



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30323

Report Nos. 50-348/93-05 and 50-364/93-05

Licensee: Southern Nuclear Operating Company, Inc.
600 North 18th Street
Birmingham, AL 35291-0400

Docket Nos. 50-348 and 50-364

License Nos. NPF-2 and NPF-8

Facility Name: Farley 1 and 2

Inspection Conducted: March 24 - 26, March 29 - April 1, and
April 26 - 27, 1993

Inspector: William J. Tobin 5/7/93
William J. Tobin, Senior Safeguards Inspector Date Signed

Accompanying Personnel: David H. Thompson, Safeguards Inspector
Lori C. Stratton, Safeguards Specialist

Approved by: Douglas M. Collins 5/11/93
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Safeguards Section
Nuclear Materials Safety and Safeguards Branch
Division of Radiation Safety and Safeguards

SUMMARY

Scope:

This special, announced inspection reviewed the licensee's Access Authorization Program which is required by 10 CFR Part 73.56 effective on May 28, 1991. The inspectors examined the licensee's process of conducting background investigations, psychological evaluations, and behavioral observation.

Results:

Violations were identified as follows:

- Failure to record accurate background investigation data (93-05-01)
- Failure to notify individuals of their responsibility to report arrests (93-05-02)
- Failure to have a "grandfather" procedure (non-cited Violation 93-05-03)
- Failure to sign a request for release of information (Non-cited Violation 93-05-05)

- Failure to suspend access of contractors following audit (93-05-06)
- Failure to log Violations 93-05-02, and 06 (93-05-07)

Additionally, an Unresolved Item 93-05-04 was identified:

- Interpretation of "any arrest" criteria, "clinical interview" criteria, and "illegible" fingerprint cards criteria.

In conclusion, the licensee's Access Authorization Program was found to be in need of extensive corrective actions.

REPORT DETAILS

1. Persons Contacted

Farley Nuclear Station

C. Booth, Interviewee
S. Bristow, Human Resources Clerk
J. Buchanan, Interviewee
C. Chandler, Interviewee
W. Cooley, Site Security Supervisor
D. Dean, Interviewee
G. Dozier, Fluor Office Manager
M. Elmore, Interviewee
L. Enfinger, Nuclear Support Manager
L. Evans, Interviewee
P. Farnsworth, Site Training Specialist
R. Hill, Plant Manager
C. Hillman, Site Security Manager
J. Letson, Interviewee
D. Lipman, Westinghouse Project Manager
C. Myrick, Security Shift Supervisor
K. Patton, Westinghouse Service Manager
C. Pomfret, Westinghouse Assistant Manager
G. Rose, Interviewee
C. Shaule, Security Officer
L. Williams, Site Training Manager

Southern Nuclear Company Corporate

*M. Craven, Auditor
A. Dixson-Witt, Investigator
*G. Grove, Audit Service Manager
*K. McCoy, Vogtle Vice President
*L. Mitchell, Security Director
*R. Pope, Clearance Supervisor
*J. Ripple, Administrative Manager
*J. Woodard, Farley Vice President

Nuclear Regulatory Commission

G. Maxwell, Senior Resident Inspector

*Attended Exit Meeting

2. Access Authorization Program (AAP)

10 CFR 73.56, the NRC requirement for an AAP, was effective on May 28, 1991, and fully implemented as of April 27, 1992. The intent of the Rule is to ensure that those individuals granted unescorted access

to nuclear power plants are trustworthy, reliable, and do not pose a radiological threat to the safety of the public.

Licensees meet the Rule's intent through pre-access background investigation, psychological evaluation, and behavioral observation, all elements of the AAP.

By letter dated March 13, 1992, the licensee submitted Revision No. 22 to its Physical Security Plan committing to an AAP that satisfies the requirements of 10 CFR 73.56, as detailed in Regulatory Guide 5.66, "Access Authorization Program for Nuclear Power Plants." As an Appendix to the Regulatory Guide, the NRC has provided the industry with Nuclear Management and Resources Council (NUMARC) Guideline 89-01 dated August, 1989, titled "Industry Guidelines for Nuclear Power Plant Access Authorization Programs" which, with a few exceptions, meets the intent and substance of the Rule.

a. Background Investigation

During the week of March 24-26, 1992, the inspector was at the Farley Nuclear Station interviewing employees and supervisors relative to the licensee's AAP. During that effort, the inspector acquired from the licensee's security organization the alphabetical listing of all individuals authorized unescorted access to the Farley facility. From that list, the inspector randomly chose 20 individuals and, while at the Corporate Offices on March 29 to April 1, 1993, reviewed their files for access authorizations.

Of the 20 files (to include computerized backup data), six were found to contain incomplete data as follows:

- One example of an individual being authorized access prior to the recorded date of his psychological evaluation (clinical interview).
- Two examples of individuals being authorized permanent access prior to the recorded date of the FBI fingerprint check having been returned to the licensee.
- One file contained four inaccurate and conflicting dates (one entry was "sworn to") relative to a contractor's clearance program.
- One file revealed an inaccurate date of granting permanent access.
- One file did not have a specific date of the employment termination.

- The electronically stored computer data used to support access authorization documents was found to have errors relative to the date of a psychological evaluation and the receipt of an FBI fingerprint record.

10 CFR 73.56(h) Records (1) requires licensees to retain records on which the access authorization is based. The Appendix to Regulatory Guide 5.66, NUMARC 89-01, (14.0) Records requires, "Utilities who conducted access authorization programs in accordance with these guidelines shall maintain actual data that establish that a background investigation and psychological evaluation were conducted.." SNC Corporate Security Procedure No. 005 Access Authorization (3.11) Records Retention and Disclosure states, "Corporate Security Department shall maintain appropriate documentary evidence to comply with the applicable requirements set forth herein... Such records shall establish an audit trail and may take the form of actual data or a checklist identifying dates..." Contrary to the above, selected background investigation and psychological evaluation records contained inaccurate actual data and checklist data. This failure to have accurate access authorization records is considered a violation of 10 CFR 73.56(h) and the Physical Security Plan (Violation No. 93-05-01).

Relative to the required FBI fingerprint check, the inspectors, in their review of records, learned that the licensee does not resubmit to the FBI those fingerprint cards that are returned as "illegible". The inspectors were told by the Manager of Corporate Nuclear Security that the licensee only relies on the FBI doing a "name check" of illegible cards. Additionally, the inspectors learned that the licensee no longer does local law enforcement record checks since implementing the NRC's AA Rule. As noted previously, this issue is considered as part of Unresolved Item 93-05-04.

As of March 31, 1993, two individuals have been denied unescorted access because of the results of their background investigation, since April 1992, the date of full implementation of the Rule.

b. Psychological Assessment

The licensee administers the Minnesota Multiphase Personality Inventory 2 (MMPI) which, if warranted, is followed with a clinical interview. Several contractors administer the MMPI 1. Various persons involved in the actual psychological testing process were interviewed by the inspector and determined to be aware of the need to secure the questionnaire and to proctor the examination. The inspector also learned that NRC Information Notices 88-91, "Improper Administration and Control of Psychological Tests" and 91-59, "Problems with Access Authorization Programs" have been furnished by the licensee to those who administer psychological tests.

The inspectors noted, as a strength in the licensee's AAP, the fact that all armed security officers and "operators in training" are interviewed by a licensed psychologist regardless of the results of the tests.

During the period, March 31, 1993 through the date of full implementation of the Rule (April, 1992), the licensee experienced one instance of a person not being recommended for unescorted access due to the results of this psychological screening process. The inspectors were told by the Corporate Nuclear Security Director that clinical interviews were conducted in person at the Hatch and Farley sites; however, the psychologist for Plant Vogtle was out of state and consequently did interviews by telephone. Since telephone interviews do not reveal visual signs and symptoms of psychological abnormalities, the licensee has indicated it intends to correct this inadequacy. As noted previously, this issue is considered as part of Unresolved Item 93-05-04.

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

c. Behavioral Observation

Through interviews and documentation reviews, the inspectors concluded that supervisors, including contract supervisors, are trained in the detection of individual behavioral changes that, if left unattended, could lead to detrimental activities.

Additionally, the inspectors determined that employees and contractors had not been notified of their responsibility to report any arrest that may impact on their trustworthiness which is required by NUMARC 89-01. As a result of the licensee interviewing an employee at Plant Vogtle, (following his arrest for a gambling violation), the licensee learned that it had not notified those individuals authorized unescorted access of their responsibility to report arrests to their supervisors. The licensee learned of this failure in February, 1993, and instituted corrective actions at the Vogtle, Hatch, and Farley Stations. While at the Farley Station during the week of March 24-26, the inspector determined, through interview and records, that employees (not contractors) were given formal training regarding the reporting of any arrest. The training was documented by signed attendance records. The inspector also learned from the Site Nuclear Support Manager that the corrective actions relative to contractors would be the responsibility of the Corporate Nuclear Security Manager. While at the Corporate Offices, the inspectors determined through an interview of the Corporate Nuclear Security Manager that the licensee was relying on its corporate audit staff to inform the contractors of their responsibility to notify their employees of the arrest reporting requirement. After the inspectors advised the Corporate Nuclear Security Manager that the next contractor audits were not required

within the year, and, that several contractor employees were screened by the licensee and thus the contractor would not be audited, the Manager informed the inspectors that the licensee would begin corrective actions relative to this issue for contractors at the sites.

10 CFR 73.56(b)(2)(iii) requires licensee's programs to include provisions for behavioral observation to detect individual behavioral changes which could lead to acts detrimental to the public health and safety. The Appendix to Regulatory Guide 5.66, NUMARC 89-01, (9.0) Continual Behavioral Observation Program requires, "Individuals with unescorted access authorization must be notified of his/her responsibility to report any arrest that may impact upon his/her trustworthiness." SNC Corporate Security Procedure No. AA-005 Access Authorization Paragraph 3.10 Continual Behavioral Observation Program reiterates the NUMARC 89-01 requirement, stating, "Individuals with unescorted access authorization must be notified of his/her responsibility to report any arrest that may impact upon his/her trustworthiness." Contrary to the above, from the period of April 27, 1992 to approximately February 24, 1993, the licensee had not notified individuals with unescorted access authorization of their responsibility to report any arrest. This violation does not meet the criteria for being considered a non-cited violation because, the licensee's corrective action was inadequate in that from February 1993 until this inspection, the licensee's corrective actions did not include notifying contractors of the requirement to report arrests. This was identified as a violation of 10 CFR 73.56 (b)(a)(iii) and the licensee's Physical Security Plan. (93-05-02)

d. Other Elements Required of the Licensee's AAP

(1) Procedures

The licensee used four Corporate Security Department procedures to implement its AAP. An additional procedure was furnished to contractors to be used in their adherence to the licensee's program. The primary procedure, "Access Authorization," addressed elements and responsibilities of the licensee's program. The inspectors determined by review that the term "grandfather" never appeared in this procedure nor did the screening provisions of "grandfathering" appear in this procedure. The licensee had authorized numerous individuals under the "grandfather" provisions, e.g., those already having unescorted access authorized as of April 25, 1991. 10 CFR 73.56(c) allows for those individuals authorized access as of April 25, 1991, to continue their access without further evaluation. NUMARC 89-01 (11.0) Grandfathering and Regulatory Guide 5.66 (c) Regulatory Position address criteria for granting access for those employees authorized as of April 25, 1991. Contrary to the

above, Procedure No. 005 did not address the access authorization element of a "grandfathered" individual. It is noted that this procedure was corrected after the Exit Meeting and will be considered a Severity Level V non-cited violation, (93-05-03), in that it meets the criteria of the Enforcement Policy, Section VIIB(2).

Attachment A to Corporate Security Department Procedure No. 009, Revision 1, dated August 12, 1992, titled, "Site Responsibilities," is a Personal History Questionnaire for Security Clearance and associated consent forms for release of records. Based upon numerous concerns from site personnel now being notified of their responsibility to report any arrest, the inspector identified ten references in this procedure requiring new employees to notify the licensee of such things as "criminal/traffic charges and convictions", "criminal conviction records", "pending cases", "conviction of any moving traffic violations", "felony or misdemeanor" and "any arrest." The inspector learned that the licensee was very much aware of these objections to reporting "any arrests" and of the licensee's intent to resolve the matter by revising its criteria to require the reporting of all arrests except non-custodial misdemeanors. As noted previously, this issue is considered part of Unresolved Item 93-05-04.

(2) Appeals

In accordance with 10 CFR 73.56(e) Review Procedures, the licensee's Nuclear Security Department Procedure #005, Paragraph 3.8, Review Process, sets forth the licensee's appeal and review procedures. This procedure did not apply to pre-employment applicants. Denials were reconsidered after one year at the request of the individual.

As of March 31, 1993, the licensee had experienced two appeals; one is current, the other was denied.

(3) Records

With the recent merger of Georgia Power and Alabama Power Companies into the Southern Nuclear Operating Company a large number of background investigation records had been "inherited" by the Corporate Offices in Birmingham, Alabama. Approximately 15,000 background investigation records were secured inside a locked room in the Corporate Nuclear Security Department offices. Access to these records was controlled and limited.

Paragraph 3.9.1 of Procedure 005, Transfer, states, "Southern Nuclear does not intend to transfer Temporary Access (TA) Authorization." During this inspection, the

licensee advised the inspectors that it did not transfer TA authorizations. The Corporate Nuclear Security Manager explained that it will not use NUMARC 91-03 Appendix B, "Unescorted Access Authorization Transfer" because it intends to avoid having the responsibility for completing the full background investigation, retaining such records, and notifying receiving licensees of the developed information. Upon further inquiry, the inspectors learned that information in background investigation files was shared with other licensees only if requested and if the appropriate Consent Form is submitted, but not using NUMARC's Appendix B.

10 CFR 73.56(f) requires licensees to establish a system of files for the protection of personnel information. NUMARC 89-01 (6.1) requires the system of files to include the written consent of the person subject to the access program prior to the initiation of the background investigation. This written consent (or witness) is also required by the licensee's Procedure No. 00F. Contrary to the above, one of the 20 records examined by the inspectors revealed no signature (nor witness) of a fingerprint request card. This failure to obtain written consent was identified as a violation of 10 CFR 73.56(f) and the licensee's Physical Security Plan (93-05-05). It will be considered a Severity Level V non-cited violation in that it meets the criteria of Enforcement Policy, Section VII.B(2).

(4) Cold Shutdown

The licensee has chosen not to amend its Physical Security Plan to relax its AAP during mode 5 operation.

(5) Audits

The inspectors reviewed the licensee's access authorization program audits to determine if the audits had been conducted as required. The licensee, at the inspectors' request, provided audits of three of their contractor programs and the last two annual corporate audits.

The inspectors' determined that the licensee was a member of Shared Nuclear Access Authorization Audit Group (SNAAG) which is a group of licensees who have agreed to accept each others' audits of contractors who administer an AAP. The SNAAG auditors conducted individual or team audits. The licensee's Corporate Quality Services Department was responsible for conducting the audits of the contractor and corporate AAPs. Completed audits from three contractors were reviewed during the inspection. Additionally, the last two audits of the corporate program were reviewed. The audits reviewed were found to be thorough and in-depth

audits of the contractor's access authorization procedures, implementing instructions, and background records.

It was noted during the inspection that the Corporate Quality Services auditors were responsible for preparing a very comprehensive checklist for SNAAAG auditors in an attempt to standardize access authorization audits of contractor programs.

The Corporate Quality Services audit team, in conjunction with Consumer Power Company, Carolina Power and Light, and New York Power Authority, on March 30 to April 2, 1992, conducted an audit of Bartlett Nuclear, Inc., Plymouth Massachusetts. The auditors determined that, based on numerous noted deficiencies and discovery of falsified background screening records, the Bartlett Nuclear's Access Program would require a re-audit. During the re-audit (April 13-16, 1992), the auditors noted four additional findings. Based on the total findings, the participating utilities recommended that acceptance of Bartlett Nuclear's Certificate of Reliability (COR) be discontinued until a programmatic review of Bartlett's Security Clearance Program could be completed. The SNAAAG auditors collectively classified Bartlett's program as "unsatisfactory."

By letter dated April 27, 1992, from the licensee's Manager of Corporate Quality Services, to the Security Administrator of Bartlett Nuclear, the licensee summarized the "Potential Material False Statement" section of the audit by stating in part, "Without the benefit of documented evidence to the contrary and based upon a review of Bartlett Nuclear in-file documentation, it can be established that Bartlett Nuclear withheld material information from SNC, which if known, would have resulted in a denial of unescorted access until such time as a management determination of suitability for unescorted access was made by SNC consistent with SNC's Contractor Access Authorization Program, Rev. 0, dated November 1, 1991."

On April 17, 1992, the Corporate Nuclear Security Manager, provided a letter to Bartlett Nuclear, Inc. stating that, as a result of the previously described Corporate audits, Southern Nuclear would no longer accept their CORs. Moreover, the licensee suspended Bartlett for one year from participation in its Contractor Access Authorization Program.

Also, on April 17, 1992, the Corporate Nuclear Security Manager, provided a letter to two sites, stating that Bartlett personnel presently badged at Plants Farley and Vogtle should have their background investigation reviewed to confirm the accuracy of the Bartlett CORs in order to

determine if those individuals are trustworthy and reliable. The letter further stated that, "The access authorization of the affected individuals does not need to be interrupted, unless specific derogatory information is developed on an individual." The licensee's Corporate Nuclear Security Manager provided in this memo his rationale as follows:

- "There is no reason to believe that any of the currently badged individuals constitute a threat.
- All individuals are under a continual behavior observation program and a FFD program.
- These employees generally perform work under the cognizance of a supervisor of plant employees."

Based on discussion with the licensee's Corporate Nuclear Security Manager, on March 30, 1993, the inspectors determined that the decision to continue to allow Bartlett Nuclear, Inc., to remain on the sites was based on the above rationale and, additionally, that Plant Vogtle was in an outage with over 150 Bartlett employees onsite and to have terminated that many employees would have been disruptive to the ongoing outage.

Based upon the inspectors review of the SNC Quality Services re-audit of Bartlett Nuclear Inc., and their review of onsite access records (FNP-FM-S-1A, Rev 16) at Plant Farley, the inspectors concluded that two Bartlett employees were authorized unescorted access without the verification of certain elements of the background investigation. The first individual's background investigation had incomplete education, employment, and Fitness For Duty elements, in addition to an incomplete FBI fingerprint record check. By memo dated April 17, 1993, the Quality Services notified Corporate Security of these deficiencies except, for the incomplete FBI record. This individual had been granted full access, versus a temporary access, which should have required the completion of all the elements that were incomplete. It was not until April 27, 1993, ten days after the Manager Corporate Nuclear Security knew specifically of the error in granting the wrong access authorization, that the FBI fingerprint record was returned and a full access authorization was justified. This Bartlett employee had unescorted access from March 6 until May 2, 1992.

With respect to the second individual who was identified in the SNC Quality Service's memo, site access was terminated on April 17, 1992, for falsification of his education records. This event was reported within one hour to the NRC under the provisions of 10 CFR 73.71, Safeguards Event Reporting. This reported event was reviewed during an NRC

inspection conducted April 27 - May 1, 1992, Inspection Report No. 50-348/92-13 and 50-364/92-13, and the event was determined to meet the criteria of Part 2 of the Enforcement Policy (Section VIII.B), and accordingly was not cited.

10 CFR 73.56 Personnel access authorization requirements for nuclear power plants (b) General performance objective and requirements (1) requires licensees to "establish and maintain an access authorization program granting individuals unescorted access to protected and vital areas with the objective of providing high assurance that individuals granted unescorted access are trustworthy and reliable, and do not constitute an unreasonable risk to the health and safety of the public including a potential to commit radiological sabotage." The Appendix in Regulatory Guide 5.66, NUMARC 89-01, (12.0), Contractor and Vendor Requirements, states, "The utility retains the ultimate responsibility for assuring that individuals granted unescorted access to the facility meet the requirements of the unescorted access authorization program." Contrary to the above, on April 17, 1992, the licensee, while lacking high assurance, continued to grant unescorted access to personnel whose AAP was no longer Company approved. This was identified as a violation of 10 CFR 73.56(b)(1) and the licensee's Physical Security Plan. (Violation 93-05-06).

(6) Reportability

10 CFR 73.71, Appendix G, II, (b) requires licensees to record in their quarterly log, "any other...act...with the potential for reducing the effectiveness of the safeguards system below that committed to in a licensed physical security...plan." Violation 93-05-02 (paragraph 2.c) and 93-05-06 (paragraph 2.d.5) reduced the effectiveness of the safeguards system committed to in the licensee's Physical Security Plan and yet they were not logged in the quarterly logs.

The failure to report Safeguards Events identified in Violations 93-05-02 and 06 was identified as a violation of 10 CFR 73.71, Appendix II(b). (93-05-07)

3. Exit Meeting

The Exit Meeting was held on April 1, 1993, at the licensee's Corporate Offices in Birmingham, Alabama, with those so noted above in attendance. The inspector informed the licensee of the preliminary results of this inspection, to include the potential violations.

The licensee's Vice President (Farley Project) denied the violations, specifically proposing that violations 93-05-02 and 93-05-06 should be considered licensee identified non-cited violations. Regarding

non-cited violation 93-05-03, the Vice President questioned the need for a procedure to "grandfather" access authorization. He did instruct the Manager Corporate Nuclear Security to revise the procedure to address "grandfathering" and to provide the inspectors with a copy of the revised procedure prior to their departure. The Vice President (Vogtle Project) informed the inspectors that he agreed in the decision to allow contractors continued unescorted access (Violation 93-05-06) because it facilitated the investigation to verify the accuracy of their records by having the contractors available onsite. Both Vice Presidents suggested the NRC's Access Authorization Rule was a new regulation that had not been inspected before and thus various interpretations and generic issues were subject to being discovered. They objected to violations as being the way for the industry to learn about the Rule.