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

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June 15, 1981

MEMORANDUM FOR: File

FROM: David H. Gamble, Investigator *David H. Gamble*
Office of Inspector and Auditor

Albert Puglia, Investigator *Albert S. Puglia*
Office of Inspector and Auditor

SUBJECT: ZIMMER PLANT - ALLEGATIONS OF DEFICIENT CONSTRUCTION

On June 3, 1981, Investigators David Gamble and Albert Puglia, Office of Inspector and Auditor, reviewed the Kaiser Engineering, Inc. (KEI) OA Nonconforming Material Report Logs (both open and closed) in the KEI, OA document control office at the Zimmer site. The investigators asked Floyd Oltz (supervisor of the KEI, OA document control office) to explain the numerous log entries which contain a control number - but no nonconformance report (NR) number - and a red stamp reading "INSPECTION REPORT." Oltz replied that this notation is supposed to be used only when defective material has been received which is to be sent back to the vendor; he said no additional documentation of these materials rejections are kept by KEI, because the defective materials never formally enter the KEI supply system at Zimmer. Oltz observed as he reviewed the logs that the "INSPECTION REPORT" stamp was improperly placed on entries concerning NR's - not relating to materials receipt - that were voided before an NR number was assigned. Oltz said there was no additional documentation for these NR's because these NR's were never received in his office. Oltz again stated that the entries marked "INSPECTION REPORT" had been made in error and there were no corresponding written reports in KEI's possession. Oltz said he would have to remind his employee that makes these entries - "Kathy" (Faubian) - not to stamp "INSPECTION REPORT" in these instances.

The investigators contacted Kathy Faubian who stated that the voided NR's without NR numbers are filed with the "inspection reports" by control number in a separate file system.

Investigators Gamble and James McCarten (IE: Region III) located three files in the KEI records vault which contained a large number of NR's which were stamped "INSPECTION REPORT." Some of the NR's were marked "void" and others "closed." Gamble and McCarten returned the files to

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the vault and unsuccessfully attempted to locate Cincinnati Gas and Electric Company (CG&E) QA Manager Dennis Waymire to apprise him of the discovery.

Gamble and McCarten returned to the vault to find it had been locked for the evening (the time being 4:00 PM). Upon request CG&E QA Engineer Hoffman located "Patty" (CG&E) who had the key to the vault and had her reopen it for MRC. Also present at this time was "Rosemary" (a KEI employee who regularly staffs the vault) and CG&E contract guard Jerry Parsons. Rosemary retrieved the three files from the vault. Gamble and McCarten placed the files into a cardboard box, sealed it with strapping tape, and signed across the tape. The box was then returned to the vault which was then locked. Patty and Rosemary stated that the vault would not be opened before 7:30 the next morning.

The next morning the vault was opened by Patty under the direction of CG&E QA staff with Investigators Gamble and McCarten present. Investigators Gamble and McCarten took custody of the three files of NR's and, after reviewing them, returned to CG&E all but 62 NR's (see attached list). These 62 NR's were the ones determined to be not actual "inspection reports."

Attachment:
As stated

cc: J.B. McCarten, Region III

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Control numbers of nonformance reports received from KEI on June 4, 1981:

1119	2393	2517	2578	4374	4954	5070	5205
1192	2394	2519	2579	4389	5035	5122	5217
1240	2395	2542	2580	4686	5061	5173	5230
1300	2396	2550	2911	4688	5062	5191	5353
1468	2413	2551	3189	4722	5056	5196	5354
1561	2460	2552	3278	4859	5067	5201	5357
1752	2502	2553	3847	4904	5068	5203	
2326	2503	2554	4349	4932	5069	5204	

ATTACHMENT

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