



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

December 31, 1990

MEMORANDUM FOR: All NRR Employees
FROM: Thomas E. Murley, Director
Office of Nuclear Reactor Regulation
SUBJECT: OFFICE LETTER NO. 1003, REVISION 1 - MANAGEMENT OF ALLEGATIONS

PURPOSE

This office letter establishes the policies and procedures for the management of allegations in NRR and establishes the NRR Allegation Review Board (ARB) responsible for directing and overseeing the allegation management process in NRR. This revision to the office letter updates NRR procedures in order to comply with the revision of NRC Manual Chapter and Appendix 0517, "Management of Allegations" (NRC-0517), April 1990. Editorial changes have been made also; vertical lines in the right margin indicate where substantive changes have been made.

This revision supersedes NRR Office Letter No. 1003, dated July 1, 1988.

BACKGROUND

Since December 1982, the NRC has been following procedures approved by the Executive Director for Operations (EDO) for the handling of allegations. In June 1987, NRC-0517 was issued in final form to all NRC employees. Reviewed and approved by the Commission, this chapter codified the Commission's policies with regard to allegations, confidentiality for allegers, and staff interface with the Office of Investigations (OI). The Appendix to NRC-0517 established the procedures and guidelines for implementing the Commission's policies in these areas. NRC-0517 was reissued in its entirety on April 3, 1990. This office letter extensively references those policies and procedures issued in NRC-0517 and provides guidance on the implementation of NRC-0517 in NRR.

As defined in NRC-0517, an allegation is "a declaration, statement, or assertion of impropriety or inadequacy associated with NRC-regulated activities, the validity of which has not been established. This includes all concerns identified by sources such as the media, individuals or organizations, and technical audit efforts from the Federal, State, or local government offices regarding activities at a licensee's site. Excluded from this definition are matters being handled by more formal processes such as 10 CFR 2.206 petitions, hearing boards, appeal boards, etc." In NRR, allegations that result from these formal processes and are not resolved within these processes will be subject to treatment as an allegation.

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RESPONSIBILITIES AND AUTHORITIESOffice of the Director, NRR

- a. Approves all policies and procedures concerning the management of allegations in NRR.
- b. Approves all confidentiality agreements issued by NRR.
- c. Approves all OI referrals initiated by NRR, following review and approval by the ARB Chairperson.
- d. Approves all IG referrals initiated in the allegation review process.

The NRR Allegation Review Board directs and oversees the allegation management process in NRR, including the following:

- a. Reviews each new allegation considered for NRR action to determine the appropriate resolution plan, including the degree of regional office and/or licensee involvement, schedule and priority.
- b. Reviews assignments of allegations to NRR branches for resolution.
- c. Determines the potential safety significance of each allegation.
- d. Determines the need for OI referral or notification. Such referrals or notifications may arise within the context of an allegation or may come to the staff's attention through other means.
- e. Reviews actions taken by the assigned branch and approves closure memoranda and closure letters to alлегers when the proposed closure differs substantively from the approved resolution plan as determined by the Office Allegations Coordinator (OAC);
- f. Reviews allegations open for more than 180 days to determine the reasons for the delay in resolution and to focus management attention of these issues, as necessary. Such reviews will occur every 3 months, commencing when the allegation is 6 months old. However, this review would not normally include allegations that have been referred to OI for investigation of wrongdoing or the U.S. Department of Labor (DOL) for complaints of discrimination.
- g. Determines NRR priorities for OI cases requested by NRR and reviews those priorities periodically to revise the priorities, if appropriate.

NRR Division Directors (As Appropriate)

- a. Ensure that the policies and procedures in NRC-0517 and in this office letter are implemented.

- b. Participate, as required, as members of the ARB.
- c. Concur in all closure letters to allegeders and letters that provide results of review including interim reports, following concurrence by the OAC.
- d. Concur in referrals to OI.
- e. Approve notifications to OI of potential wrongdoing.

NRR Branch Chiefs and Project Directors

- a. Ensure that their employees are familiar with the provisions of this office letter.
- b. Participate in the ARB process, as required.
- c. For allegations assigned to their branches or project directorates, present a proposed resolution plan for consideration by the ARB at its meeting and ensure that the resolution plan approved or modified by the ARB is followed and the schedule for resolution is met.
- d. Prepare OI notifications and referrals, as required.
- e. Approve and sign all other correspondence that leaves the office involving allegations, following concurrence by the OAC and Division Director, as required.

Director, Division of Reactor Inspection and Safeguards (DRIS)

- a. Serves as Chairperson of the ARB; and
- b. As Chairperson, ARB, concurs in all OI referrals initiated by NRR and in all NRR notifications to OI arising from an allegation. Following concurrence by the ARB Chairperson, such referrals are submitted directly to the NRR Office Director for approval.

NRR Office Allegations Coordinator

- a. Serves as the central control point for allegations assigned to NRR.
- b. Reviews and concurs in NRR correspondence involving allegations that leave the office, including letters to allegeders, letters to licensees and vendors referring allegations, OI notifications and referrals, and Office of the Inspector General (OIG) referrals resulting from ARB review.
- c. Maintains the official agency files on allegations assigned to NRR;
- d. Provides advice, guidance, and assistance to NRR management and staff in the implementation of the policies and procedures in NRC-0517 and in this office letter.

- e. Provides assistance to the Chairperson of the ARB.
- f. Performs other OAC duties as described in NRC-0517.

All NRR Employees

- a. Maintain a working knowledge of the procedures contained in NRC-0517 and in this office letter.
- b. Record the receipt of new allegations in as much detail as possible, using Enclosure 1, "Allegation Data Receipt Form," or equivalent.
- c. Provide all information received on new allegations directly to the OAC within 5 workdays of receipt of the allegation.
- d. Ensure that the distribution of correspondence to and from alлегers and similar allegation material receives appropriate limited distribution, e.g., is not placed in the public document rooms, docket files, central files or the Document Control System.

BASIC REQUIREMENTS

a. Receipt of Allegations

Any NRC employee may receive an allegation. Accordingly, all employees must know the procedures and systems in place for the management of allegations. NRR employees who receive allegations will record the information on an "Allegation Data Receipt Form," Enclosure 1, or equivalent, and provide this form, along with any other information or material related to the allegation, directly to the OAC within 5 workdays of receipt of the allegation.

The original copy of allegations submitted in writing by an allegер, including the envelope, will be provided to the OAC. No copies are to be made. (NRR employees working with the regions as part of a region-based inspection program should provide this information to the regional OAC.) The OAC will distribute copies, as needed, to the appropriate management for review and discussion of the safety significance of the allegation.

b. Determination of Action Office

Upon receipt of an allegation, the OAC will determine the most appropriate action office for resolution. If the OAC determines that the allegation should be assigned for resolution outside NRR, the OAC will initiate discussions with the proposed action office. If that office agrees to accept the allegation, the allegation will be transferred and the recipient of the allegation will be so advised by the OAC. The OAC will also ensure that the allegер is advised of the new point of contact, if necessary. (Allegations received in writing may not require this contact.)

All allegations not assigned to other offices or regions will be assigned by the OAC to an NRR branch or project directorate for resolution. The OAC will also advise the ARB Chairperson of the receipt of the allegation and will assist in arranging an ARB meeting.

c. Allegation Review Board Meetings

The ARB consists of (1) the Director, DRIS, who will serve as Chairperson; (2) the OAC; and (3) an NRR Projects Division Director or designated Assistant Director. Normally, the Projects Division Director is selected by the OAC based on the reactor facility involved. When no reactor facility is involved, the Projects Division Director will be selected on a rotational basis. In the absence of the Director, DRIS, the Deputy Director, DRIS, will be the alternate chairperson. As determined by the Chairperson, other Division Directors, Branch Chiefs, or other NRR personnel may be required to participate in the ARB proceedings. The Director, OI, will be advised of all ARB meetings and will be invited to attend. The Chairperson will schedule the ARB meetings. The Chairperson will determine at the beginning of each meeting of the ARB if sufficient personnel are available to conduct the business of the ARB. The ARB is required to meet within 10 workdays following notification to the Chairperson by the OAC of receipt of an allegation for which (1) NRR is the action office, or (2) when agreement has not been reached on the assignment of an allegation to another action office.

If the proposed closure differs substantively from the resolution plan approved by the ARB, the ARB may also review and approve the proposed closure action on an allegation on the recommendation of the OAC. The OAC may also recommend that the ARB reconvene for other reasons; for example, if information becomes available that may increase the safety significance of the allegation or that may affect the ARB determination regarding OI referral.

d. Action by the Allegation Review Board

At the ARB meeting, the Branch Chief or Project Director assigned to act on the allegation will review the allegation with the ARB and present a proposed resolution plan and schedule, including making a recommendation on the need for licensee and OI notification and referral. The ARB will determine the potential safety significance of the allegation and will approve or will modify and approve the proposed resolution plan and schedule. The ARB will also determine the priority to be assigned to the resolution of the allegation in accordance with the priority ranking system established by the Director, NRR, in his memorandum of March 24, 1989 to the Associate Director for Inspection and Technical Assessment, the Associate Director for Special Projects, the Associate Director for Projects and the Director, Program Management, Policy Development and Analysis Staff regarding the priority ranking system for review efforts.

The ARB will also assess the need for OI notification or referral. If notification or referral is necessary, the assigned branch or project directorate will prepare the OI notification or referral in accordance with procedures in NRR Office Letter 1000, and within the time of the resolution plan and schedule approved by the ARB. The ARB will refer to OI for investigation all matters where there is a reasonable belief of wrongdoing by licensees or their contractors and for which the staff determines an investigation is necessary to determine whether regulatory action is required. For those matters involving potential wrongdoing but for which

an OI investigation is not requested, the ARB will determine if formal notification to OI is appropriate. The ARB will refer to the OIG all allegations of wrongdoing by NRC employees or NRC contractors that arise within the context of an allegation. Referrals to OI or OIG that originate in the allegation review process are signed by the Office Director, NRR.

e. Action by the Assigned Branch or Project Directorate

The NRR branch or project directorate assigned action on the allegation will make its best efforts to resolve the allegation and bring it to final closure in accordance with the resolution plan and schedule approved by the ARB. In its resolution activity, a branch may encounter other allegations. The branch should discuss this situation as soon as possible with the OAC. Normally, allegations of a similar nature or involving the same system or plant function will be incorporated as part of the original allegation. However, these allegations may be addressed separately if different allegeders are involved, or if it is not feasible to incorporate the new allegations into the continuing resolution effort.

Similarly, an inspection or other resolution activity may uncover evidences of wrongdoing or impropriety by the licensee or vendor that were not a part of the original concern. When NRR personnel uncover information of this nature, they will contact their management as soon as possible for guidance on proceeding with the resolution activity. Management should consider conferring with OI to determine the proper course of action. However, all parties should exercise caution to avoid compromising a subsequent investigation by OI. When the resolution activity is completed and if the Branch Chief or Project Director believes that the matter should be referred to OI, the OAC will be informed. The OAC will confer with the Chairperson, ARB, who will determine if the branch or project directorate should initiate an OI referral package, or if the ARB should make the OI referral decision. The OAC will arrange the ARB meeting, if requested by the Chairperson, ARB.

f. Documentation

No informal transmittal of documents from the NRC to licensees or vendors will occur. Correspondence addressed to reactor licensees must be signed by the appropriate projects organization. Copies of letters from allegeders, in whole or in part, will not be forwarded to licensees or vendors. The referral may contain similar language as the allegation, but care must be taken to avoid inadvertent disclosure of information that could identify the allegeder. All documentation involved in the allegation resolution process which contains the identity of the allegeder will normally be handled as limited distribution, with no copies placed in the Document Control System (DCS), the NRC Public Document Room (PDR), Local PDRs or the docket files. Access to this information will be on a need-to-know basis. Copies of correspondence will not be placed in files accessible to individuals who do not have the required need to know, including in the branch's reading files. Distribution within NRC will be made using "Addressee Only" envelopes. The OAC will receive copies of all correspondence on allegations. Questions on FOIA applicability should be referred to the OAC or to the NRC Allegations Program Manager.

All of the following documents will become part of the permanent allegation file maintained by the OAC.

1. Allegation Data Receipt Form

As provided earlier, receipt of allegations by NRR employees will be documented on an Allegation Data Receipt Form (Enclosure 1) or equivalent and will be handcarried by the recipient directly to the OAC or forwarded in an "Addressee Only" envelope.

2. Acknowledgment Letters

The assigned branch or project directorate will prepare and issue an acknowledgment letter to the allexer within 10 workdays of the meeting of the ARB. The letter will acknowledge receipt of the allegation, establish a contact person for further correspondence, provide the staff's understanding of the allegation, and provide an opportunity for the allexer to clarify or correct staff's interpretation and/or provide additional information. Acknowledgment letters will be signed by the Branch Chief or Project Director who has the lead responsibility for allegation resolution. The OAC will be placed on concurrence for these letters. In some cases, where it is necessary to call the allexer to obtain more precise information on the allegation, the telephone call may replace the acknowledgment letter. All telephone calls to allexers must be documented as described in Item 3 herein.

3. Meetings/Telephone Contacts with Allexers

When it becomes necessary to contact an allexer by telephone or to meet with an allexer (e.g., to clarify understanding of an allegation) the results must be documented. This documentation may consist of a memorandum to the file, a Record of Conversation (Optional Form 271), or a letter to the allexer.

4. ARB Meeting Summaries

The meeting summaries of the ARB will be prepared by the OAC and approved by the Chairperson, ARB. These summaries will identify (1) the allegation and its safety significance; (2) the facilities involved; (3) the NRR branch assignment; (4) the resolution plan, schedule, and priority; (5) the ARB's decision concerning the need for OI referral or notification; (6) whether the allegation should be referred to the licensee or vendor; and (7) any other comments that the ARB wishes to make concerning the allegation.

Meeting summaries will be distributed to the Executive Team, the Projects Division Director in attendance at the meeting, the Branch Chief or Project Director assigned resolution responsibility, the Director, OI, the cognizant technical Division Director, and the OAC. Enclosure 2 provides the format to be used for these meeting summaries.

5. Letters to Licensees, Applicants and Vendors

Letters to the licensee, applicant, or vendor concerning allegations or referring them for review will be signed at the Branch Chief or Project Director level. The OAC will be placed on concurrence for these referral letters.

6. Requests to OI for Investigation

NRC-0517 and NRR Office Letter 1000 describe the procedures to be used to request an OI investigation. All OI referrals initiated in NRR must be routed for concurrence by the Chairperson, ARB and approved by the Director, NRR. The assigned branch or project directorate will prepare the OI referral in accordance with the schedule approved by the ARB. The OAC will also concur in all OI referrals.

7. Closure Documents

Upon resolution of the allegation, the assigned branch or project directorate will prepare a close-out letter to the allegor, to be signed by the Branch Chief or Project Director, detailing the action taken by the NRC in this matter and enclosing any related inspection reports, safety evaluations, or staff analyses that support the allegation resolution. Inspection reports and other documents may be used to address and resolve certain items and need not acknowledge that the issue was raised in the context of an allegation. The OAC and the cognizant Division Director will be placed on concurrence for all status reports and closure letters to allegors.

If the allegor is anonymous, the closure document will be a memorandum to the OAC and will include the same information as closure letters to allegors. Closure letters may be issued by the Branch Chief or Project Director having resolution responsibility but will be concurred in by the appropriate Division Director. In some cases, the OAC may recommend that the closure document be held for review by the ARB to determine the adequacy of the resolution effort. The closure document will always be held for ARB review if the closure differs substantively from the resolution plan.

8. Incoming Correspondence

The recipient will provide the originals of all incoming correspondence from the allegors, and copies of all correspondence from the licensee or the vendor concerning allegations to the OAC for incorporation in the allegation file. As stated above the initial written allegation, including the envelope, will be provided to the OAC for the official agency file.

g. Confidentiality

1. It is the policy of the NRC to protect the identity of all allegers. For the majority of the individuals bringing their concerns to the NRC, the agency's reasonable efforts (as summarized herein and as defined in the Commission's policy statement on confidentiality and in NRC-0517) should provide sufficient protection of the alleger's identity.
2. Reasonable efforts include the following:
 - a. The alleger's identity will not be publicly revealed unless directed by appropriate legal authority.
 - b. The need-to-know principle will be applied, that is, the identity of an alleger or other identifying particulars will not be unnecessarily used in internal NRC discussions and documents.
 - c. Copies of letters from allegers, in whole or in part, will not be forwarded to licensees or vendors. The referral may contain similar language as the allegation, but care must be taken to avoid inadvertent disclosure of information which could identify the alleger.
 - d. Documents that contain the identity of the alleger will be placed in secure storage when not under the personal control of the user.
 - e. Inspection reports, safety evaluations, and other publicly available documents will not contain the identity of allegers.
 - f. Draft documents will be discarded as soon as possible.
 - g. Documents containing the identity of allegers will be hand-delivered or securely wrapped and marked, "Addressee Only."
 - h. Information which could identify the alleger may be withheld under FOIA.
 - i. Responses to specific questions from outside the NRC will not acknowledge that an individual is an alleger. NRC policy is to neither confirm nor deny that an individual is an alleger.
3. When the protective measures summarized in Item 2 are considered insufficient to protect the identity of an alleger, the agency may consider granting confidential source status to an alleger. As defined by NRC-0517 and by the Commission's policy statement on confidentiality, a confidential source is an alleger who has signed a written Confidentiality Agreement with an authorized NRC official. In NRR, the authorizing official is the Director, NRR. All requests for confidential source status should be directed to the OAC.
4. The recipient of an allegation should not routinely raise the subject of confidentiality. Questions regarding confidentiality will be addressed to the OAC.

EFFECTIVE DATE

This office letter revision is effective immediately.

Original signed by

Frank J. Miraglia

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Enclosures:

1. Allegation Data Receipt Form
2. ARB Meeting Summary Format

cc w/enclosures:

- J. Taylor, EDO
- J. Sniezek, DEDR
- H. Thompson, DEDS
- B. Hayes, OI
- J. Lieberman, OE
- P. Norry, ADM
- T. Martin, PI
- S. Ebnetter, RII
- A. Davis, RIII
- R. Martin, RIV
- J. Martin, RV
- SECY
- OGC
- NRC PDR

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Central File

PMAS:PTSB R/F

This was reviewed by the Technical Editor, Jeff Main on November 13, 1990.

PTSB:NRR JLee:ng 11/18/90	Tech. Editor J Main 11/13/90	PTSB:NRR KSmith 11/20/90	PTSB:NRR RBrady 11/20/90	PTSB:NRR J Cox 11/26/90	C:PTSB:NRR AGody 12/03/90	D:DRIS BGrimes 12/14/90
NRR:DNSS VWilson 12/4/90	NRR:DNSS JLV 12/6/90	D:PMAS:NRR EGillette 12/3/90	D:NRR TMurley 12/3/90	12/27/90		

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LIMITED DISTRIBUTION

ALLEGATION DATA RECEIPT FORM

Date & Time
Received: _____

Allegation
Number: _____
(leave blank)

Allegation received from:
Name: _____
Phone: _____

Address: _____

Employed by: _____

Job title: _____

Facilities
Involved: _____

Details of Allegation: (Ask: Who? What? Where? When? How? Why?)

(attached additional pages, if necessary)

Employee receiving allegation: Name: _____
Organization: _____ Phone: _____

LIMITED DISTRIBUTIONALLEGATION REVIEW BOARDSUMMARY

Allegation Number NRR-XX-A-XXXX

1. The NRR Allegation Review Board met on (date) at (time).
2. Present at the meeting were: (list of attendees).
3. Facilities/organizations involved:
4. Allegation title: (insert abbreviated title).
5. This allegation has been assigned to (branch) for resolution.
6. The ARB determined the allegation to be safety significant/of no safety significance.
7. The ARB assigned this allegation a Priority Level of (1-4) after consideration of its safety significance.
8. The ARB made the following decision on OI notification or referral:
9. (For OI referrals) The ARB recommends an investigation priority of (high-medium-low).
10. The following resolution plan and schedule was approved by the ARB:

<u>Activity</u>	<u>Due Date</u>
a. Acknowledgement letter	
b. Referral to licensee/vendor	
c. OI notification or referral	
d. Inspection	
e. Etc.	
f. Closure letter	

11. Additional comments:
12. Prepared by: (Allegation Coordinator) Date:
13. Approved by: (Chairperson, ARB) Date:

Distribution:
 NRR Executive Team
 Director, OI
 ARB Chairperson
 Cognizant Projects Division Director
 Cognizant ADT Division Director
 Chief, Assigned Branch
 NRR OAC
 Allegation File No. NRR-XX-A-XXXX

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