



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

511 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

APR 21 1994

Docket No. 50-458
License No. NPF-47
EA 93-071

Entergy Operations, Inc.
ATTN: John R. McGaha, Vice President -
Operations, River Bend Station
P.O. Box 220
St. Francisville, Louisiana 70775

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTIES -
\$112,500 (NRC INSPECTION REPORT NOS. 50-458/92-15 & 93-24 AND NRC
INVESTIGATION CASE NOS. 4-92-009, 4-92-034, and 4-93-038R)

This refers to the enforcement conference conducted on January 6, 1994, to discuss apparent violations of NRC physical security requirements identified during the inspections and investigations referenced above. A list of enforcement conference attendees is enclosed (Enclosure 1).

As discussed in our October 27, 1993 letter to you and the investigation synopses enclosed with that letter, a total of 10 apparent violations of NRC requirements was identified. These violations, which occurred at River Bend Station (RBS) between December 1991 and March 1993, involved the protection of Safeguards Information documents, the reporting or logging of various incidents, the maintenance of a vital area barrier, and compensatory actions for degraded barriers. In addition, as our letter indicated, many of these violations were committed by or caused by the former Director of Nuclear Station Security (DNSS) at RBS.

The NRC license authorizing the operation of RBS was transferred from Gulf States Utilities to Entergy Operations, Inc. on December 31, 1993. At the January 6, 1994 enforcement conference, Entergy Operations admitted all but one of the apparent violations and accepted the NRC's characterization of the violations involving the former DNSS. While accepting responsibility for implementing effective corrective actions in the long term, Entergy Operations requested that the NRC consider the significant change in circumstances at RBS in determining whether enforcement action should be taken. At the enforcement conference, Entergy Operations, Inc., was advised that the recent transfer of a license to a new licensee does not absolve the new licensee of responsibility for pending enforcement concerns.

The NRC has considered the circumstances in this case and acknowledges the remedial steps Entergy Operations has taken since assuming the responsibility for the operation of RBS. Nonetheless, the NRC has determined that enforcement action should be taken to emphasize to all RBS personnel the NRC's concern over: (1) the lack of sufficient management attention to and support for the physical security program and the security organization; (2) the

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failure of management in the past to address organizational problems that were affecting the physical security program or to implement effective corrective actions; (3) the apparent willful nature of some of the violations; and (4) the recurring nature of the violations relating to the protection of Safeguards Information (SGI). Overall, the violations are indicative of a failure on the part of the former licensee to effectively manage the RBS security program. We note that two additional incidents involving protection of SGI occurred after Entergy Operations became involved in plant operations. While these events have yet to be evaluated by the Regional inspection staff, such occurrences suggest that the corrective actions under Entergy Operations management might not yet be fully effective.

The violations in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) involve protection of SGI, reporting of security incidents, maintaining the integrity of a vital area barrier, compensatory measures for a degraded physical barrier, and accuracy of records with respect to destruction of SGI. Two additional findings discussed at the enforcement conference, the former DNSS's unauthorized possession of SGI from another facility and the logging of the September 25, 1992 SGI incident, are not being cited herein. The first violation is not being cited because the former DNSS is being issued a separate Notice of Violation including that citation; the latter finding was determined not to be a violation when evidence showed, contrary to the NRC's initial understanding, that the event had been properly reported within one hour as required.

The NRC notes that the OI investigation report for case number 4-93-038R was not issued until after the enforcement conference in January 1994. However, the underlying violation which involved failure to report the discovery of an unlocked and unattended security container was discussed at the enforcement conference. Therefore, the enclosed Notice also closes out this issue.

In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, the violations involving inadequate protection of Safeguards Information and the violation involving the failure to timely report one of these incidents are classified in the aggregate as a Severity Level III problem. This classification was based on the significance of the March 1993 Safeguards Information incident, and the recurring nature of such violations. In addition, the violations involving the failure to assure the integrity of a vital area barrier and the violation involving the failure to timely log this incident are classified in the aggregate as a Severity Level III problem. This classification is based primarily on the willful nature of these violations.

The NRC acknowledges the corrective actions that Entergy Operations has taken and is planning to take in response to these matters. These include personnel changes, increased management attention to the RBS physical security program, training regarding the importance of strict compliance with NRC requirements, revisions to compensatory measure procedures, training to improve awareness of

Safeguards Information requirements, improvements to the Safeguards Information program, and the communication of management's heightened expectations to all RBS employees. The NRC encourages Entergy Operations to ensure that its corrective actions are effective in addressing what was described during the enforcement conference as the apparent root causes of these problems: ineffective management and lack of leadership in the security organization; a lack of appreciation of the importance of strict compliance with procedures and requirements; and the ineffectiveness of past corrective actions in addressing underlying problems in the security organization.

For the reasons discussed above, I have been authorized, after consultation with the Commission, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties (Notice) in the amount of \$112,500 for the Severity Level III problems described in the Notice.

The base value of a civil penalty for a Severity Level III problem is \$50,000. The civil penalty adjustment factors in the Enforcement Policy were considered and resulted in adjustments to the penalties for each of the Severity Level III problems. Notwithstanding corrective actions initiated after the license was transferred to Entergy Operations, mitigation under this factor is not warranted for either item because earlier corrective actions were ineffective in preventing the recurrence of some of the violations and failed to address underlying problems in the security organization and the efficacy of more recent corrective actions under new management remains to be seen. The base penalty for item I.A in the enclosed Notice was increased by 100 percent because licensee performance in the area of protection of Safeguards Information has been poor; however, this is partially offset by a 25 percent mitigation of the base value because the March 1993 incident was identified in a timely manner by security personnel. No further mitigation for identification is warranted for the licensee's September 1992 identification of unprotected Safeguards Information because the SGI was unprotected (and not identified) for two months. This resulted in an adjusted penalty of \$87,500.

The penalty for item I.B was reduced by 50 percent of the base value because it was identified by security personnel. This resulted in an adjusted penalty of \$25,000. The other adjustment factors in the Policy were considered and no further adjustment to the base civil penalties were considered appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

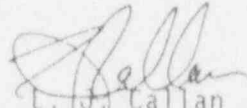
In addition to the enclosed Notice of Violation to Entergy Operations, Inc., the NRC is also issuing a Notice of Violation to the former DNSS for actions

which caused the licensee to be in violation of the NRC requirements. A copy is enclosed for your information.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR). Additionally, as we indicated in our October 27, 1993 letter, we are placing copies of previous correspondence regarding this matter in the PDR at this time.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,



L. J. Callan
Regional Administrator

Enclosures:

1. List of enforcement conference attendees
2. Notice of Violation and Proposed Imposition of Civil Penalties to Entergy Operations, Inc.
3. Notice of Violation to former Director of Nuclear Station Security for Entergy Operations, Inc. at River Bend Station

Entergy Operations, Inc.

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cc w/Enclosures:

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Entergy Operations, Inc.

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ATTENDANCE LIST
ENFORCEMENT CONFERENCE
WITH ENTERGY OPERATIONS, INC.

January 6, 1994

Nuclear Regulatory Commission

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G. Sanborn, Enforcement Officer, RIV
W. Brown, Regional Counsel, RIV
D. Chamberlain, Acting Director, Division of Radiation Safety & Safeguards
A. Beach, Director, Division of Reactor Projects (DRP), RIV
S. Collins, Director, Division of Reactor Safety
B. Murray, DRSS, Chief, FIPS
J. Gagliardo, Section Chief, DRP
A. Earnest, Physical Security Specialist, DRSS
W. Smith, Senior Resident Inspector, RBS
C. Skinner, Resident Inspector, RBS
J. Gray, Deputy Director, Office of Enforcement
R. Rosano, Senior Enforcement Specialist, OE
S. Black, Director, PDIV-2, NRR
R. Schaaf, Acting Project Manager, NRR
S. Wittenberg, HQs Intern
C. Mohrwinkel, Attorney, OGC
R. Scarano, Director, DRSS, RV
J. Reese, Branch Chief, RV

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R. McGehee, Attorney, Wise Carter, Entergy

Others

S. Woody, Former Director of Nuclear Station Security, RBS
W. Briggs, Jr., Attorney, Ross, Dixon & Masback