to falsifying the use of the questioned gauge. In his OI:RIII interview, the inspector, in a sworn statement, denied falsifying the inspection report. The investigation found that the QCPM inspector falsified the inspection report.