



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA STREET, N.W., SUITE 2900  
ATLANTA, GEORGIA 30323-0199

Report Nos. 50-348/94-12 and 50-364/94-12

Licensee: Southern Nuclear Operating Company, Inc.  
600 North 18th Street  
Birmingham, AL 35291-0400

Docket Nos. 50-348 and 50-364

License Nos. NPF-2 and NPF-8

Facility Name: Farley 1 and 2

Inspection Conducted: April 12 - 14 and May 4, 1994

Inspector: William J. Tobin 5/12/94  
William J. Tobin, Senior Safeguards Inspector Date Signed

Accompanying Personnel: David H. Thompson, Safeguards Inspector

Approved by: David R. McGuire 5/12/94  
David R. McGuire, Chief Date Signed  
Safeguards Section  
Nuclear Materials Safety and Safeguards Branch  
Division of Radiation Safety and Safeguards

SUMMARY

Scope:

This special announced inspection was conducted at the licensee's Corporate Office in Birmingham, Alabama, to review corrective actions taken as a result of an inspection of the licensee's Access Authorization Program (Report Nos. 50-348 and 50-364/93-05). Several Violations, Non-Cited Violations and Unresolved Items were identified during that inspection. By letters dated June 30 and September 2, 1993, the licensee responded to the inspection's results. Additionally, Licensee Event Report No. 93-S01, dated December 3, 1993, was reviewed.

Results:

No violations were identified as a result of this re-inspection of the licensee's Access Authorization Program. All the prior items will be closed in that corrective actions appear to be appropriate. The licensee's Access Authorization Program currently meets NRC requirements. The licensee's actions regarding access revocation (Licensee Event Report No. 93-S01) were also reviewed and found to be adequate.

## REPORT DETAILS

### 1. Persons Contacted

#### Licensee Employees

- \*R. Culver, Licensing Coordinator, Corporate
- \*G. Hairston, Executive Vice President
- R. Mayfield, Manager, Corporate Nuclear Security
- \*K. Purington, Access Coordinator, Corporate
- \*J. West, Access Manager, Corporate

\*Attended exit interview

### 2. Licensee's Corrective Actions to Prior Violations, Non-Cited Violations and Unresolved Items

#### a. 93-05-01 (CLOSED) Failure to record accurate background investigation data.

By letter dated June 30, 1993, the licensee admitted that their records associated with access authorization were inaccurate due to personnel error, and that through training, procedural enhancement and improved computer systems data full compliance would be achieved by September 30, 1993.

Prior to this inspection, the NRC's Senior Resident Inspector at the Farley Nuclear Plant furnished the inspectors with 27 random names (contractors/employees) who were authorized unescorted access to Farley vital areas. Review of those 27 randomly selected personnel files, including both Farley and contractor employees, confirmed that screening actions to include the background investigations were complete, thorough and in compliance with regulatory requirements.

Based on the inspectors' review of records and related documentation it was concluded that the licensee's corrective actions had established an effective and viable program for review and verification of the background of employees and contractor personnel as a prelude to granting unescorted access.

#### b. 93-05-02 (CLOSED) Failure to notify individuals of their responsibility to report arrests.

By letter dated June 30, 1993, the licensee admitted that it had not notified all individuals (to include contractors) of their responsibility to report arrests, due to personnel error, and that through training, revision to the Personal History Questionnaire,

General Employee Training and Contractor Access Authorization Programs, full compliance had been achieved June 11, 1993.

Through reviews of Reinstatement Requests, General Employee Training Handbooks, and Personal History Questionnaires for Security Clearance, the inspector determined that the licensee has notified workers of their responsibility to report any arrest which could impact upon their trustworthiness. The licensee has defined the "arrest" criteria to exclude non-custodial (not held in jail or other facility) misdemeanors as being nonreportable. However, all misdemeanors or felony convictions involving drugs or alcohol must be reported.

There exists some differences within the licensee's organizations as to the effective date to be used for reporting arrests. The Rule was to be fully implemented by April 27, 1992. Employees at the Farley and Vogtle Stations have been instructed to report arrests occurring as of March 13, 1992. Employees at the Hatch Station have been instructed to report arrests occurring as of June 9, 1992 (date of the licensee's letter certifying compliance with the Rule). However, a March 8, 1993, memo to various individuals badged or likely to be badged at the licensee's three stations, from the Manager of Project Control and Administration Nuclear, states "they are to report any arrests since January 1, 1992." While there appears to be these differences, the dates precede NRC's implementation date for the Rule, with the exception of the Hatch Station which certified compliance in its Physical Security Plan on June 4, 1992.

Relative to another issue, by letter dated June 30, 1993, the licensee responded to the NRC stating corrective actions concerning contractors, that is, informing contractors of the definition of arrest, was completed as of June 11, 1993. The inspectors reviewed additional Southern Nuclear Operating Company correspondence dated June 29, 1993, to contractors requesting the results of their corrective actions to this violation. During discussion with the licensee, the inspectors learned that these additional letters to the home offices of vendors were in addition to the site verification by the licensee that currently badged contractors had been informed of their responsibility to report any arrest. Therefore the corrective action completed on June 11, 1992, was adequate to close this violation.

c. 93-05-03 (CLOSED) Failure to have a "grandfather" procedure.

As documented in paragraph 2.d(1) Procedures of Inspection Report No. 93-05, this non-cited violation, Severity Level V, was corrected after the Exit Meeting. During this special re-inspection of the licensee's Access Authorization Program the inspectors reviewed Corporate Security Department Procedure No. 2, Revision 2, dated April 1, 1994, titled Access Authorization Program and Access Policy Memos 1 through 5. The licensee

currently furnishes sufficient guidance, to include "grandfather" criteria, to its staff. Policy memos are initially written to address a specific problem or issue and are later incorporated into the Procedure as necessary. Procedure No. 2 was being revised to enhance the guidance regarding suspension of access if falsification of records is discovered. (See paragraph "f" of this Report for a further discussion of this procedural improvement). The corrective action was considered adequate to close the violation.

d. 93-05-04 (CLOSED) Interpretation of various criteria.

As documented in paragraph 2a., 2b., and 2d(1) of Inspection Report No. 93-05, this Unresolved Item dealt with interpretation of criteria relative to the following:

- The licensee did not reprint those individuals whose fingerprint cards were returned from the FBI as being "illegible." Currently, the licensee uses Fingerprint Procedure Supplement No. 4 to CSP-2 which requires the re-fingerprinting of individuals, if available. All active clearance files have been reviewed and fingerprints verified as appropriate by the licensee.
- The licensee, in one case, had conducted a "clinical interview" between the individual and the psychologist over the telephone. Currently, the licensee's licensed psychologist conducts clinical interviews in a "face to face" environment, and not by telephone.
- The licensee, in their procedure and related documents, required individuals to report a wide variety of criminal/civil legal matters as "any arrests." Currently, "any arrest" is defined as a custodial event (See paragraph "b" of the report for a further discussion of this issue).

The licensee has appropriately resolved these interpretation problems.

e. 93-05-05 (CLOSED) Failure to sign a request for release of information.

As documented in paragraph 2.d(3) of Inspection Report 93-05, this non-cited violation, Severity Level V, dealt with an isolated example of no signature (or witness), to reflect the consent of the individual on a request card for fingerprinting.

During review of approximately 27 Access Authorization files the inspectors noted that each consent form for requesting a fingerprint check was signed by the individual being fingerprinted. The licensee had reviewed each record, and, in the event that they found a file with a consent form missing they had



placed a memo in the record stating that the consent form had been found missing and did not try to go back and get a signature after the fact. The licensee had established procedures to have a witness sign the consent form in the event that an individual refused to sign the form. The witness was attesting that the individual had read and understood the licensee's intent to submit the request for a fingerprint check and what they intended to use the fingerprint check information for. The corrective action was considered adequate to close the violation.

f. 93-05-06 (CLOSED) Failure to suspend access of contractors following audit.

By letter date June 30, 1993, the licensee denied this violation and contended that there was assurance of the trustworthiness and reliability of several contractors whose Access Authorization Program failed a licensee audit and therefore was no longer licensee approved. However, the licensee believed that it should have more formally documented the basis for its assurance, and would enhance Security Procedure No. 005 to provide more specific guidance for documenting records. In a letter dated August 6, 1993, the NRC reaffirmed that the violation was correct as stated.

As previously noted in this Report, the security procedures have been revised and are now Policy Memos and Supplements. Currently, the procedures would require the Corporate Nuclear Security manager to recommend to management the suspension of access if high assurance of trustworthiness and reliability was lessened due to falsification of a background investigation. Minor data errors, that would not lessen the high assurance criteria, would not result in a recommendation of access denial. It is the licensee's policy to inform management of substandard or improper implementation of a contractors access program, perform an investigation, and make a recommendation based upon a review and evaluation of all pertinent information.

The inspectors noted several examples of the licensee either revoking access, or investigating to see if any workers were currently badged, when the high assurance of trustworthiness was lessened. The examples listed below are in addition to the event (another example) discussed in paragraph 3 of this Report:

- ° In November, 1993, a valve vendor's Access Authorization Program was judged by the licensee's auditors to be deficient. None of the contractor's workers were badged therefore, no access needed to be suspended. The licensee now provides the Access Authorization Program for this vendor.
- ° In December, 1993, upon learning of a major contractor's failure at another licensee to have an acceptable Access Authorization Program, the licensee investigated and found

that none of these contractors were actively badged at their facilities.

- In September, 1993, a food vendor failed a licensee audit because of an unacceptable clearance program. The licensee investigated and determined that none of the current employees had background investigations effected by the reasons for the failed audit, and thus no access needed to be suspended.

These corrective actions are adequate to close this violation.

g. 93-05-07 (CLOSED) Failure to log violations.

By letter dated September 2, 1993, the licensee neither admitted nor denied this violation regarding the failure to log two safeguards events in the logs as required by 10 CFR 73.71. However, as corrective action the events were logged in the appropriate logs, and security supervision was retrained on the reportability criteria.

The inspectors reviewed the licensee's Access Policy Memo No. 5, Reporting Requirements for Access Authorization Events, dated March 15, 1994, and noted that the guidance provided should preclude failure to log events as noted during the previous inspection. Additionally, the inspectors reviewed licensee events that were logged or reported to the NRC within one hour, concerning Access Authorization issues that failed to meet regulatory requirements. This violation is closed based upon these adequate corrective actions.

3. Licensee Event Report No. 93-S01 (CLOSED) Access Authorization Revoked Due to Falsification of Records.

By letter dated December 3, 1993, the licensee reported that a contractor who had falsified information relative to a prior arrest had been suspended on November 10, 1993, upon receipt of an FBI fingerprint record. A "one hour" report was made on November 11, 1993, following an interview of the contractor and a decision made to terminate his access authorization.

On September 24, 1993, a contractor employee applied for unescorted access at the Farley Nuclear Plant. The employee had successfully completed the required chemical testing on September 15, 1993 and psychological testing on September 16, 1993. All other criteria for temporary access were completed, and on September 24, 1993, the individual was granted temporary access authorization. A vital and protected area access security badge was issued September 24, 1993. The individual began work processing laundry with the Waste and Decon Group, which required access to vital areas as part of his assigned duties.

On November 10, 1993, SNC Corporate Security received information indicating that the results of the FBI fingerprint check on the contractor employee revealed prior felony arrests that had been omitted from the personal history questionnaire. The security badge of the individual was immediately removed from the badge rack and the access control computer was updated, to suspend further access.

On November 11, 1993, a SNC Corporate Security representative interviewed the individual concerning the omissions. As a result of this interview, the decision was made on November 11, 1993, to revoke the access authorization of this individual based on the fact that access authorization would not have been given had the individual listed the same information on the personal history questionnaire. The Access Control System was updated to indicate revocation of the individual's access.

Based on the review of the event, the inspectors concluded that the event should be closed and that termination of the employee was another example of the licensee's procedure to terminate employee's if there is a concern about their background.

#### 4. Exit Interview

The Exit Meeting was held on April 14, 1994, at the licensee's Corporate Offices in Birmingham, Alabama, with those so noted above in attendance. The inspector informed the licensee of the preliminary results of this inspection.

The licensee's senior representative spoke of his desire to continue to improve the security program and of the need for continued open communication between the NRC and the licensee. No dissenting comments were noted.