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Agency: Nuclear Regulatory Commission

Title: Investigative Interview of
Reau Graves (CLOSED)

Docket No.

LOCATION: Gore, Oklahoma

DATE: Thursday, March 7, 1991

PAGES: 1 - 29

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1 BEFORE THE
2 U. S. NUCLEAR REGULATORY COMMISSION
3 In the Matter of:)
4 INVESTIGATIVE INTERVIEW OF:)
5 REAU GRAVES)
6 (CLOSED))

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Conference Room
Sequoyah Fuels
Gore, Oklahoma

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Thursday, March 7, 1991

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The above-entitled matter convened for
INVESTIGATIVE INTERVIEW pursuant to notice at 4:10 p.m.

17

APPEARANCES:

18
19

On behalf of the U.S. Nuclear Regulatory Commission:

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DONALD D. DRISKILL, Field Office Director

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LARRY CHAPMAN, Senior Investigator

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On behalf of Sequoyah Fuels:

IRA S. SHAPIRO, Attorney
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Washington, D.C. 20036

P R O C E E D I N G S

1
2 MR. CHAPMAN: This is an interview of Reau Graves
3 who is employed by Sequoyah Fuels Corporation, Gore,
4 Oklahoma. The location of this interview is the Sequoyah
5 Fuels Facility, Gore, Oklahoma. The date is March 7, 1991
6 and the time is 4:10 p.m. Present at this interview in
7 addition to Mr. Graves is Ira Shapiro, who is an attorney
8 from the law firm of Winthrop, Stimson, Putnam and Roberts,
9 Washington, D.C. and is representing Sequoyah Fuels
10 Corporation. Also present at this meeting representing the
11 Nuclear Regulatory Commission, Office of Investigations is
12 Larry Chapman and Donald Driskill.

13 Mr. Graves, will you please stand and raise your
14 right hand, sir.

15 Whereupon,

16 REAU GRAVES

17 appeared as a witness herein, and having been first duly
18 sworn, was examined and testified as follows:

19 MR. CHAPMAN: Please be seated, sir.

20 EXAMINATION

21 BY MR. CHAPMAN:

22 Q Mr. Graves, I would like to establish your
23 longevity here at Sequoyah Fuels and a little bit of your
24 work history. So, sir, would you please give us some of your
25 background -- your work experience background?

1 A Prior to Sequoyah Fuels?

2 Q Both. Prior to it and since you've been here --
3 your position.

4 A Okay. General Atomics acquired Sequoyah Fuels in
5 November of 1988, at which time, I assumed the position of
6 President and Chairman of the Board of Sequoyah Fuels
7 Corporation. I retain that position to the present date.

8 Q And prior to coming to Sequoyah Fuels, sir, for a
9 period of just say ten years?

10 A A period of ten years; I would have been working
11 with various organizations ~~XXXXXXXXXXXXXXXXXXXX~~. Initially,
12 Utah Gas Service Company, of whom, I'm still Chairman and --
13 and (pause) General Atomics where I'm a senior vice president
14 and director.

15 Q All right, sir. You don't want to forget General
16 Atomics.

17 Mr. Graves, of particular interest to the NRC and
18 specifically to Mr. Driskill and I, the events surrounding
19 the reporting of the excavation and some elevated levels of
20 uranium concerning water discovered during this excavation.
21 With that in mind, I would like to let you know that my
22 questions will specifically relate to that and will try to
23 observe the time frame of principally August 1990. The
24 reason I tell you that is it's well established and we all
25 understand there have been numerous changes in procedures and

6,7C p. 102

1 contact with the NRC. I just wanted you to know that's the
2 area of time that I'm principally concerned with here.

3 A Just recognize that that time frame is more than
4 six months ago, so it makes it a little bit more difficult to
5 recall with precision what was occurring then.

6 Q No problem, sir.

7 I want to establish first of all that during part
8 of this time, perhaps all, I'm not sure, you were absent from
9 the facility. Is that correct, sir?

10 A I left the facility -- the last time I was at the
11 facility, I believe, was on the 4th of August, a Saturday. I
12 left here for the company picnic, from the company picnic, I
13 went to my home ~~in~~ Tennessee. I returned here on Monday the
14 -- I believe it was the 21st.

15 Q That's a Tuesday, for your records, sir.

16 A Okay. I returned to work on Tuesday. I came home
17 Monday evening and then returned to work on Tuesday morning.

18 Q All right, sir. You're correct, it was the 21st of
19 August.

20 A Okay.

21 Q Sir, at the time you were gone from the facility,
22 did you have any contacts with Jim Mestepey while you were in
23 Tennessee?

24 A Yes. As I previously testified, Mr. Mestepey
25 called me. I recalled in my previous testimony that I felt

1 that he called me two or three times. Subsequent to that
2 testimony, you had required or requested telephone calling
3 information. I reviewed that information prior to submitting
4 it to you and it appears that he made four phone calls to my
5 residence in Tennessee. The first of those phone calls was
6 made on the -- I believe the 5th, if that's a Sunday?

7 Q Yes, sir.

8 A Okay.

9 Sunday evening to report that we had had an article
10 in the MUSKOGEE PHOENIX that day and I asked him would he
11 telecopy me a copy of that article, which he did the next
12 morning.

13 I do not recall the specific date of other three
14 calls, but one of the calls pertained to our Christmas party
15 and most of the conversation was between [REDACTED]

16 [REDACTED]
17 So my previous testimony and recollection to two to
18 three calls is basically correct.

19 Q Okay, sir, of interest of to me is, he called you
20 in reference to a MUSKOGEE PHOENIX newspaper article. Did
21 that newspaper article have anything to do with contamination
22 and reporting levels out here?

23 A I don't believe it did. I don't recall the exact
24 content, but it had nothing to do with the current situation
25 under investigation.

1 Q Okay, that's fine. I was unfamiliar with the
2 newspaper article and I didn't know if it had a bearing and I
3 wanted to clear that up.

4 A No, it didn't.

5 Q Granted that he made some four calls or so to you
6 during that period of time. While he was making these phone
7 calls did Mr. Mestepey ever indicate to you that there was a
8 discovery of high levels of uranium? We'll use the one to
9 eight grams level since that seems to be what everybody is
10 discussing.

11 A I don't recall any specific level of contamination,
12 or even the fact that he reported the contamination to me.
13 You would have to know Mr. Mestepey. But there was no
14 specific problems related to his calls and I don't recall any
15 communication of any kind of contamination that he was
16 concerned about. Just more or less status calls update.

17 Q All right, sir. So that we don't have to go
18 through a list of any other employees, do you recall
19 receiving any calls from any other employees from this
20 facility in reference to the fact that there were elevated
21 levels of uranium -- while you were on vacation?

22 A I did not receive any other calls from any other
23 employee from this facility, or anyone else relative to
24 elevated levels of uranium.

25 Q So, sir, your first knowledge of these values that

1 the NRC are concerned with of one to eight grams occurred
2 upon your return to the facility on the 21st?

3 A That is correct.

4 Q And it's well established that in discussions with
5 your staff, it was your decision that this is information
6 that NRC should know and a call was subsequently placed?

7 A It was my staff's recommendation that we place that
8 call and it was my decision that that call be placed.

9 Q Upon your return to Sequoyah Fuels and your
10 subsequent notification to the NRC, I believe the NRC
11 dispatched an inspection team out sometime around the last
12 week of August 1990?

13 A And the reason I asked that, sir, is of recent
14 information to the NRC is an internal memo from Mr. Lee Lacey
15 dated August 30, 1990 that he received from a Don Knoke, and
16 I ask you, sir, do you recall when you first became aware of
17 this memo?

18 A My recollection of that memo is after I had
19 received a call from Region IV last week, and when I asked
20 Don Knoke for the particular samples that were originally in
21 question, Don brought me those two samples and a copy of this
22 memo. That's the first recollection I have of having seen
23 this memo or even knowing that this information existed.

24 Q Sir, for your information, during a previous
25 discussion with Mr. Lee Lacey on March 4, 1991, we had a

1 discussion of this memo and I asked Mr. Lacey what he did
2 upon receipt of this memo and his indications to me were,
3 sir, that the first thing he noticed was that the only two
4 were sent to James Mestepey and Mike Nichols. He was
5 concerned that Carolyn Couch, in his words, who was heading
6 up the SX investigation hadn't received a copy, so he sent a
7 copy of the memo and briefly discussed the issue with Mr.
8 Graves. Do you recall, sir, back on August 30, 1990 holding
9 a discussion with Mr. Lacey in reference to an internal SX
10 investigation?

11 A I do not recall such a conversation. It very well
12 could have occurred. On the 30th of August, we had a bevy of
13 investigators and AIT people in here and I just simply do not
14 recall that specific discussion.

15 Q Okay, sir. The reason I asked is, it's somewhat my
16 understanding that the SX investigation was the result of the
17 NRC's concern over the pit and the levels of uranium. And I
18 ask you, sir, was it your decision that an internal SX
19 investigation be conducted that Mr. Lacey is making reference
20 to?

21 A (No response.)

22 Q I'm trying to establish who requested the
23 investigation that everyone has titled SX Investigation,
24 where it's origin came from.

25 A Well obviously, we had the excavation and the high

1 levels of contamination in the excavation and I know that we
2 made the decision. I don't know that it was my decision
3 alone, but we made the decision to make an investigation or to
4 cause an investigation to go forward sometime after I
5 returned.

6 Q Well sir, the reason I asked that is because one of
7 the understandings I have is that this internal investigation
8 was started as a result of the augmented inspection team's
9 efforts out here and as a result of that, there was a list of
10 items that you, or that Sequoyah Fuels wished to have
11 resolved, and made reference to certain individuals and
12 tasked them with that responsibility.

13 A Yes, there was that activity that we engaged in. I
14 don't recall that specific list of names but, yes, there was
15 that investigation put forth.

16 Q I guess I'm trying to understand, Mr. Graves, if
17 this investigation was the result of the wants of Sequoyah
18 Fuels to address those issues of the AIT investigation?

19 A Yes, it was.

20 Q All right, sir. Do you recall if you placed anyone
21 in specific control of coordinating this investigation and
22 assembling the information?

23 A Yes, I did, but I don't recall for certain who it
24 was. There was an investigation that I placed Reggie Cook in
25 charge of, but I'm not sure it was this particular one. I

1 don't recall --

2 Q Well, Mr. Graves, I'm trying to understand the
3 reason for the August 30 memo and no one else can seem to
4 satisfy us as to why the memo was put forth and I'm trying to
5 understand what participation and what level of request was
6 made by you, or whomever, to do this. We certainly have some
7 information here and I want you to have it and share it with
8 you. Perhaps even this will help you, sir. There's a memo
9 dated August 30 from Lee Lacey for distribution and it's
10 called Subject: Action Items From the NRC Augmented
11 Inspection Team. I show it to you, sir, and basically if I
12 can remember, the jest of the memo was a list of actions
13 items, which I think you have. It's listed in Mr. Cook's
14 file. And Mr. Cook has indicated to me that he was tasked
15 for certain responsibilities inside that.

16 A Yes.

17 Q And Mr. Lacey has distributed this memo and I'm
18 just trying to find out who is responsible for coordinating
19 the investigation and assimilating material and what your
20 intentions this material would be used for and its intended
21 purpose.

22 MR. SHAPIRO: If I could just clarify a couple of
23 things that have been said. Mr. Lacey has indicated that
24 after the AIT exit interview, AIT went through a number of
25 items they were concerned about. Those in the exit took

1 notes, maybe Mr. Lacey and others took notes, and afterwards
2 this list was drawn up, because there would be some need to
3 respond to it -- you know, these concerns. Whether it's
4 called an internal investigation, that's -- you know...

5 BY MR. DRISKILL:

6 Q I thought that might be confusing because they were
7 calling it the SX investigation. But essentially what was
8 termed to be the SX investigation was this inquiries of
9 various people or asking people to investigate these various
10 areas of concern of the AIT. I know that you and I discussed
11 some portions of that and I saw that memo back in early
12 September. I think one of the things that Larry and I were
13 looking at now, since this business about Mr. Knoke's memo
14 came up in response to that; we were just curious in trying
15 to develop some historical data that we didn't have relative
16 to this task. Did you tell Mr. Lacey to get together some
17 answers to respond to Beach and the Region IV concerns here
18 that they've expressed to us in their exit meeting, or did he
19 take it upon himself to do that?

20 A This was done with my concurrence and approval. I
21 don't know whether I asked him to do it or whether he
22 recommended that we do it. But, yes, I approved this action
23 and Lee was basically responsible for coordinating the
24 information and making the various assignments here for those
25 who would have the best knowledge of these various subject

1 matters. So, yes, I recall this particular...

2 Q Just one more quick question that I have relative
3 to that is, once all of this data was put together, was there
4 a document prepared in which it was -- a response to the NRC
5 relative to those concerns expressed by the AIT, or was
6 information just gathered to be held for a response to these
7 concerns after they prepared a report, or do you know?

8 A As best -- I don't know, but as best I recall, the
9 NRC was back in here on such a regular basis that there
10 really wasn't an opportunity to respond formally. Much of
11 this information was shared with them during their revisits
12 with the augmented inspection team. By this time -- or
13 shortly after this time, you people were in here. So, I
14 don't believe that this was ever the subject of a formal
15 response to the NRC in writing. But most of these people did
16 turn in various information and I don't recall exactly what
17 it said, but most of the people completed their assignments.

18 Q Well, we don't know what it said either. Mr. Lacey
19 apparently doesn't either, because he doesn't have it.
20 Nobody seems to know what happened to all of the data that
21 was collected.

22 MR. SHAPIRO: Well -- if I could just -- I have
23 mentioned to Mr. Chapman, we've gotten data from a couple of
24 people and we are still hoping to get some from a couple of
25 other people. But it has been sent to me by Mr. Lacey,

1 consistent with what Mr. Graves is saying, that the
2 information -- some of it came in in writing, some of it came
3 in orally. There was no one response. It was used in
4 conversations with the AIT team. It probably was used as
5 part of discussions with the OI. You know, the information,
6 it was used by the attorneys. It -- you know, the knowledge
7 that translated to the attorneys, we used it in responding to
8 the November 5 demand for information. But there was no one
9 document.

10 MR. DRISKILL: All right.

11 BY MR. CHAPMAN:

12 Q Well, I guess some people must have been in
13 violation of their own internal memo because Mr. Lacey very
14 specifically requested that each item assigned to you, please
15 provide a written response detailing how the issue is being
16 addressed and what action has been taken, what progress has
17 been made and whatever else. And I guess the concern, Mr.
18 Graves, as Mr. Driskill has expressed to you is, this was new
19 knowledge to us, as well as it was to you. So we attempted
20 to locate the information. And needless to say -- to Mr.
21 Shapiro or anyone else -- I went to the on-site
22 representative for the NRC, Mr. Lacey, and requested his
23 information and his answer was I have none. And in our
24 discussions with Mr. Nichols -- which we'll get into relative
25 to the sandwells -- I asked Mr. Nichols for his information

1 and his answer was, I gave it all to Mr. Lacey or Norma --
2 Mr. Lacey's secretary -- including my computer disks and I
3 have no information to give you. So we're left out here
4 trying to find out what information was collected and who had
5 it and who had knowledge of it, so that we will have an
6 understanding of what information was available to certain
7 people to perhaps even inquire as to -- if it's relevant --
8 sharing with the NRC or not sharing with the NRC during
9 inspections. That's the purpose of my inquiry.

10 A Well, I know -- for instance on Item 15 and 16 here
11 where Mr. Cook was responsible for looking into the breakdown
12 of communications of sampling activity, I do know that he
13 pursued that diligently and as a result of that, there was a
14 report which I saw.

15 MR. SHAPIRO: Do you have that?

16 MR. CHAPMAN: Yes.

17 THE WITNESS: So, you know, I know that one was
18 performed correctly. Looking at one here that was assigned
19 to Couch, find out how much material is under the SX
20 building. Once we got involved in that, that's when we
21 employed Roberts Shornick and Associates. It was not
22 something where we were really capable of doing that
23 particular type of an activity. So several of those we
24 engaged outside consultants to do.

25 BY MR. CHAPMAN:

1 Q In defense of Ms. Couch, she hasn't had the
2 opportunity to be privy to this. She was interviewed earlier
3 before this came up.

4 A But, yes, I don't doubt it. In fact, Mr. Cook
5 evidently was the most diligent of all because he had a quite
6 extensive file and you're looking at it.

7 A Yeah.

8 Q And Mr. Mestepey gave some information.

9 A Yeah, record the information. I haven't seen all
10 of the documents but Jim was collecting information on the
11 water that was being collected and recording that.

12 Q Yes, sir.

13 A So there are various pieces of this information
14 that I have seen specific information on. There's other of
15 it that I really don't know whether any written information
16 was prepared.

17 Q Okay, sir.

18 A I did not see a document that embodied a response
19 on all of these -- these -- there's no such document as that.

20 Q Okay. That's what we were looking for.

21 A I don't know of a document that embodied all of
22 this information,

23 Q Now what prompted some questions of you was
24 particularly Mr. Lacey's indications that he had held
25 discussions with you and he did not have the responsibility

1 to conduct it, Ms. Couch did. And we will certainly as Ms.
2 Couch of her knowledge of this.

3 MR. DRISKILL: If I may just expound a little bit
4 on why we were pursuing this particular avenue. This
5 particular memo came to our attention, and also to Mr. Beach
6 and some of the staff people, about the existence of the
7 sandwells. And, as you know, we've looked at -- early on in
8 our investigation, we were curious, as was the staff curious,
9 about the source of the water which was migrating into the
10 excavation. So we were asking a lot of questions about where
11 is it coming from and why is it contaminated, et cetera. I
12 think that early on a determination was made that in all
13 likelihood it was coming from beneath the SX building. If
14 you'll recall, a couple of weeks later there was the
15 notification to the NRC about this...

16 THE WITNESS: Subfloor monitoring --

17 MR. DRISKILL: -- subfloor monitor thing over in
18 the process building. I know that they asked us to come back
19 and ask some more questions about that and we did. We were
20 looking at the possibility of perhaps some of the water which
21 may have existed under the process building migrating over to
22 the area where that excavation was and whether, in fact, some
23 of that may have been contributed to from whatever might be
24 up there under the process building. We talked to some
25 people about that. But -- and then the staff was performing

1 other inquiries relative to the potential contamination of
2 water and how far down it went and where it was and all that
3 sort of thing. And we come upon this bit of data here
4 relative to these sandwells, which are located essentially at
5 the four -- somewhere near -- in reasonable proximity to the
6 four corners of the SX building and a couple of them not too
7 far from the process building. And we find that for a period
8 of 10 to possibly even 15 years, that they've been sampling
9 water from these areas and there's a substantial amount of
10 data that relates to that. It was provided to Mr. Lacey in
11 response to his letter there. The NRC never really heard
12 about it until just the last few days. Basically, we were
13 looking -- well, where's all the rest of the data? Let's see
14 what else there is that we haven't found out about yet. So
15 we've been trying to gather together all of this stuff. I
16 don't think our efforts have been unreasonable. I'll accept
17 it from whoever wants to be the representative of Sequoyah
18 Fuels to say, well really, that's about all there was.
19 Unfortunately, this information didn't get to you but there's
20 not anything else there that you didn't previously know
21 about. But even Mr. Lacey himself didn't keep a file on all
22 of this sort of thing. I don't know, it just sort of seems
23 unusual that you would tell everybody to respond in writing
24 and now nobody -- you have to go back to those individuals
25 and you're just trying to find information which doesn't -- a

1 lot of which, or some of which -- a portion of which doesn't
2 seem to exist anymore.

3 MR. SHAPIRO: I don't have to speak for Mr. Graves,
4 but I do want to interject the possibility that the return of
5 the AIT, and the OI coming in, you know, the sequence of
6 events was such that the need to respond in writing basically
7 may have been superseded.

8 MR. DRISKILL: Yeah.

9 MR. SHAPIRO: And then people did prepare things in
10 writing in the process of helping us put together the
11 response for the demand for information. I mean, I don't
12 question -- I certainly haven't questioned the relevance to
13 you of the August 30 memo or the underlying data, but I think
14 the search for -- you know, you can have any of the written
15 material that was relevant to this. I think there are some
16 reasonable explanations for why people didn't respond to
17 their specific items by September 6th.

18 MR. DRISKILL: Yeah. And I -- as much as anything,
19 my comments right now were an explanation to Mr. Graves as to
20 what's going on here with regard to all of this and not
21 necessarily an inquiry of him as to what happened, aside from
22 what -- if, in fact, he ever received a report summarizing
23 all of the information that was --

24 THE WITNESS: There never was a report summarizing
25 all of this. I see another here, number six, dirt pile from

1 excavation may be seeping. We had initially piled the dirt
2 from the excavation in the SX yard and on further
3 investigation, it was determined that that would be
4 inappropriate to leave it there and it was subsequently moved
5 to the yellow cake pad and covered. So there really wasn't a
6 written reply required there. I mean, is it seeping? Yeah,
7 it is a problem, so we moved it.

8 BY MR. CHAPMAN:

9 Q I agree with you and I don't want to belabor the
10 point of whether it was written or not. That's not probably
11 of a paramount question as much as to me and the NRC at this
12 point as, you gentlemen are absolutely correct. We have been
13 through this for some six months. There have been meetings
14 with the NRC, there have been inspections here, there have
15 been meetings with senior management here, including Mr. Blue
16 of General Atomics, all the way up to the Executive Director
17 of Operations for NRC. And one of the persons representative
18 here -- personal representatives of Sequoyah Fuels to deal
19 with the NRC had knowledge of some data on August 30, 1990
20 and until and including the early part of March 1991 and he
21 did not come forth with this data and inform any of us of
22 this information. And of my concern, and of course, my
23 question to Mr. Graves is, if Mr. Lacey has implied that Mr.
24 Graves was knowledgeable of this, why has this information
25 never been given to the NRC up until the time Mr. Beach

1 contacted Sequoyah Fuels and requested it. If that's a
2 question that I need to ask you, I'll ask it now, sir.

3 A I don't recall having seen that memo or having that
4 specific information discussed with me. And the first time
5 that I saw that was when Don Knoke delivered that memo, along
6 with the two samples that were identified by Mr. Ward about
7 three weeks ago and the index pages from which those two
8 samples were identified. And the comment that Don made when
9 he --

10 Q Knoke?

11 A -- Knoke made when he brought it in and laid that
12 memo, along with the other two, "I hate to lay this on you
13 now". So he was acknowledging that he had not given it to me
14 and I had not seen that, nor was I even aware that there were
15 any sandwells out there.

16 Q All right, sir. I accept that wholeheartedly as
17 face value truth. I have no questions about that. I only
18 expressed -- I didn't want to lose sight that we're not so
19 much arguing over whether it was oral or written, as was the
20 data was available and why was it not brought forth to the
21 NRC. That was my question.

22 MR. SHAPIRO: I completely agree the data is
23 important and it should have forward. I'm simply commenting
24 on whether there was a raft of other data or written material
25 that would be there. I don't question, you know, the fact

1 that you're asking for it.

2 MR. CHAPMAN: Certainly we won't deny that there's
3 a raft of information that Mr. Graves never provided. We
4 were just trying to understand this particular one. I just
5 wanted -- as I say, since Mr. Lacey brought it up, I wanted
6 to give you an opportunity to respond to his comment.

7 THE WITNESS: Mr. Lacey has told me here in the
8 last few days that it was his recollection that he had
9 discussed that with me and my response to him then was, "you
10 very well may could have, Lee, but I just don't recall it".
11 You've got to put the situation here in context. When you've
12 got OI with two to three investigators and an AIT team in
13 here with up to five people and the EPA with four people,
14 it's kind of difficult to know which hand is handling what.
15 That's the real bottom line of it, because things became
16 quite difficult during that period of time.

17 BY MR. CHAPMAN:

18 Q Well, I guess if you're going to offer that, Mr.
19 Graves, the two or three investigators and the five or six
20 Augmented Inspection people, it's also of importance to note
21 that Mr. Lacey was not the only individual that was copied on
22 this. Mr. Mestepey, your senior vice president and Mr.
23 Nichols of your Health and Safety Department was told in this
24 memo specifically that this data should be in the Health,
25 Safety and Environment files. So it's not like it was

1 centrally located and only one individual on the facility
2 knew this data was available.

3 A Oh, I'm not --

4 Q It should be well documented.

5 A I'm not denying that. The memo speaks for itself
6 and the file speaks for itself.

7 Q And we've been over the data and it's relevance
8 here at the site and if you need for us to, we will,
9 otherwise, let's let it stand as it is and not get into an
10 issue of it.

11 A All right.

12 MR. CHAPMAN: Let's go off the record.

13 (Discussion off the record.)

14 MR. CHAPMAN: For the record, Mr. Ira Shapiro, the
15 attorney, has had to leave. It's 20 minutes until 5 and Mr.
16 Graves has agreed that he may leave and it's been expressed
17 to Mr. Graves that if he feels at any time that he needs to
18 stop, or not answer any questions and get representation
19 back, he may do so. Do you agree, Mr. Graves?

20 THE WITNESS: I understand that.

21 BY MR. CHAPMAN:

22 Q One of the questions -- kind of a general question
23 I would like to know, sir, is through some conversations with
24 your staff over our last couple of weeks here, or mine
25 particularly, there has been some expressions made to me that

1 there were several prior planning or prior meetings before
2 the excavation took place. To narrow it down for you, we
3 don't know the exact dates of all these meetings. We know
4 they occurred prior to digging beginning. There was some
5 information made known to the staff that there was a
6 delineation of jurisdiction over the two tanks that were
7 buried in the ground. The tank containing hexane was of
8 prime concern to the EPA and through its on-the-grounds
9 representative the Oklahoma Water Resources Board. And the
10 tank that contained -- and referred to as the solvent dump
11 tank was primarily under the jurisdiction of the NRC. Was
12 that your understanding, sir? Do you understand that to be
13 the case on these two tanks?

14 A My understanding of the reason for the excavation
15 was the EPA requirement that any tanks containing
16 hydrocarbons be either monitored or removed from underground.
17 I did not attend those preparatory meetings, but the reason
18 that I was given for the entire excavation activity was to
19 comply with EPA regulations, and that what would be required
20 to do that would be to excavate, inspect the tanks and then
21 take adequate samples that could be analyzed to determine
22 that there weren't hydrocarbons present in the ground. So
23 that was my understanding of the purpose of the excavation.

24 Q Okay, sir, for your information, in discussions
25 with some of your staff here, Ms. Couch and some others, the

1 Oklahoma Water Resources Board in discussions in June, and
2 perhaps earlier, I don't know, entered into some -- a
3 discussion with these -- Ms. Couch and some others that the
4 Oklahoma Water Resources Board is interested in seeing that
5 the EPA regulations regarding underground storage tanks are
6 adhered to, but made a fairly definitive informational
7 response to Sequoyah Fuels through Ms. Couch that they felt
8 the NRC had supreme jurisdiction over the solvent dump tank
9 and any matters regarding that should be addressed to the
10 NRC. Were you aware of that, sir?

11 A No, I was not.

12 Q And the reason I asked that, Mr. Graves, is
13 therefore, you would have no reason to feel that the NRC
14 would have a major concern about the excavation to be
15 undertaken out at the facility?

16 A There was nothing I was told that would have led me
17 to believe that the NRC would have a major concern, no.

18 MR. CHAPMAN: Mr. Graves, I don't really have any
19 additional questions. Is there anything that you would like,
20 sir, to state for the record, or any information that you
21 would like to put on the record?

22 THE WITNESS: I don't have any other information
23 for the record, nor do I have any statement that I need to
24 make.

25 MR. CHAPMAN: All right, sir.

1 MR. DRISKILL: I'll just make one quick statement.

2 I know that there's been a concern on your part relative to
3 this investigation going on as long as it has. I don't know
4 how much I told you about it to begin with, but as you
5 probably remember, I was here first. I came in over the
6 Labor Day holiday and I think Larry came up here to help me.
7 I guess the primary reason I was involved in this thing at
8 all personally was because I didn't expect it would last more
9 than two or three or four days, because there seemed to be
10 some pretty straight forward questions to be asked and the
11 results of which could be for the most part obtained from a
12 very limited number of people. So I chose, with my
13 supervisor's permission, to just come on here and try to take
14 care of it myself since there was a holiday weekend involved
15 and a number of people who worked for me were all working on
16 other things and had been traveling quite a bit.

17 But what basically happened and complicated things
18 was an unfortunate set of circumstances that I certainly had
19 no control over, and I know too that you had no control over.
20 I'm quite sure if you had been involved in it before it all
21 happened, it would have probably all turned out a great
22 differently than it did. I was very disappointed in the
23 recollection and the information that was given to me by some
24 of the people who basically had primary responsibility for a
25 lot of the things that happened out there. In all

1 likelihood, you'll see the entire text of our investigation
2 some day and I hope that when you do, you may better
3 understand the fact that we had, in our view, good reason to
4 believe that perhaps some people were not being entirely
5 honest, frank and forthright with us when we asked certain
6 questions. I think that when we tried to talk to some people
7 back with the NRC, we said either they are dumb -- one of
8 three things, either they are awful dumb, or they weren't
9 doing their jobs or they're lying. And I think we spent a
10 great deal of time trying to figure out precisely what
11 happened, which would have led us to believe that in the
12 first place. I'm not sure we've ferreted out all the facts,
13 but I think we've answered a lot of questions.

14 Unfortunately, a lot of other things happened along
15 the way which required some of our attention and delayed this
16 thing and drug it out. I know for a fact this thing has
17 created a lot of heartburn and taken a lot of your time, the
18 time of your employees and I apologize for that. I can
19 assure you that we've been for a long time trying to do the
20 very best job we could to come up with answers and results
21 which the NRC would not disagree with and you, yourself,
22 might not disagree with, having the opportunity to see what
23 we've done. Hopefully that's true in the future. I like to
24 feel like we've put forth the very best professional effort
25 and product and hopefully we were able to do that in this

1 case. I am sorry that this thing has taken as long, as much
2 time and everything as it has.

3 I want to let you know once again that I sincerely
4 appreciated your cooperation and the hospitality that has
5 been extended to us during the course of this difficult
6 process. I want you to know that I do appreciate that.

7 THE WITNESS: Well, I thank you for those comments.
8 Yes, it has been quite burdensome. And I will be anxious to
9 read the various transcripts. Had I had the opportunity to
10 read them earlier, I might could have assisted you in some of
11 your efforts, but obviously that's not the way an
12 investigation works. So I'll be anxious to see what my
13 opinions are when I have an opportunity to read these
14 transcripts.

15 MR. DRISKILL: I'm quite sure that at some point in
16 time in the future -- hopefully not too far away -- a vast
17 majority of what we've done will be available to the NRC
18 staff and upon completion of their review of it, will be made
19 available probably to you.

20 MR. CHAPMAN: Mr. Graves, have I or any other NRC
21 representative here threatened you in any manner or offered
22 you any reward in return for this statement?

23 THE WITNESS: No.

24 MR. CHAPMAN: Have you given this statement freely
25 and voluntarily?

1 THE WITNESS: Yes.

2 MR. CHAPMAN: Is there anything further you care to
3 add for the record at this time, sir?

4 THE WITNESS: No.

5 MR. CHAPMAN: All right, sir.

6 The time is 4:40 p.m. and the interview is closed.
7 Thank you, Mr. Graves.

8 (Whereupon, the interview was concluded at 4:40
9 p.m.)

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C E R T I F I C A T E

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2
3 This is to certify that the attached proceedings before the
4 U. S. Nuclear Regulatory Commission in the matter of:

5 Name: Interview of Reau Graves

6 Docket Number:

7 Place: Sequoyah Fuels Corporation, Gore, Oklahoma

8 Date: March 7, 1991
9
10

11 were held as herein appears, and that this is the original
12 transcript thereof for the file of the United States Nuclear
13 Regulatory Commission taken stenographically by me and,
14 thereafter reduced to typewriting by me or under my
15 direction, and that the transcript is a true and accurate
16 record of the foregoing proceedings.
17

18 

19 WILLIAM L. WARREN

20 Official Reporter
21

22 Ann Riley & Associates
23
24
25