

May 15, 1989

MEMORANDUM FOR: Chairman Zech

THRU: Hugh L. Thompson, Jr., Deputy Executive Director /S/
for Nuclear Materials Safety, Safeguards
and Operations Support

FROM: Ben B. Hayes, Director *Original signed by*
Office of Investigations *Ben B. Hayes*

SUBJECT: NOTIFICATION OF OPENING OF OI INVESTIGATION

The following information is submitted in compliance with the Commission directive that you be informed whenever the Office of Investigations (OI) opens a full-scale investigation:

Case No. 1-89-006 Opened: 89/05/03 ECD: 89/06

Based on a written request from the Regional Administrator, Region I, dated May 2, 1989, OI:RI is being requested to determine the veracity of statements made by management of Radiation Technology, Inc., particularly the Radiation Safety Officer, at an enforcement conference held on April 26, 1989.

If you desire more details on this or any other OI investigation, please let me know.

cc: Commissioner Roberts
Commissioner Carr
Commissioner Rogers
Commissioner Curtiss
V. Stello, Jr., EDO
H. Thompson, DEDS
S. Chilk, SECY
M. Malsch, OIG
W. Parler, OGC
C. White, OI:RI
W. Russell, RA:RI

Distribution:

s/f (1-89-006)

c/f

B. Barber, OI:HQ

M. Holmes, OI:RI

EDO r/f

OI

BLetts

89/05/12

OI

89/05/

PSK/DW.1 (Received 5/11/89)

*BHayes**89/05/12**I/8*

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PDR FOIA
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INVESTIGATION STATUS RECORD

Case No.: 1-89-006 Facility: Radiation Technology Inc.
 Opened: 89/05/03 Docket No.: 030-07022
 Assigned To: Wilson Priority: H ECD: 89/10
 Subject: Determining the Veracity of Statements made by Licensee Management

Remarks:

Category: OR

___ SS (false statement/sworn statement)	___ DR (drugs)
___ WR (false statement/written)	___ MA (misadministration)
___ OM (false statement/omission)	___ LC (license conditions)
<u>XXX</u> OR (false statement/oral)	___ AE (Atomic Energy Act)
___ IH (intimidation & harassment)	___ MS (miscellaneous)

Status:

89/05/03: Based on a written request from the Regional Administrator dated May 2, 1989, OI:RI is being requested to determine the veracity of statements made by Licensee Management, particularly the Radiation Safety Officer (RSO), at an Enforcement Conference held on April 26, 1989.

89/05/31: Interviews of 4 NRC officials were conducted to establish the nature and scope of the alleged false statements made by RTI officials at the enforcement conference (EC). Pertinent records at RTI were reviewed and a letter mailed to NRC by RTI's RSO which apparently mitigates one of the alleged false statements at the EC was made part of the investigative file. A contact with RTI plant superintendent regarding the review of RTI records was documented. Interviews of the irradiator operators are being scheduled. ECD: 89/06.

89/06/30: Interviews of the four operators at RTI were accomplished, as well as two material handlers, the plant superintendent, and a maintenance man. Court reported interviews of the RTI management staff to include the President, two Vice Presidents, the Plant Superintendent, and the RSO were also completed. Relevant documents were obtained at RTI. It appears that RTI management was aware that two of the operators had breached the access door by climbing it when it was locked and that management failed to disclose this fact at the Enforcement Conference. Investigation is continuing and it appears that one reinterview may be necessary as well as one interview of a secretary who was out of town during the conduct of the last series of interviews. ECD: 89/07.

I/9

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INVESTIGATION STATUS RECORD

Case No.: 1-89-006 Facility: Radiation Technology Inc.
 Opened: 89/05/03 Docket No.: 030-07022
 Assigned To: Wilson Priority: H ECD: 89/12
 Subject: Determining the Veracity of Statements made by Licensee Management

Remarks:

Category: OR

___ SS (false statement/sworn statement)	___ DR (drugs)
___ WR (false statement/written)	___ MA (misadministration)
___ OM (false statement/omission)	___ LC (license conditions)
<u>XXX</u> OR (false statement/oral)	___ AE (Atomic Energy Act)
___ IH (intimidation & harassment)	___ MS (miscellaneous)

Status: Page 2

- 89/07/31: Reinterview of RTI Vice President of Operations was conducted in order to confront him with marked discrepancies regarding his sworn testimony during previous OI interview. The Vice President admitted providing inaccurate information at the EC and during his OI interview, however, he denied intentionally doing so. A secretary was interviewed in order to resolve the issue of authenticity of a questioned document (letter submitted to NRC). It appears that the letter she typed for the RSO is legitimate and was not back dated. Additional RTI records were reviewed. OI learned that the RSO and Vice President of Operations are both resigning effective July 28, 1989. Investigation is continuing and reinterview of the RSO upon his resignation is contemplated. OI report to be completed by 89/08. ECD: 89/10.
- 89/08/31: OI draft report was written with the exception of agent conclusion section. Conclusion section is being held in abeyance to await legal opinion from OGC regarding 10 CFR 20.203. Draft ROI is in typing. Phone contact was made with the resigning RSO who extended his RTI employment by two weeks but he indicated that there is nothing else to report; a reinterview is not now contemplated. ECD: 89/11.
- 89/09/30: Field work complete. OI draft report is being reviewed by OI:RI supervision in preparation for issuance of final ROI. ECD: 89/12.
- 89/10/18: ROI is at OI:RI for review.
- 89/10/31: ROI completed in final and submitted to OI:HQ for review.
- 89/11/30: ROI is at OI:HQ for review.

INVESTIGATION STATUS RECORD

Case No.: 1-89-006 Facility: Radiation Technology Inc.
 Opened: 89/05/03 Docket No.: 030-07002
 Assigned To: Wilson Priority: H
 Subject: Determining the Veracity of Statements made by Licensee Management
 Remarks:
 Category: OR

<input type="checkbox"/>	SS (false statement/sworn statement)	<input type="checkbox"/>	DR (drugs)
<input type="checkbox"/>	WR (false statement/written)	<input type="checkbox"/>	MA (misadministration)
<input type="checkbox"/>	OM (false statement/omission)	<input type="checkbox"/>	LC (license conditions)
<input checked="" type="checkbox"/>	OR (false statement/oral)	<input type="checkbox"/>	AE (Atomic Energy Act)
<input type="checkbox"/>	IH (intimidation & harassment)	<input type="checkbox"/>	MS (miscellaneous)

Status: Page 3

89/11/30: ROI is at OI:HQ for review. ECD: 89/12.

89/12/31: ROI was closed on 12/21/89.

90/01/31: ROI was issued and referred to DOJ on 01/08/90. Briefing of HDQS staff was conducted at RI and authorization has been granted by DOJ for reinterview of former, RSO Russen. This will be accomplished during 02/90, and will be conducted under a supplemental case opening.

90/02/28: No change.

90/03/31: No change.

90/04/30: Telephone contact was established with the AUSA, Newark, New Jersey, who has been assigned the case. AUSA is leaning towards declination but is still reviewing the case and considering prosecutorial merits.

Closed: 89/12/21 Issued: 90/01/08 Referral: 90/01/08 Statute:

DOJ Action:

<input checked="" type="checkbox"/>	Evaluation	<input type="checkbox"/>	Declination
<input type="checkbox"/>	Prosecution/Grand Jury	<input type="checkbox"/>	Prosecution/Plea
<input type="checkbox"/>	Indictment/Pending Trial	<input type="checkbox"/>	Indictment/Sealed
<input type="checkbox"/>	Trial	<input type="checkbox"/>	Conviction
<input type="checkbox"/>	Acquittal		

INVESTIGATION STATUS RECORD

Case No.: 1-89-006 Facility: Radiation Technology Inc.
 Opened: 89/05/03 Docket No.: 030-07022
 Assigned To: Wilson Priority: H
 Subject: Determining the Veracity of Statements made by Licensee Management
 Remarks:
 Category: OR

- | | |
|---|--|
| <input type="checkbox"/> SS (false statement/sworn statement) | <input type="checkbox"/> DR (drugs) |
| <input type="checkbox"/> WR (false statement/written) | <input type="checkbox"/> MA (misadministration) |
| <input type="checkbox"/> OM (false statement/omission) | <input type="checkbox"/> LC (license conditions) |
| <input checked="" type="checkbox"/> OR (false statement/oral) | <input type="checkbox"/> AE (Atomic Energy Act) |
| <input type="checkbox"/> IH (intimidation & harassment) | <input type="checkbox"/> MS (miscellaneous) |

Status: Page 4

- 90/04/30: Telephone contact was established with the AUSA, Newark, New Jersey, who has been assigned to the case. AUSA is leaning towards declination but is still reviewing the case and considering prosecutorial merits.
- 90/05/31: Case has been verbally declined by AUSA, according to Enforcement Officer, Region I. Plans are for an Enforcement Conference on the OI findings to be held in June 1990. OI is awaiting official declination letter from AUSA.
- 90/06/30: Received declination letter, dated June 13, 1990. Licensee requested a copy of entire Report of Investigation under FOIA. Report is being redacted by OI:HQ.

Closed: 89/12/21 Issued: 90/01/08 Referral: 90/01/08 Statute:

DOJ Action:

- | | |
|---|--|
| <input type="checkbox"/> Evaluation | <input checked="" type="checkbox"/> Declination (90/06/13) |
| <input type="checkbox"/> Prosecution/Grand Jury | <input type="checkbox"/> Prosecution/Plea |
| <input type="checkbox"/> Indictment/Pending Trial | <input type="checkbox"/> Indictment/Sealed |
| <input type="checkbox"/> Trial | <input type="checkbox"/> Conviction |
| <input type="checkbox"/> Acquittal | |

PROCESS TECHNOLOGY NORTH JERSEY
Subsidiary of RTI Inc.

MEMO

TO: Tass Varaklis
FROM: John Russeri *[Signature]*
DATE: 6/13/89
SUBJECT: Operator discussions

After the following operators were interviewed by the NRC they offered the following.

Mike Rosa indicated that he was questioned for 2.5 hrs. He was asked if he had been coached on what to say, he indicated he was not. He was asked if he felt the RSD was doing a good job, he indicated yes. He was then asked if he knew if any one was altering documents, he indicated no. He was asked if he knew of anyone breaching the cell door. Mike informed them of the time where Dave Smith and Bob Kiem climbed over the door to retrieve the meter and key that they had both on different occasions locked in the cell after doing a survey. They asked what was done about this. Mike told them of my meeting where this was discussed and a memo I wrote concerning this matter. He also told them that we have now blocked this area so you can not climb over. Mike indicated to me that he was being asked the same questions over and over in different ways as if to cause him to change his answer.

Bob Kiem offered the same information as Rosa

Mike Ayres indicated that in a conversation with Ernest Wilson by telephone, Ernest indicated that the upper management was telling the opposite to what the operators were saying. After the interview Mike offered that they asked him to review their notes from the enforcement meeting and tell them if there were any statements that were not accurate. Mike informed them that the locks had been interchange (see memo 6/12/89). Mike was also asked why he was not promoted to John Singleton's position. Mike indicated that he was told he was more qualified for maintenance. They said they did not think that was the reason. Mike indicated that they told him that during the enforcement conference meeting that Shapiro and Varaklis said that Mike was blowing things out of proportion. Mike was also asked if there were memos being altered or post dated, Mike said no. They said something to the effect that this could be a Welt situation.

Dave Smith indicated that he had been grilled. He did not offer any more to me.

Joe Giancola did not have much to offer except that he was asked if he the company had improved since the time he had been employed by Radiation Technology back during the Welt days. Joe indicated that there were good improvements.

I/10
[Signature]
Copy
Add received from
RTI P20 file
6/22/89
SP

MEMORANDUM RTI

TO: J. Scandalios
FROM: Tass Varaklis
SUBJECT: NRC Interviews
DATE: June 20, 1989

[Handwritten signature]

I prepared the following agenda for NRC interviews around individuals previous commitments. With the exception of Shapiro and Russen (and you of course being out of town) all others are flexible.

Wednesday, June 21/89

9:00 - 10:30 A.M.	P. Shapiro ✓
10:30 - 12:30 A.M.	J. Russen ✓
1:00 - 2:30 P.M.	F. Giaquinto ✓
2:30 - 4:00 P.M.	T. Varaklis ✓
4:00 - 5:30 P.M.	J. Singleton ✓

Thursday, June 22/89

9:00 - 10:30 A.M.	J. Scandalios ✓
10:30 - 12:00 P.M.	J. Masino

cc: To all
Roy Lessy
Joe Nienstadt

Oath!

I/11)

Release

~~XXXXXXXXXX~~