

REVIEWED BY:

R.R. Keimig

(NAME)

(SIGNATURE)

NRC: REGION I

(ORGANIZATION)

11-14-90

(DATE)

U. S. NUCLEAR REGULATORY COMMISSION
REGION I

Report No. 50-271/90-11

Docket No. 50-271

License No. DPR-28

Licensee: Vermont Yankee Nuclear Power Corporation
RD 5, Box 169
Ferry Road
Brattleboro, Vermont 05301

Facility Name: Vermont Yankee Nuclear Power Corporation

Inspection At: Vermont Yankee Nuclear Power Station

Inspection Conducted: August 29-31, 1990

Inspectors:

G. C. Smith

G. C. Smith, Senior Physical Security Inspector

11/8/90
date

Ronald J. Albert

R. J. Albert, Physical Security Inspector

11-08-90
date

Approved by:

R.R. Keimig

R. R. Keimig, Chief, Safeguards Section
Facilities Radiological Safety and Safeguards
Branch, Division of Radiation Safety
and Safeguards

11-8-90
date

Inspection Summary: Special Unannounced Safeguards Inspection on August 29-31, 1990, (Report No. 50-271/90-11)

Area Inspected: Personnel Access Control

Results: Two apparent violations were identified: Failure to report Safeguards Events in accordance with the requirements of 10 CFR 73.71 and failure to conduct audits of contractor pre-employment screening programs. One unresolved item was also identified concerning the licensee's use of union Business Agent certifications as a basis for unescorted site access.

DETAILS

1.0 Key Personnel Contacted

- *D. A. Reid, Plant Manager
- *M. T. Varno, Plant Services Superintendent
- *J. M. Moriarty, Security Supervisor
- *R. B. Putnam, Access Control Coordinator
- *T. G. Hiltz, NRC Resident Inspector
- H. Eichenholz, NRC Senior Resident Inspector

*indicates those present at exit interview

2.0 On-Site Follow-Up of a Non-Routine Event

2.1 Background

On August 22, 1990, at approximately 5:00 p.m., the NRC resident inspectors were notified by licensee security management that three personnel access control events had occurred that day. The events were considered by the licensee to be loggable in the security event log, as opposed to requiring a one-hour report to the NRC Operations Center.

2.2 Event Details

A brief description of each event follows.

- 2.2.1 At approximately 10:30 a.m., on August 22, licensee security management received notification from a Local Law Enforcement Agency (LLEA) that a contractor employee working at the plant was a fugitive with an outstanding felony warrant. Arrangements were made for representatives from the LLEA to come to the plant and arrest the individual. At approximately 11:30 a.m., the LLEA arrested the individual in the plant gate house and removed him from the site.

The licensee's review of the incident disclosed that the individual had been granted unescorted access to the protected and vital areas of the plant based upon certification from a union Business Agent (BA) that he was a member of the union for three years and, to the best of the BA's knowledge, had shown no adverse character traits or indications of aberrant behavior. Further review by the licensee after the individual was arrested disclosed that the individual was not a member of the union for three years and, in fact, was not even a member of the BA's local. The licensee's review also disclosed that two other individuals who had been granted unescorted access to the plant

based on the same BA's certification were also not members of the union for three years nor were they members of the BA's local. Plant access authorization was terminated for all of the individuals involved.

- 2.2.2 At approximately 2:00 p.m., on August 22, the licensee's Access Control Section (ACS) personnel determined that two individuals who were employed by a local temporary services contractor had been granted unescorted access to the plant protected area only prior to their background investigations (BIs) being completed. The discrepancies were discovered at that time, when ACS personnel received completed BI information from the contractor.

The licensee's review of the incident disclosed that the contractor's certification for each individual was annotated to indicate that additional information was forthcoming. The notations were apparently overlooked by ACS personnel when the individuals' unescorted access authorizations were processed.

The additional information that was provided disclosed nothing that would have precluded either individual from being authorized unescorted access. Therefore, their accesses were sustained.

- 2.2.3 At approximately 3:00 p.m., on August 22, licensee management was notified by one of its contractors that one of the contractor's employees who had been granted unescorted access to the plant on the preceding day had been terminated by a previous employer for an alcohol-related incident. The individual had been granted unescorted access to the plant based on a certification from the contractor to the licensee that a satisfactory BI had been completed. That certification was based on a telephone notification to the contractor from the company that performed the BI that it was complete and satisfactory. When the contractor received the completed BI report form, the disqualifying information was noted. The contractor then notified the licensee of the discrepancy. The individual's access authorization was promptly terminated by the licensee. The licensee confirmed that he had not entered any vital areas in the plant.

2.3 NRC Findings

On August 29, 1990, two NRC inspectors were dispatched to the plant to review the Vermont Yankee personnel access control program. The review included the NRC-approved Vermont Yankee Physical Security Plan (the Plan), security department access control procedures, and documentation of each of the three events. The inspectors also interviewed licensee security personnel.

The inspectors' determined that, in addition to the three individuals who had false certifications from the union BA, there were approximately 400 other contractor employees at the plant who had been granted unescorted access based upon certifications from several union BAs that the individuals had three or more years of union membership with no adverse character traits or indications of aberrant behavior.

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The inspectors determined that the licensee uses union BAs certifications as the bases for granting unescorted access to contract personnel in preparing for and during outages. Although this has been a standard practice for years, according to the licensee, it is not identified in the Plan. The Plan does indicate that such certifications from employers (contractors) are used as bases for granting unescorted access. The licensee had extended this provision in the Plan to union BAs.

This matter is unresolved pending further review by the NRC.
(Unresolved Item 50-291/90-11-01)

With respect to the two temporary workers who were granted access prior to completion of their BIs, the inspectors determined that there was a statement on the certification that the BIs were not complete. However, because of the volume of personnel being processed for access and because the statements, which blended in with other "boiler plate" text on the form, were not highlighted, these statements apparently went unnoticed by ACS personnel who processed the forms. This appears to be an administrative oversight that the licensee has taken action to correct by re-instructing its ACS personnel and requiring the contractor to submit certification only when all information has been received.

With respect to the person who had had an alcohol-related incident on a previous non-nuclear job, the inspectors confirmed the facts that were presented by the licensee.

The inspectors' review of the licensee's access control program disclosed the following:

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2.3.5 There were two events in May 1990 involving contractor personnel who were granted unescorted access prior to the completion of their BIs. Those events were promptly reported to the NRC and followed up with the submittal of event reports.

The NRC has issued IE Circular No. 78-17, "Inadequate Guard Training/Qualification and Falsified Training Records," dated October 13, 1978; IE Information Notice No. 82-07, "Inadequate Security Screening Programs," dated March 16, 1982; IE Information Notice No. 83-15, "Falsified Pre-Employment Screening Records," dated March 23, 1983; NRC Information Notice 87-64, "Conviction for Falsification of Security Training Records," dated December 22, 1987; and NRC Information Notice No. 88-26, "Falsified Pre-Employment Screening Records," dated May 16, 1988. These documents alerted licensees to the possibility that contractors might submit falsified security records to meet licensee commitments to the NRC.

Information Notice No. 88-26 was issued specifically "to alert licensees to the potential problems associated with falsified employment records and the attendant risk to site security. Audits required by 10 CFR 73.55(g) and associated security plan commitments are intended to provide assurance that records are accurate and complete. Licensees currently employing ... contractors who will conduct the pre-employment screening should be aware of the potential for record falsification and the need for appropriate audits" (emphasis added).

Part 73.55(g)(4) of Title 10, Code of Federal Regulations, states, in part, that the security program shall be reviewed at least every 12 months. The review shall include a review and audit of security procedures and practices

The NRC-approved Physical Security Plan for the Vermont Yankee plant, Chapter 12.6, "Quality Assurance," states that Chapter 18 (Audits) of the Yankee Atomic Electric Company Quality Assurance Plan addresses the Security Plan and procedures. Audits to assure continued quality assurance are performed in accordance with Chapter 18 of the Yankee Operational Quality Assurance Manual, YPQAP-1-A. Additionally, these audits are to assess, on an annual basis, the potential impact of the Physical Security Plan and security procedures on plant and personnel safety. Chapter 14.1 of the Security Plan, "Compliance Audits," states that an annual audit is

performed by the Operational Quality Assurance Department of YNSD (Yankee Nuclear Services Division) to ensure compliance with the Vermont Yankee Security Plan and implementing security procedures. A written audit report is prepared and submitted to plant management. This audit program is conducted in accordance with OQAD procedures.

The licensee's failure to include its access control practices, specifically, the validity of pre-employment screening conducted by its contractors and union BAs, in its annual audit program is an apparent violation of NRC requirements. (VIO 50-219/90-11-02)

The inspectors also reviewed the licensee's determination that the three access control events only had to be documented in the security log in accordance with 10 CFR 73.71 (c)(1), rather than reported to the NRC within one hour in accordance with 10 CFR 73.71 (b)(1). In each case, individuals who did not meet the licensee's criteria to be authorized for unescorted access were granted unescorted access to the plant. Because of this, the licensee should have considered them as unauthorized personnel.

Part 73, Title 10, Code of Federal Regulations, Appendix G, "Reportable Safeguards Events: states, in part ... "Events to be reported within one hour of discovery, followed by a written report within 30 days ... (b) An actual entry of an unauthorized person into a protected area, material access area, controlled access area, vital area, or transport. (c) Any failure, degradation, or the discovered vulnerability in a safeguard system that could allow unauthorized or undetected access to a protected area, material access area, controlled access area, vital area, or transport for which compensatory measures have not been employed."

The licensee's failure to comply with the above cited requirements, for the events that constituted an actual entry of unauthorized persons into the protected area and represented a failure of the access control system (a Safeguards System) that could allow unauthorized access to the protected or vital areas of the plant, is an apparent violation of NRC requirements. (VIO 50-219/90-11-03)

2.4 Licensee Corrective Action

When the licensee discovered that a union BA had provided false certifications for three contractor employees, the licensee contacted, by telephone, other union BAs who had also provided certifications to ensure that the certifications they had provided were valid. The licensee advised the inspectors that the other BAs confirmed the validity of their certifications. At the request of the inspector, the licensee committed to conduct BIs on a random sample of union contractor employees who had been certified by BAs.

That activity began prior to the completion of the inspection and, in a telephone call to the inspector several weeks later, the licensee advised the inspector that the results of most of the BIs had been received and that no disqualifying information had been developed. The licensee also verified that none of the three contractors had worked on any safety-related systems or equipment.

3.0 Exit Interview

The inspector met with the licensee representatives indicated in paragraph 1 at the conclusion of the inspection on August 31, 1990. At that time, the purpose and scope of the inspection were reviewed, and the findings were presented. The licensee was informed that they would be notified of NRC Region I management's assessment of this matter at a later date.

OUTSTANDING ITEMS FILE SINGLE DOCKET ENTRY FORM

REPORT HOURS

- | | | | |
|-----------------|-----------|--------------------------------------|-------|
| 1. Operations | _____ | 7. Outages | _____ |
| 2. Rad-Con | _____ | 8. Training | _____ |
| 3. Maintenance | _____ | 9. Licensing | _____ |
| 4. Surveillance | _____ | 10. QA | _____ |
| 5. Emerg. Prep. | _____ | 11. Other | _____ |
| 6. Sec/Safegrds | <u>21</u> | 12. Fire Protection/
Housekeeping | _____ |

Docket No. 50
2711

Originator G. Smith

Reviewing Supervisor R.R. Keimig

Item Number	Type	SALP Area	Area	Action Due Date	Updt/Clsout Rpt/	Date O/M/Clsd
<u>90-11-011</u>	<u>NIR</u>	<u>SECURITY</u>	<u>PSM</u>	<u> </u> - <u> </u> - <u> </u>	<u> </u> - <u> </u> - <u> </u>	<u>08-31-90</u>
Originator/Modifier				Resp Sec		
<u>S M I T H</u>				<u> </u>		
Descriptive Title						
<u>USE OF BUSINESS AGENTS CERTIFICATION TO</u>						
<u>GRANT WAIVES COURT ACCESS TO CONTRACT</u>						
<u>PERSON NOC</u>						

Item Number	Type	SALP Area	Area	Action Due Date	Updt/Clsout Rpt/	Date O/M/Clsd
<u>90-11-02</u>	<u>NIR</u>	<u>SECURITY</u>	<u>PSM</u>	<u> </u> - <u> </u> - <u> </u>	<u> </u> - <u> </u> - <u> </u>	<u>08-31-90</u>
Originator/Modifier				Resp Sec		
<u>S M I T H</u>				<u> </u>		
Descriptive Title						
<u>FAILURE TO CONDUCT AUDIT OF CONTRACTOR</u>						
<u>CONDUCTING PRE-EMPLOYMENT SCREENING</u>						

Item Number	Type	SALP Area	Area	Action Due Date	Updt/Clsout Rpt/	Date O/M/Clsd
<u>90-11-03</u>	<u>NIR</u>	<u>SECURITY</u>	<u>PSM</u>	<u> </u> - <u> </u> - <u> </u>	<u> </u> - <u> </u> - <u> </u>	<u>08-31-90</u>
Originator/Modifier				Resp Sec		
<u>S M I T H</u>				<u> </u>		
Descriptive Title						
<u>FAILURE TO COMPLETE A ONE HOUR REPORT ON</u>						
<u>SECURITY ACCESS EVENT</u>						