

United States  
Nuclear Regulatory Commission



# Report of Investigation

RADIATION TECHNOLOGY, INCORPORATED:

DETERMINATION OF THE VERACITY OF STATEMENTS MADE BY LICENSEE MANAGEMENT/  
ADDITIONAL INFORMATION

Office of Investigations

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Title: RADIATION TECHNOLOGY, INCORPORATED:

DETERMINING THE VERACITY OF STATEMENTS MADE BY LICENSEE MANAGEMENT/  
ADDITIONAL INFORMATION

Licensee:

Radiation Technology, Incorporated  
108 Lake Denmark Road  
Rockaway, New Jersey 07866

Docket No.: 030-07022

Case No.: 1-89-0065

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## SYNOPSIS

On February 12, 1990, at the request of the Regional Administrator, Region I, Nuclear Regulatory Commission (NRC), the Office of Investigations (OI) initiated a supplemental investigation to reinterview the former Radiation Safety Officer (RSO) of Radiation Technology, Inc. (RTI), to determine if: (1) the President/Chief Executive Officer (CEO) of RTI had known, prior to the April 26, 1989, Enforcement Conference (EC), of the "keyless entries" into the irradiator cell at RTI, including the documented incidents of the climbing of the cell maze door; and (2) other matters relative to licensed activities were addressed by licensee management in preparation for the EC that might possibly bear on the integrity of senior management.

At the April 26, 1989, EC, licensee representatives, including the CEO, in response to NRC staff questions, denied (or failed to disclose) that they had prior knowledge of "keyless entries" into the irradiator cell. Additionally, during the CEO's personal interview with OI on June 22, 1989, he said that he was on distribution for a memorandum (dated April 24, 1989), authored by the former RSO, which depicted cell entries by operators who had climbed over the cell access door. Even though that memo was dated two days before the EC, the CEO claimed during his June 22 OI interview that he didn't read the memo until sometime in May 1989, and that he knew of no "keyless entries" prior to the EC.

During this supplemental investigation, the former RSO of RTI was interviewed and reported that all the EC attendees, including the CEO, were aware that one irradiator operator had claimed that he pushed open the cell access door without utilizing the required key, as the result of a temporary looseness problem with the door latch system. However, the former RSO maintained that the climbing of the cell access door, although a serious safety concern that was known by the majority of the RTI plant personnel, was not discussed at a April 25, 1989, management meeting which was held in preparation for the EC. The former RSO further stated that the matter was not discussed at 2-3 pre-EC meetings held at RTI prior to the April 25 management meeting. The former RSO said he might have made an "off the cuff" remark to the CEO about the climbing incidents prior to the EC, but he could not be certain that he had. The former RSO noted, however, that in addition to himself, the Vice President of Operations/Engineering and the Vice President of Quality, both of whom attended the EC, were aware of the climbing incidents prior to the EC.

Testimony of the former RSO indicated that the corporate attorneys, with agreement from the CEO, directed that the RTI EC attendees limit the answers they were to provide to the NRC at the EC and to not "give in" to the NRC on anything. The former RSO said that they were told by corporate counsel before the EC to be honest but not to elaborate.

Finally, the former RSO admitted that one irradiator operator reported that he had problems with the door latch being loose on more than two occasions and that on each occasion the irradiator operator said he pushed open the door without using the key. The former RSO admitted that, as RSO, he should have considered the door latch to be less than fully functional after the second notice was provided by the irradiator operator.

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## ACCOUNTABILITY

The following portions of this Report of Investigation (Case No. 1-89-0065) will not be included in the material placed in the PDR. They consist of pages 3 through 15.

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APPLICABLE REGULATIONS

10 CFR 30.9: Completeness and Accuracy of Information

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## DETAILS OF SUPPLEMENTAL INVESTIGATION

### Purpose of Supplemental Investigation

This investigation was initiated by the Office of Investigations (OI) on February 12, 1990, at the request of the Regional Administrator (RA), Nuclear Regulatory Commission (NRC), Region I, King of Prussia, Pennsylvania. The request was for additional information to supplement the captioned investigation. Through reinterview of the former Radiation Safety Officer (RSO) of Radiation Technology, Inc. (RTI), Rockaway, New Jersey, OI was requested to determine if: (1) the President/Chief Executive Officer (CEO) of RTI, had known prior to the April 26, 1989, Enforcement Conference (EC), of the "keyless entries" into the irradiator cell at RTI, including documented incidents of the climbing over of the cell maze door; and (2) other matters relative to licensed activities were addressed by licensee management in preparation for the EC that might possibly bear on the integrity of senior RTI management. The request for investigation is Exhibit 1.

### Background

On April 26, 1989, during an EC, NRC staff members asked a series of questions relative to the licensee's prior knowledge of any "keyless entries" into the irradiator cell. In response, the licensee representatives, one of whom was the CEO John SCANDALIOS, denied (or failed to disclose) that such entries had occurred. Additionally, an OI interview of SCANDALIOS on June 22, 1989, disclosed that SCANDALIOS said he was on distribution for a memorandum authored by RSO John RUSSEN (dated April 24, 1989) which depicted cell entries by operator's who had climbed over the cell access door. SCANDALIOS had said that the memo was not provided to him until sometime in May 1989, after the EC (Exhibit 1).

INVESTIGATOR'S NOTE: The OI investigation (Case No. 1-89-006) determined that SCANDALIOS was on distribution for a memo from RUSSEN, dated April 17, 1989 (Exhibit 2), which explained and documented the events involving the cell maze access door (cell door) knob. This memo noted in substance that Irradiator Operator Michael AYRES had indicated that he pushed the cell door open while the source was up due to the loosened state of the door knob. The investigation also determined that another memo from RUSSEN to all operators, dated April 24, 1989 (Exhibit 3), existed at RTI. This memo depicted entries into the cell that had been made by operators who climbed over the cell door. However, the investigation revealed that SCANDALIOS was not on distribution for the April 24th memo even though he said during his June 22, 1989, OI interview, that he was copied on it and read it, within a day of it being issued to him sometime in May 1989.

After a Region I NRC-OI staff briefing on January 19, 1990, regarding the results of the OI investigation (Case No. 1-89-006), the RA requested the additional interview of RUSSEN to ascertain the extent of SCANDALIOS's pre-EC and pre-OI interview knowledge of matters discussed at the EC; and RUSSEN's knowledge of other matters that possibly could bear on the integrity of current RTI senior management.

Interview with John B. RUSSEN, former RTI RSO

On February 7, 1990, RUSSEN was interviewed by the reporting Investigator (Exhibit 4). RUSSEN provided a detailed chronology of what transpired at the April 25, 1989, management meeting that took place in preparation for the April 26th EC. On the evening of April 25, 1989 (a Tuesday), RUSSEN; SCANDALIOS; Tass VARAKLIS, Vice President of Operations/Engineering; and Paul SHAPIRO, Vice President of Quality, participated in a 2-3 hour dinner meeting with the corporate attorneys, Roy LESSY and Bob RILEY. RUSSEN advised that the meeting involved discussions of each and every violation that was noted in the NRC inspection report. RUSSEN reported that the meeting was primarily conducted by LESSY. He advised that LESSY determined who from RTI management would respond to which noted violation at the EC. RUSSEN acknowledged that RTI's participation and actions at the EC had basically been choreographed by LESSY.

RUSSEN reported that the violation concerning the failure to maintain a fully operational latch mechanism on the cell door was discussed at length. RUSSEN could not recall if the April 17, 1989, memorandum (Exhibit 2), which he prepared for SCANDALIOS, had been in the meeting room on the evening of April 25, 1989. RUSSEN, however, stated that the contents of that memo were "definitely" discussed at the April 25th meeting, the night before the EC. RUSSEN explained that the tightening of the door knob latch; the fact that AYRES reportedly had found it loose on more than one occasion; and AYRES' contention that he pushed open the cell door without using the key, was discussed. RUSSEN disclosed that LESSY advised him, SCANDALIOS, SHAPIRO, and VARAKLIS to concentrate on the mechanics of the cell door knob and latch system while at the EC, and not the individual instances of any reported problems.

RUSSEN reiterated that his reason for not providing this information at the EC was because he thought the NRC was well aware that AYRES had been able to push open the cell door, and that that was one of the primary reasons for the EC. RUSSEN said he believed that he had read in an NRC report of some kind that AYRES was able to go through the cell door without using the latch key.

INVESTIGATOR'S NOTE: A subsequent review of the notice of EC documents, including the subject inspection report, failed to reveal any indication that AYRES had actually pushed his way through the cell door without utilizing the required key.

RUSSEN reported, that in addition to the April 25, 1989, meeting, there were two or three additional meetings held at RTI during the week preceding April 25th. RUSSEN said these meetings were also held in preparation for the EC and were attended by the same management individuals who attended the EC. RUSSEN reported that AYRES' contention that he breached the cell door without using the key had also been discussed at these meetings. Also, concerning his April 17, 1989, memo (Exhibit 2), to SCANDALIOS, RUSSEN reported that he wanted accurate facts, so he summoned AYRES to his office at RTI where they (RUSSEN and AYRES) discussed what had taken place (the fact that AYRES was able to push the cell door open without utilizing the required key). RUSSEN reported that he then prepared the memo for SCANDALIOS. RUSSEN believed that shortly thereafter, he talked with SCANDALIOS in SCANDALIOS' office about the contents of the memo.

RUSSEN said that he did not typically hand deliver any memos to SCANDALIOS but said that this was one occasion when he might have. RUSSEN explained that normally his memos would have been initialed by him after review and then placed by him into the mail slots for whom the memo was prepared. He advised that a secretary then, in the normal course of business, delivered the memo mail on a daily basis to SCANDALIOS or others on distribution.

RUSSEN was queried by the reporting Investigator regarding the memo he wrote on April 24, 1989 (Exhibit 3), concerning the climbing of the cell door by some of the operators. RUSSEN said he did not know whom in RTI management read that memo, other than VARAKLIS, who directed that RUSSEN write it. RUSSEN also noted that VARAKLIS was copied on the memo but he did not believe anyone else in management was on distribution. He said that all the operators got a copy and a copy of it was placed on the bulletin board by the time clock, and in the control room of the irradiator. RUSSEN stated that RTI is a small company and the incidents of climbing over the access door to get into the cell was, "something that I probably would have discussed with SCANDALIOS," but RUSSEN did not specifically recall doing so. RUSSEN reported that he definitely did not have an official sit-down meeting or briefing with SCANDALIOS regarding the climbing incidents like he did concerning the April 17, 1989, memo.

RUSSEN emphatically denied that the April 24, 1989, memo (Exhibit 3) regarding the climbing incidents had been discussed at the meeting on the night before the EC. RUSSEN did not believe the memo was present in that meeting. RUSSEN acknowledged that the climbing of the cell door to enter the cell was a serious safety concern; however, he said that the topic never came up at any of the pre-EC meetings because those meetings entailed a thorough going-over of the NRC inspection violations and findings, none of which included the climbing of the cell door.

RUSSEN was asked by the reporting Investigator that, to his knowledge, who in addition to himself, was aware of the cell door being breached by the climbing method. RUSSEN stated emphatically that VARAKLIS knew. RUSSEN disclosed that he had learned from someone at RTI that VARAKLIS had told the reporting Investigator during an official interview that he (VARAKLIS) was not aware of the climbing incidents and had nothing to do with the April 24, 1989 memo (Exhibit 3) being written, or of the contents thereof. RUSSEN confronted VARAKLIS about VARAKLIS' apparent lie to the reporting Investigator. RUSSEN claimed VARAKLIS told him that he forgot about the climbing incidents and the memo, and blamed his lack of recollection on "being an old man."

RUSSEN stated that he was confident that he had conversation with SHAPIRO about the climbing incidents since SHAPIRO was the quality control manager. He reported that additional individuals, such as John SINGLETON, the plant superintendent, were also aware of the incidents because RUSSEN discussed them in his presence during the operator's meeting, which RUSSEN believed took place on April 11, 1989. RUSSEN repeated that RTI is a very small company and that when something like the climbing incidents occur, and they are found out, word of the incidents spreads to the majority, if not all, of the people at the company. Beyond that, RUSSEN said he could not definitively state who knew and who didn't know.

RUSSEN further explained that the matter of the climbing incidents was handled by him and VARAKLIS by way of the operator's meeting and the April 24, 1989, memorandum. RUSSEN said he saw no need to officially brief SCANDALIOS, especially since RTI management was in the process of trying to prepare for the violations which were to be addressed at the EC.

RUSSEN provided his observations of the manner in which RTI management and the corporate attorneys went about preparations for the EC. RUSSEN reiterated that LESSY instructed all of the RTI EC attendees to concentrate on the mechanics of the cell door latch system and the method by which the cell door was opened (i.e., unlatching the door with the key and merely pushing it open with the foot). They were advised by LESSY to answer only the specific question asked by NRC officials; to keep the answers short and to the point; not to elaborate; and not to get off the track. RUSSEN reported that they were "more or less given a script of answers" for each violation and were instructed to try to stay within the script. RUSSEN said that this philosophy bothered him because he (RUSSEN) sometimes needs elaboration to get a point across. RUSSEN stated that SCANDALIOS agreed with LESSY on this type of approach. RUSSEN stated that he was only the RSO and had to go along with what the lead attorney and SCANDALIOS desired. RUSSEN said that he was told by LESSY to be honest, but not to talk too much at the EC. RUSSEN stated that at no time during the course of the NRC inspection, EC, or the OI investigation, was he told to be less than truthful by any RTI manager or attorney.

RUSSEN disclosed that one of the approaches that was agreed on during the meeting the night before the EC was to challenge each and every violation that the NRC brought up. RUSSEN recalled that at the EC, he and VARAKLIS verbally agreed to a "few" of the violations noted by the NRC since the inspection report appeared to be accurate on those counts and they (RTI) appeared to be wrong. RUSSEN disclosed that at the conclusion of the EC, all the RTI managers in attendance, along with the corporate attorneys, held a lunch meeting to discuss the results of the EC. RUSSEN disclosed that SCANDALIOS verbally "chastised" him and VARAKLIS for "giving in" to the NRC and conceding that RTI was wrong. SCANDALIOS, according to RUSSEN, reiterated that the plan had been for RTI to challenge each one of the violations at the EC. RUSSEN said he told SCANDALIOS that they (RTI) were in violation on a "few" items but SCANDALIOS, according to RUSSEN, continued to berate him. RUSSEN said he felt "belittled" during and after that lunch meeting and it was that, more than anything else, that led to his feeling that he "couldn't work there anymore under those conditions."

RUSSEN explained that the conditions he was referring to were primarily the result of his consistent difference of opinion with SCANDALIOS, and to a lesser degree, SHAPIRO. RUSSEN related that SCANDALIOS is apparently a good businessman but opined that his basic motivation was profit. RUSSEN said SCANDALIOS was hired to "turn the company around." RUSSEN stated that he (RUSSEN) never let the profit factor interfere with his RSO duty of assuring radiation safety. RUSSEN contended that SHAPIRO basically "went along with the program" and usually sided with SCANDALIOS when it came to matters of differing opinions.

RUSSEN disclosed that sometime before the April 26, 1989, EC, he (RUSSEN), by way of word and written memorandum, asked to be relieved of one of his sets of

duties (plant manager/RSO) because he was not satisfied that he could do the two jobs satisfactorily. RUSSEN stated that he now believes that it is a conflict of interest to perform both sets of duties i.e., profit, as plant manager vs. safety and dealing with the NPC, as the RSO. RUSSEN noted that his request for a severance of his RSO duties was denied.

The reporting Investigator, while referring to RUSSEN's transcript of his June 22, 1989, OI interview, discussed with RUSSEN the number of times that AYRES informed him of the problems he (AYRES) apparently had with the cell door latch. RUSSEN admitted that there were more than two instances that AYRES notified him of a problem, and that each time AYRES had told him, he (AYRES) also said he was able to force the door open without using the required key. RUSSEN admitted that he should have taken better corrective action "probably after the first notice was given" by AYRES and "definitely" after the second notice was provided. RUSSEN added that he should have considered the door latch system to be less than fully functional at the second notice given by AYRES. However, RUSSEN reiterated that upon completion of the corrective actions taken (i.e., the tightening of the knob and/or face plates) he and AYRES were completely satisfied that the door latch system was in proper operating order and prevented inadvertent entry.

#### Status of Supplemental Investigation

This interview disclosed apparent indications that the free-flow of information between the licensee and HRC had been somewhat hindered as a result of the "non-elaboration" philosophy adopted by RTI management prior to the EC. However, in the absence of additional significant information that warrants further OI inquiry, no further investigative effort will be expended by this office. This investigation is CLOSED.

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LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1	Memorandum from Regional Administrator, Region 1, to Regi I OI Field Office Director, dated January 31, '990.
2	April 17, 1989, Memorandum from John RUSSEN to John SCANDALIOS. Subject: Explanation and Documentation of the Events Involving the Cell Door Knob.
3	April 24, 1989, Memorandum from John RUSSEN to all Operators. Subject: Cell Door.
4	Report of Interview with John B. RUSSEN, on February 7, 1990.